

Employer Related Activities Update

Purpose of the Report

1. The purpose of this report is to update the Pension Committee with employer related activities undertaken by the Fund. The Pension Committee is asked to note the report and to seek from Officers such clarifications or further information as they require.

Background

2. Employer Scorecards

The purpose of employer scorecards is to introduce a method by which employers and the Fund can track employer performance against the responsibilities and obligations. A significant amount of work has been completed in this in obtaining the relevant data from different data sources e.g. employer database, i-Connect, employer contributions received and Rates and Adjustments Certificate data. A draft report is currently being reviewed and the expectation was that employers would have received their scorecard each quarter from April 2024 however, the person leading on this for the Fund is currently off work through illness, therefore this is now likely to be delayed until later in the year.

Each employer will be scored using a RAG rating (red, amber and green). Where an employer isn't performing at a satisfactory level, the Fund will engage with them to address and discuss the issues including putting in a plan to improve employer performance.

3. Employer Compliance – Data Sharing Agreements (DSAs)

The Fund Governance Manager leads on this, these allow the Fund to share membership data with third party payroll providers or an outsourced HR provision. As at 15th January 2024, 78% of these have been completed and are held by the Fund. Of the remaining 22%, 3% are in progress and 19% of which we are awaiting a response.

A review was undertaken between the Fund Governance Manager and Employer Funding and Risk Lead to ensure all employers continue to be captured.

The Fund Governance Manager is chasing the outstanding DSAs on an ongoing basis.

4. Employer Review – Internal working practices

Since the appointment of the Employer Funding and Risk Lead in June 2023, they have reviewed and tested the current processes/procedures, ensuring compliance, reducing risk and finding more efficient ways of working.

A new employer process was developed for Fund Officers, whereby now as per the regulations, employers are only scheme employers once the admission agreement is signed and thereby pay contributions to Fund accordingly. Clear responsibilities and functions are now identified by each team/Fund Officer in the new employer process.

The New Employer Policy and Cessation Policy were reviewed, previously presented and approved by the Board and Committee in July 2023.

The Employer Database was overhauled so now end dates, open/closed admissions, i-Connect status, current and payroll providers, company numbers and risk sharing arrangements are captured in one location, previously these were held in various locations and in some cases, not recorded at all.

As a result of the above, this identified some lapsed admission agreements which were previously un-detected. Fund Officers are now working with the relevant employers to establish if the contracts were extended or awarded to an alternative provider. The end dates are now monitored and flagged for action for Fund Officers, by the employer database. In addition, any new admission agreements set up from December 2023 are now tracked via Eversheds Sutherland LGPS Create system which also sends a reminder to the Fund Officers.

The TUPE Tracker was overhauled to now guide Fund Officers through the TUPE process, with various “check-in” points to ensure the relevant action has been completed, which was previously missing.

The Cessation Tracker was overhauled to now capture all the relevant information needed, with various “check-in” points to ensure the relevant action has been completed, which was previously missing.

One key change as part of this review and especially as a result of feedback from employers, was to make the drafting of admission agreements more efficient. Before the review, Wiltshire Council Legal Services were instructed by the Fund to construct admission agreements, they would send these out to all parties and then wait for them to be returned. From December 2023, the Fund now uses Eversheds Sutherland LGPS Create portal to construct admission agreements, send out virtually and obtain the relevant signatures virtually via DocuSign. Eversheds Sutherland also pro-actively chase any missing signatures. This has significantly reduced turnaround times from months or even years for fully signed admission agreements to 3 or 4 weeks. An employer cannot legally join the Fund and send contributions until the admission agreement is signed.

The review is still ongoing, with the Fund currently drafting and consulting with employers on a new Employer Risk Management/Covenant Policy. A more detailed update on this be given in a separate agenda item at the Committee meeting.

All the above now means the Fund can effectively track employers from “cradle to the grave” and conduct tasks more efficiently going forward.

Feedback received so far from the wider Fund and employers has been positive to date.

