

PENSIONS COMMITTEE

12 June 2019

Title: Application for Admitted Body Status – Caterlink	
Report of the Chief Operating Officer	
Public Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: David Dickinson, Investment Fund Manager	Contact Details: Tel: 020 8227 2722 E-mail: david.dickinson@lbbd.gov.uk
Accountable Director: Helen Seechurn, Interim Director of Finance	
Accountable Strategic Director: Claire Symonds, Chief Operating Officer	
Summary: To consider the application for Admitted Body status from Caterlink to the Local Government Scheme (LGPS). The Committee is asked to agree the application for Admitted Body Status by Caterlink, as a 'closed' agreement.	

1 Introduction and Background

- 1.1 At present, the Pension Fund has a number of Admitted Bodies, some of which have been members of the London Borough of Barking and Dagenham Pension Fund (“the Fund”) for a number of years.
- 1.2 As the Administering Authority, the Council cannot decline to admit a contractor if the contractor and the letting authority agree to meet the relevant requirements of the Local Government Pension Scheme (LGPS) regulations. In cases where the requirement of the LGPS regulations have been met, the Pension Committee can agree to retrospectively agree an admission agreement.

2 T&CC Admission Agreement

- 2.1 Goresbrook School have appointed Caterlink as their catering contractor. Caterlink will be a Transferee Admission Bodies (TAB) within the LGPS. These are typically private sector companies or charities. They take on staff from a scheduled body as a result of an outsourcing of services and the transferring employees had a right to remain in the LGPS or a “broadly equivalent” scheme.

- 2.2 Caterlink will be responsible for the risks, including investment risk, bond yield risk, inflation risk, pay award risk, longevity and regulatory risk. Caterlink will require a bond.
- 2.3 The transfer of the staff from the Council to Caterlink was completed on a fully funded basis, with the pension deficit remaining with the Council. The contribution rate calculated by the actuary for T&CC is 24.7%.
- 2.4 This Admission Agreement is a 'closed' agreement and there is only one Member of staff.

3. Financial Implications

Implications completed by: Claire Symonds, Chief Operating Officer

- 3.1 It is now usual when considering requests for Admitted Body status to consider the financial risks that can fall upon the fund should the Admitted Body fall into financial difficulties. To mitigate these risks a form of financial guarantee or an indemnity bond is required.

4. Legal Implications

Dr. Paul Feild, Senior Governance Solicitor

- 4.1 As outlined in the report, there is the potential for the fund to carry a risk if the organisation which seeks admission defaults in its obligation. As a result, additional measures need to be taken in the form of an agreement back by a guarantor or a bond to cover possible losses if the organisation cannot meet its liabilities so as to ensure that the admission of the body does not present additional risks to the fund.