

## Report of the Section 151 Officer

Pension Fund Committee – 17 December 2015

### APPLICATION FOR SECOND 'ADMITTED BODY' STATUS OF RATHBONE TRAINING LTD. TO THE CITY & COUNTY OF SWANSEA PENSION FUND

<b>Purpose:</b>	The report requests approval to admit Rathbone Training Ltd as an Admitted Body in the City & County of Swansea Pension Fund for a separate contract.
<b>Reason for Decision:</b>	To ensure compliance with the Local Government Pension Scheme Regulations 2013 (as amended).
<b>Consultation:</b>	Legal, Finance
<b>Recommendation(s):</b>	It is recommended that:  1) The Pension Fund Committee approves a second application of Rathbone Training Ltd. as an admitted body to the City and County of Swansea Pension Fund, from 1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2019.  2) That the admission is subject to an indemnity provided from City and County of Swansea or an Insurance bond in an approved form with an authorised insurer or relevant institution, being put in place to protect the Pension Fund.
<b>Report Author:</b>	Lynne Miller – Pensions Manager
<b>Finance Officer:</b>	Jeff Dong – Chief Treasury & Technical Officer
<b>Legal Officer:</b>	Stephanie Williams
<b>Access to Services Officer:</b>	N/A

#### 1.0 Introduction

1.1 The Local Government Pension Regulations 2013 permit an Administering Authority to make an admission agreement with

“a body which provides a public service in the United Kingdom which operates otherwise than for the purposes of gain and has sufficient links with a Scheme employer for the body and the Scheme employer to be regarded as having a community of interest”.

1.2 Approval was given at the previous Pension Fund Committee, on 24 September 2015, to award Rathbone Training Ltd admitted body status for the Government's Work Based Learning 4 in Wales on behalf of staff transferred from Gower College on 1<sup>st</sup> April 2015.

1.3 It has subsequently been identified that staff also transferred to Rathbone Training Ltd. from the City and County of Swansea Employment Training Section from the same date.

1.4 The Regulations also specify

"If the admission body is exercising the functions of the Scheme employer in connection with more than one contract or other arrangement ... the administering authority and the admission body shall enter into a separate admission agreement in respect of each contract or arrangement".

Rathbone Training Ltd has therefore applied for a second admitted body status as a closed scheme employer in the City and County of Swansea Pension Fund for the staff transferred from the City and County of Swansea.

## **2.0**

2.1 Rathbone Training Ltd. is a UK-wide youth charity that provides access to training and qualifications to young people.

2.2 They form part of the Newcastle College Group (NCG), one of the largest education, training and employability groups in the UK and report directly to the Chief Executive of NCG. The NCG Board of Governors has the ultimate responsibility for decision-making.

2.3 Rathbone Training Ltd was awarded a contract for the Government's Work Based Learning 4 in Wales from the City and County of Swansea on 1<sup>st</sup> April 2015, resulting in staff TUPE transferring to Rathbone Training Ltd with effect from 1<sup>st</sup> April 2015.

2.4 As in the case for the staff from Gower College, assumptions had been made by Rathbone Training Ltd. that the staff transferring would be transferred to the Admission Agreement already established between Rathbone Training Ltd. and the London Pension Fund Authority (LPFA); however, as stated above, the LGPS regulations specify that each contract must have a separate admission agreement and therefore the City and County of Swansea has been approached as the Pension Fund the staff contributed to while they were employed directly by the City and County of Swansea.

2.5 If it is agreed for Rathbone Training Ltd. to become an admitted body in the Fund, the Fund's Actuary will be approached to carry out a risk

assessment to assess the liability that would be transferred. They would only be admitted subject to this risk assessment.

- 2.6 Rathbone's would also be required to enter into a bond in order to protect the Fund against any level of risk arising on premature termination of the provision of service or assets by reason of insolvency, winding up, or liquidation of the admission body. Alternatively if this is not provided or is not sufficient City and County of Swansea would need to provide an indemnity to the Pensions Fund.

### **3.0 General Issues**

- 3.1 There are no other variations proposed.

### **4.0 Equality and Engagement Implications**

None.

### **5.0 Financial Implications**

- 5.1 There are no financial implications associated with this report.

### **6.0 Legal Implications**

None.

**Background Papers:** None.

**Appendices:** None.