5. Employer Forum

On 16th November 2023 the Fund held it's first face to face Employer Forum at the Council Offices in Trowbridge, with over 30 employers attending. The Pension Regulator was the key note speaker and other areas covered included investment performance, discretions policies, employer responsibilities, pensions news, pensionable pay and communicating pensions with members.

After the event, a survey was conducted of those that attended with positive feedback being received and this also identified there was a need to undertake more forums to engage and share information with employers.

In 2024 the Fund had planned to hold up to three Employer Forums throughout the year in the Swindon, Salisbury and Trowbridge area however, this has been paused due to the person leading on this for the Fund currently being off work through illness.

6. **Employer Changes**

Imperial Cleaning Services Ltd – The Fund were notified in December 2023 that the employer was entering administration. The Fund were contacted directly by the Administrators Quantuma. Imperial had three active contracts in the Fund, all on full pass-through risk sharing arrangements. The Fund contacted the ceding scheme employers via Wiltshire Council Legal Services, to advise of their obligations.

Imperial Cleaning Services Ltd three contracts in the Fund were: Imperial Cleaning (Highworth), Imperial Cleaning (Greentrees) and Imperial Cleaning (King William Street), with a total of 3 active members across all these contracts.

In January 2024, the Fund were notified that Imperial Cleaning Services Ltd were sold to Imperial Cleaning Services (South West) Ltd. on 1st December 2023. Fund Officers are currently liaising with Wiltshire Council Legal Services, Eversheds Sutherland, Imperial Cleaning Services (South West) Ltd and the ceding scheme employers to consider the implications and draft new admission agreement, as applicable.

Aster – In January 2024, the Fund were notified that following consultation with their members, Aster's intention is to exit the Fund from 1st April 2024. Fund Officers are currently working with the actuaries to assess if any deficit/surplus payments are applicable. Aster currently holds three employer records/contracts in the Fund: Aster Living Ltd, Aster Group Ltd and Aster Property Ltd, with 6 active members across these in total.

The Chartered Institute of Public Finance and Accountancy (CIPFA) – Fund Officers since CIPFA's exit in September 2022, have been negotiating with them and their legal advisors in the arrangement of a Debt Spreading Arrangement (DSA) and Legal Charge on their 77 Mansell Street, London property. The Fund have sought legal advice from Osborne Clarke and actuarial advice from Hymans Robertson throughout this process. The exit payment due was £12.7million. In December 2023, the final documentation was agreed and sent to them for their signature. The documents have now been received from CIPFA and are currently being actioned through the Council's sealing process before being forwarded to Osborne Clarke for the relevant executions.

Diocese of Bristol MAT (DBAT) – It was reported in the local media that the employer was looking to withdraw as Multi Academy Trust (MAT) in the Swindon and Wiltshire areas following an adverse Ofsted report. The Employer Funding and Risk Officer contacted DBAT immediately following the report, to ascertain the current situation and understand potential timelines. DBAT confirmed this was ongoing and will remain in contact with the Fund. DBAT currently has 12 schools in the Wiltshire and Swindon area and the Department of Education are looking for other MAT/s to take on these schools from September 2024.

Considerations for the Committee

7. It is proposed that the Committee note this report and the work currently being undertaken to resolve the employer changes issues, seeking reassurance as required.

Environmental Impact of the Proposal

8. There are no known environment implications from this report.

Financial Considerations & Risk Assessment

9. Appropriate risks are suitably mitigated for the employer changes indentified in this report. Actuarial work may be required for the DBAT dissolution and Imperial Cleaning (South West) Ltd joining the Fund.

Legal Implications

10. New admission agreements may be required for Imperial Cleaning (South West) Ltd.

Safeguarding Considerations/Public Health Implications/Equalities Impact

11. There are no known implications at this time.

Reasons for Proposal

12. To bring to the attention of the Pension Committee the ongoing employer activity currently being undertaken by the Fund.

Proposal

13. The Pension Committee is asked to note the report and to seek from Officers such clarifications or further information as they require.

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Unpublished documents relied upon in the production of this report: NONE