

PENSION FUND COMMITTEE – 14 March 2014

EMPLOYER UPDATE

Report by the Chief Finance 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. Admission agreements are in progress, but not finally signed / sealed for the following employers:
 - Fresh Start Catering – one admission is still to be finalised.
 - Hayward Cleaning Services for St Birinus– admission agreement still to be finalised
 - Civica for the St Birinus ICT contract, admission is still to be finalised.
 - Carillion – a revision to the admission agreement to include the additional 61 staff has been circulated but not yet signed.
 - The School Lunch Company for two contracts
 - Innovate
 - Caterlink
 - April Cleaning
3. The contract for services with Ecocleen Ltd. has not yet been finalised and so the admission agreement process is on hold. These contract issues also apply to Edwards and Ward.
4. Members will be aware that some of the above have been long standing agenda items. This is as a result of some ceding employers either not understanding, or not acknowledging their responsibilities around pension issues when they outsource staff to a contractor.
5. Obviously delays are not only a major concern but can have a huge impact on the scheme member. Therefore it is important to reduce the time taken to finalise these admission agreements, given that the correspondence can, and often is, passed to different people within the ceding body meaning that it is necessary to back track over the regulatory requirements.

6. Part of the solution is making sure the information available reaches those who are responsible for outsourcing of staff and there is an understanding of the financial implications of pensions in an outsourcing situation, all of which takes a large amount of resource.
7. Despite this it remains that there are admission agreements which are still not signed and some of the current discussions do not give any reassurance that they will be signed in the near future.
8. To force issues to conclusion the proposal to members is, in circumstances where no resolution can be found, to withdraw the admission agreement which would then force the employer to notify staff that their pension protection was not valid.

New Requests for Admission

9. Cara Cleaning Services – took one member of staff from Aspirations Academy in August 2013. The Service Manager (PIMMS) approved the admission on the basis that either a pass through arrangement or bond was put in place. This was not previously reported to committee.
10. Carillion now has a contract with East Oxford Primary School to provide cleaning services. The contract means that two members of staff transferring to Carillion from 01.02.14. The Service Manager (PIMMS) approved the admission on the basis that either a pass through arrangement or bond is put in place.
11. The Cleaning Co-Op has won a contract to provide cleaning services at Ducklington Primary School from 24 February 2014. This will result in the transfer of 2 members of staff, one of whom is a current member of the LGPS. The contract is for a rolling period of one year. The Service Manager (PIMMS) approved the admission on the basis that either a pass through arrangement or bond is put in place.
12. D F Williams has a five year contract with Our Lady of Lourdes School in Witney to provide cleaning services from 01 March 2014. This will affect one member of staff who is currently a member of the LGPS. The Service Manager (PIMMS) approved the admission on the basis that either a pass through arrangement or bond is put in place.
13. PAM Wellbeing Limited has three contracts with Oxfordshire County Council to provide occupational health services to both Oxfordshire County Council and Oxfordshire Fire Service and Staff Care Services.
14. There are no staffs to transfer in respect of either of the occupational health service contracts. Three members are being transferred under the Staff Care Service contract, two of whom are active members within the LGPS.

15. The contract is due to start on 1 April 2014. At the time of writing this report no information is available on the length of contract, or whether this will be agreed on a pass through basis.

Employer Cessation

16. There are no new cases in the last quarter and work is continuing to bring the following to conclusion:
- AAA Norcap
 - SOLL Leisure – subject to a separate report on this agenda
 - Stonhams
 - Oxfordshire Council for Voluntary Action (OCVA)
 - Oxfordshire Community Foundation

RECOMMENDATIONS

17. **The Committee is RECOMMENDED to:**
- (a) note the progress of previously approved applications for admitted body status;**
 - (b) agree to the withdrawal of admission agreements, in certain circumstances as detailed in the report;**
 - (c) approve the application for admitted body status by Cara Cleaning Services; Carillion; The Cleaning Co-Op; D F Williams and PAM Wellbeing Limited subject to either pass through arrangements or bonds being put in place; and**
 - (d) note the progress of previously reported cessation cases.**

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Background papers: Nil

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