

Division(s): N/A

## **PENSION FUND COMMITTEE – 06 SEPTEMBER 2013**

### **EMPLOYER UPDATE**

#### **Report by Assistant Chief Executive and Chief Financial Officer**

##### **Introduction**

1. This report is to update members on recent employer issues including applications for admission and the closures of scheme employers.

##### **Update on Previous Applications for Admission**

2. The progress on previously agreed admission for:
  - Pabulum application has been withdrawn.
  - Fresh Start Catering – one admission agreement has been circulated, for signature but still awaiting signed copy; second contract still to be finalised.
  - Hayward Cleaning Services – admission agreement to be finalised
  - Carillion – a revision to the admission agreement to include the additional 61 staff has been circulated but not yet signed.
  - Banbury Museum Trust admission has been rescheduled to 01 October 2013
3. The novation of the admission agreement from Abingdon Citizen's Advice Bureau to the Oxfordshire South & Vale Citizen's Advice Bureau was signed on 15 July 2013
4. The Deed of Rectification to extend the Vale Capita admission to 2016 and incorporate a further group of staff who transferred to Capita has been circulated for signing.

##### **New Requests for Admission**

5. The contract for further education and career advice for young people with special needs has been re-tendered. The previous provider (Connexions) was unsuccessful (please see closure below) and the contract has been awarded to Adviza for a period of one year with a possible twelve month extension, from September 2013.
6. Adviza are taking on the 4 staff that currently provide this service within Oxfordshire and are seeking admission to the fund as a Transferee Admission Body.
7. However, unlike previous contracts this is not a pass through arrangement and so all pension costs will be attributable to the contractor. A bond

assessment is being carried out, and the Council as the contracting employer will need to determine whether to require a bond to be put in place, or carry the risk of having to pick up any future deficit payable to the Pension Fund.

8. In addition an application for admission has been received from the following companies:
  - Edwards and Ward
  - Civica
  - School Lunch Company
  - Ecocleen Ltd
9. In all cases these companies will be providing services to either maintained schools and / or academies from 01 September 2013.
10. Maintained schools are required to take account of Fair Deal requirements when outsourcing any function, which is not happening in many cases; whereas academies are not required to do so but are taking account of Fair Deal.
11. Whilst the companies have been proactive in contacting the OCCPF it has been difficult in getting information from the schools, particularly during the holiday periods. As a result little information can be included in this report.

### **Employer Cessation**

12. The admission agreement for **Connexions** will cease on 31 August 2013. This admission agreement was linked to the contract for services and was set up on a pass through arrangement with liabilities remaining with Oxfordshire County Council.
13. **Elmore Community Services** advised that they would cease to be a scheme employer as at 31 March 2013. A subsequent closure valuation has confirmed that as an employer they are fully funded and there are no monies to pay.
14. **Oxfordshire Council for Voluntary Action (OCVA)** has contacted the Fund to say that their final scheme member is leaving employment at end December 2013. An actuarial valuation of liabilities is currently being assessed.
15. **AAA Norcap** – at the March meeting Committee was advised that this scheme employer had gone in to administration. The cost of the cessation valuation was £316,000.
16. Following the redundancy of the one remaining staff member there was an additional early strain cost of £27,209 which made the overall payment due to the Oxfordshire County Council Pension Fund total £343,029.
17. A claim has been submitted to the appointed administrators, Wilkins Kennedy.

18. Wilkins Kennedy has advised that they will be writing a report shortly to all creditors. However, indications are that as an unsecured creditor little, if any, of this amount will be recovered.
19. **SOLL Leisure** has advised that company is no longer trading and is seeking to appoint administrators to wind up this company. As yet OCCPF has not been advised of the administrator's details.
20. A closure valuation has been undertaken and the deficit to be recovered, calculated on an on-going basis, amounts to £38,000.
21. **Stonhams** has advised that their last scheme member left employment in February 2013. The request for a closure valuation has been delayed due to data issues but at the time of writing the report this valuation had been requested.

## **RECOMMENDATION**

22. **The Committee is RECOMMENDED to:**
  - a) **note the progress of previously approved applications for admitted body status;**
  - b) **approve the application for admitted body status by Adviza**
  - c) **delegate the approval of new admission bodies detailed above to the Service Manager (Pensions) following consultation with the Chairman of this Committee; and**
  - d) **note the cessation of scheme employers.**

Sue Scane  
Assistant Chief Executive and Chief Finance Officer

Background papers: None

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July 2013