

PENSION FUND COMMITTEE – 4 SEPTEMBER 2015

EMPLOYER MANAGEMENT

Report by the Chief Finance Officer

Introduction

1. This report is to update members of the key operational issues arising around individual employer member of the Fund including the latest performance data. It also includes updates on applications for admission to the fund and details of any cessation issues.

Employer Performance

2. Since the production of the Barnett Waddingham report (presented to the March meeting of the Committee) the monitoring of scheme employer actions has continued to evolve.
3. Within the Investment Team there is robust monitoring of the receipt of the money and the paperwork accompanying the payments. Processes in the Administration Team are more complex and therefore more time consuming. As Members are aware, the 2014 scheme introduced various changes requiring scheme employers to have greater responsibility for the data they produce and how this is provided to the Scheme Manager. This has been a steep learning curve for employers and the Administration Team.
4. The Appendix to this report presents the latest data reflecting the performance of the employers within the Fund. As presented to the Committee in June, this report initially focuses on the return of the monthly contributions and associated returns and the end of year data to provide a measure of each employer's processes, and the distribution of the annual benefit statements to all members as a measure of the accuracy of the employer data. The final column provides an overall assessment with green indicating minimal concerns, red highlighting major issues and amber reflecting some concern.
5. For this quarter's report, the data on late contribution returns is not available due to a change in the process for collecting this data. This data will be included in future reports. There are also no ratings shown for the production of annual benefit statements for active members. Under the Regulations these should all be published by 30 August. At the time of writing this report this process had been significantly delayed due to the diversion of team resources to support the transfer of services to the IBC in Hampshire as covered elsewhere on the Agenda.
6. The main issue reflected in this quarter's report is the number of late end of year returns, or returns with queries. Whilst staff within the team are working

with the employers to resolve the outstanding queries, each employer has been rated amber in the overall assessment, reflecting the fact that we cannot issue accurate annual benefit statements, pension estimates or pension payments whilst queries remain on member records. Just over 50% of the employers have been rated amber as a consequence.

7. There are 72 employers who have been rated green on the return, although this includes a number of the new employers who have not yet settled into the regular pattern of payments and returns.
8. This has left just 5 employers where we currently have more serious concerns. These concerns reflect the delays in the provision of data and/or responses to queries on the accuracy of the data despite a series of discussions with the employers. The conversations with Activate Learning, Oxford Community Work Agency and The Camden Society (4 employer records) are on-going to seek to resolve the outstanding issues.

Update on Previous Applications for Admission

9. Admission Agreements are now finalised for:

The School Lunch Company in respect of contracts with

- Hook Norton CE Primary School
- Wychwood Primary School
- The Batt Primary School
- St Joseph's Catholic Primary School
- St John Fisher Catholic Primary School
- Appleton Primary School
- Chesterton CE Primary School
- Cumnor Primary School
- The Batt CE Primary School
- Tower Hill Primary School, Witney

Fresh Start in respect of the catering contract at Bloxham CE Primary School

Innovate Services in respect of the catering contract at Cooper School

Cara Services in respect of the cleaning contract at Banbury Academy (Aspirations Academies)

Edwards and Ward in respect of the catering contract at Hailey Primary School

10. The Service Manager (PIMMS) has approved the following applications for admission in line with delegated powers from this committee. All of the admission agreements are on a pass through basis.

The School Lunch Company in respect of:

Bishop Loveday School

Number of Staff due to TUPE:4 (2 LGPS, 2 eligible)

Start date of Contract:01/04/2015

Length of Contract: 12 months rolling

Hook Norton Church of England Primary School

Number of Staff due to TUPE:4 (1 LGPS, 3 eligible)

Start date of Contract:01/04/2015

Length of Contract: 12 months rolling

Brize Norton Primary School, Carterton

Number of Staff due to TUPE:1 LGPS.

Start date of Contract:01/04/2015

Length of Contract: 12 months rolling

Queensway Primary School, Banbury

Number of Staff due to TUPE:1 LGPS, 3 Eligible

Start date of Contract:13/04/2015

Length of Contract: 12 months rolling

Edwards and Ward in respect of:

Benson CE Primary School, Benson

Number of Staff due to TUPE:1 LGPS.

Start date of Contract:03/09/2014

Length of Contract: 24 months rolling

Bladon CE Primary School, Bladon

Number of Staff due to TUPE:1 LGPS.

Start date of Contract:01/04/2015

Length of Contract: 24 months rolling

Orchard Fields Primary School

Number of Staff due to TUPE:1 LGPS, 2 eligible.

Start date of Contract:28/06/2015

Length of Contract: 3 years rolling

William Morris County Primary School

Number of Staff due to TUPE:1 LGPS.

Start date of Contract:23/05/2015

Length of Contract: 3 years rolling

St Andrew's Church of England Primary School, Headington

Number of Staff due to TUPE:2 LGPS.

Start date of Contract:16/02/2015

Length of Contract: 3 years rolling

Withdrawn Applications.

11. It has now been confirmed that there are no active and / or eligible scheme members working on the following contracts. Therefore the files have been closed.

The School Lunch :

Chadlington CE Primary – catering
Ducklington CE Primary – catering
Ducklington CE Primary – cleaning
Kidmore End Primary – catering
Leafield CE Primary – catering
Peppard CE Primary – catering
South Stoke Primary School – catering
Sacred Heart Catholic Primary School – catering
St Peters Cassington Primary School – catering
Valley Road Primary School – catering

Hayward Services: Icknield Community College – cleaning

Edwards and Ward:

North Leigh Church of England Primary School – catering
Manor School, Didcot – catering

Applications for New Admission

12. **Dementia Support Services** – these are currently provided by internal advisors along with a number of separate contracts with different organisations. All services are being pooled under one single contract which will start on 12 November 2015. The contract is for a period of 3 years with an option to extend for a further 2 years. As a result three staff will TUPE across to the new provider – Age UK Oxfordshire.
13. At the time of writing this report the procurement process is still in progress however, the Commissioning Manager has confirmed that the contract is not being let on a pass through basis and so Age UK Oxfordshire will be required to put a bond in place. The actuarial assessment will confirm the value of the bond.

Closure Valuations

14. There are no new closure valuations to report. Elsewhere in agenda is a confidential report regarding the approach to be taken with closure valuations.

RECOMMENDATIONS

15. The Committee is RECOMMENDED to:

- (a) note the position regarding scheme employer performance;**
- (b) note the position regarding previous applications;**
- (c) note the position regarding withdrawn applications;**
- (d) agree the admission of Age UK Oxfordshire providing that either a bond or pass through arrangement is put in place; and**
- (e) note the position regarding closure valuations.**

Lorna Baxter
Chief Finance Officer

Background papers: None
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