

**16 September 2014****Agenda Item: 9****REPORT OF THE SERVICE DIRECTOR – HR & CUSTOMER SERVICE****LOCAL GOVERNMENT PENSION SCHEME  
ADMISSION BODY STATUS – APPROVAL PROCESS****Purpose of the Report**

1. The purpose of this report is to seek approval to modify the access process relating to the admittance of certain types of admission bodies.

**Information and Advice**

2. Admission bodies broadly fit into two categories – those which provide a public service otherwise than for the purposes of gain (generally referred to as community admission bodies) and those which provide a service or assets in connection with the exercise of a function of a scheme employer as a result of a transfer of the service or assets by means of a contract or other arrangement (generally referred to as transferee admission bodies).
3. Admission of community type bodies is subject to the discretion of Pensions Committee and therefore the process of approval to formalise admission for this type of body should remain unchanged.
4. However, for the later type of body commonly seeking admission following a transfer of service by means of a contract, experience had highlighted a need to undertake a procedural review in accordance with the Business Support Centre's continuous improvement philosophy in order to become more responsive to the needs of current employers, potential employers and scheme members. Recent experience has demonstrated that discussions in relation to service contracts and timescales of outsourcing arrangements, which can often be protracted, do not dovetail with scheme access processes and the committee diary. This can leads to delays in formalising the admission and uncertainty for all parties involved.
5. Such applicant bodies seek admission to the Nottinghamshire Pension Fund under Schedule 2, part 3 (1d) of the Local Government Pension Scheme Regulations 2013. Applications are brought to this committee for noting purposes – one such report features on today's agenda. Under Schedule 2 (part 3) (13), the administering authority must admit to the scheme the eligible designated employees of the admission body, provided the admission body undertakes to meet the relevant requirements of the regulations through an admission agreement. Therefore, unlike the community type bodies, as long as the applicant admission body agrees to fulfil its employer obligations, there is no discretion on admission to the fund.

6. In light of this, advice has been sought from Legal Services on modifying the admission process of such bodies in accordance with the County Council constitution. Advice received has indicated that admission of such bodies may be deemed an officer decision which does not require the deliberation of committee to reach a decision in that there is only one possible outcome and that is to admit the body in accordance with the pension regulations.
7. It is therefore proposed that a modified access process is implemented in accordance with advice from Legal Services to include an approval requirement at group manager level to formalise the application of such admission bodies. Further, it is proposed that a paper be presented on a quarterly basis to ensure committee is fully informed of new employers admitted to the fund on this basis.
8. The contents of this report were presented at the meeting of the Pensions Sub-Committee on 22 July 2014.

### **Other options considered**

9. The Authority wants to improve and modernise its approach as part of “Redefining your Council”. Various options were considered however the selected option provides the most cost effective and timely solution.

### **Reasons for Recommendation**

10. The modified access procedure will enable the Pensions Office to support interested parties - including current employers, potential employers and scheme members - proactively in dealing with pension protection arrangements.

### **Statutory and Policy Implications**

11. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

12. There are no financial costs associated with the proposal.

### **Human Resources Implications**

13. As outlined within the body of the report, admission body status will allow transferring staff continued membership eligibility of the LGPS.

## **RECOMMENDATION**

1. The Pensions Committee is recommended to approve the proposal to implement a modified access procedure in respect of admission body applications under Schedule 2, part 3 (1d) of

the Local Government Pension Scheme Regulations 2013 and to note a report of any new employers will be presented on a quarterly basis.

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**Constitutional Comments (KK)**

14. The proposal in this report is within the remit of the Pensions Committee.

**Financial Comments (SC)**

15. There are no financial implications arising directly from this report.

**Background Papers**

None

**Electoral Division(s) and Member(s) Affected**

All