



11<sup>th</sup> January 2018

Agenda Item: 4

## **REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HUMAN RESOURCES**

### **LOCAL GOVERNMENT PENSION SCHEME – APPLICATIONS FOR EMPLOYER ACCESS**

#### **Purpose of the Report**

1. The purpose of this report is to seek approval to modify the reporting process relating to the admission of employer bodies into the Fund.

#### **Information and Advice**

2. The scheme regulations provide organisations with a variety of different routes of access to the scheme. Some employers are required to offer employees access to the scheme whilst others may choose to do so.
3. Employers may be split into 4 broad categories;
  - Compulsory bodies – employers that must make the LGPS available to all eligible employees.
  - Designating bodies – employers that can make the LGPS available to all or some of their employees.
  - Admission bodies – employers participating in the LGPS through an admission agreement which will specify which employees are eligible for membership. 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).
  - Deemed bodies – employers where another body within the fund is deemed to be the scheme employer.
4. At Pensions Committee on 16<sup>th</sup> September 2014 it was agreed that a paper be presented on a quarterly basis to ensure committee was informed of new employers admitted on a transferee admission body basis. Such reports are occasionally supplemented by applications on a community admission basis though applications on this basis, which is subject to the discretion of Pensions Committee, are now rare.

5. Whilst there has been an increase in the number of transferee admission body applicants due to the outcome of alternative service delivery reviews, there has also been an increase in the number of compulsory and designating bodies within the Fund, mainly due to the academy conversion of maintained schools and the effects of auto enrolment legislation and the resulting need to offer workplace pension provision. An indication of the number and types of employer, either recently admitted or in the process of applying for employer status within the Fund is shown within Appendix A. As of 6.12.2017 there were 331 active employers within the Fund.
6. Employers within the compulsory and designating categories are currently unreported to committee. Therefore, it is proposed that in future all employer admissions are reported to ensure Pension Committee are fully informed of the number of scheme employers and their compliance against the Administration Strategy.

### **Other Options Considered**

7. Various communication options have been considered, however the selected option provides a solution to ensure Pensions Committee are informed of all employer admissions and compliance in a timely and consistent manner.
8. That Pensions Committee agree to a modification of the reporting process to include all types of fund application as part of the annual report on Scheme Employers and compliance against the Administration Strategy. 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.

### **Reason/s for Recommendation/s**

9. The modified reporting procedure will ensure Pension Committee is informed of all employer applications in the context of their compliance in undertaking scheme employer responsibilities.

### **Statutory and Policy Implications**

10. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Data Protection and Information Governance**

11. The data in this report and the Appendix cannot be attributed to individual LGPS members. A number of Scheme members are potentially impacted across a number of Scheme Employers within the Nottinghamshire Pension Fund.

## **RECOMMENDATION/S**

12. That Pensions Committee approve a modification of the reporting process to include all types of fund application as part of the annual report on Scheme Employers and Compliance against the Administration Strategy.

**MARJORIE TOWARD**  
**SERVICE DIRECTOR – CUSTOMERS AND HUMAN RESOURCES**

**For any enquiries about this report please contact:**

Jon Clewes – Pensions Manager, Business Support Centre on 0115 9773434 / [jon.clewes@nottsc.gov.uk](mailto:jon.clewes@nottsc.gov.uk) or Andy Durrant, Technical & Performance Officer on 0115 9775690 / [andy.durrant@nottsc.gov.uk](mailto:andy.durrant@nottsc.gov.uk)

### **Constitutional Comments (KK 11/12/2017)**

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

### **Financial Comments (KRP 8/12/17)+**

There are no financial implications arising from the contents of the report.

### **Background Papers and Published Documents**

Report to Nottinghamshire Pension Fund Committee: Admission Body Status – Approval Process 16<sup>th</sup> September 2014.

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

All