

PENSION FUND COMMITTEE – 13 MARCH 2015

EMPLOYER UPDATE

Report by the Chief Finance Officer

Introduction

1. This report is to update members on recent employer issues including applications for admission.

Update on Previous Applications for Admission

2. In December this report detailed 33 applications for admission mainly from schools outsourcing either cleaning and / or catering services.

Admission agreements have been completed for:

- D F Williams / St Thomas More Catholic Primary School
- D F Williams / Our Lady of Lourdes Catholic Primary School
- The School Lunch Company / St John Fisher Catholic Primary School
- The School Lunch Company / St Joseph's Catholic Primary School
- The School Lunch Company / Appleton C of E Primary School
- The School Lunch Company / Chesterton C of E Primary School

Work is continuing in all other cases to get to the stage of signing the admission agreement.

New Requests for Admission

3. West Oxfordshire District Council is outsourcing its environmental and waste services to UBICO on 01 April 2015.

UBICO is a wholly owned local authority company which was originally set up by Cotswold District Council and Cheltenham Borough Council, both of whom have admission agreements with Gloucestershire County Council.

Three other councils will become shareholders of UBICO on 01 April 2015, one of which is West Oxfordshire District Council. As a result 34 staff, of which 25 are current scheme members, will be TUPE'd to UBICO.

Closure Valuations

4. AAA Norcap which was a Community Admission Body within the fund went in to administration in January 2013. The committee will be aware from previous reports that the full cessation cost, calculated on a low risk basis, amounted to £316,000.

In addition the last month of employee (£228.03) and employer (£1733.61) contributions were not paid over to the fund and an early strain cost (£27,029.73) was also incurred since the last member of staff was entitled to immediate payment of pension.

A claim was submitted to the administrator for the outstanding £316,000 and the fund was advised to make a separate claim to recoup the outstanding contributions of £27,991.37.

Last year a payment of £5,536.03 was received in final settlement against the claim of £316,000; and it has now been confirmed that the fund is not able to reclaim any of the underpaid pension contributions. This report therefore seeks committee approval to write off the outstanding value of invoices amounting to £338,455.34.

5. Work is continuing on cessation valuations in respect of SOLL Vale; Nexus and Sovereign Vale

RECOMMENDATIONS

6. **The Committee is RECOMMENDED to:**
 - a) **note the position regarding previous applications;**
 - b) **approve the application from UBICO providing that either a pass through arrangement, or a bond is put in place;**
 - c) **approve the write off in respect of AAA NORCAP; and**
 - d) **note the position regarding closure of scheme employers**

Lorna Baxter
Chief Finance Officer

Background papers:

Contact Officer: Sally Fox, Pension Services Manager, Tel: (01865) 797111

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