

Bath & North East Somerset Council

MEETING:	AVON PENSION FUND COMMITTEE	
MEETING DATE:	24 JUNE 2011	AGENDA ITEM NUMBER
TITLE:	APPLICATION FOR COMMUNITY HEALTH & SOCIAL CARE (CIC) TO BE ADMITTED TO THE AVON PENSION FUND	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1: Local Government Pension Scheme (Administration) Regulations 2008: Regulation 5		
Appendix 2: B&NES Council Minutes		

1 THE ISSUE

- 1.1 Under Regulation 5 of the Local Government Pension Scheme (Administration) Regulations 2008, an administering authority may make an admission agreement with a community admission body.
- 1.2 An application to become a member of the Avon Pension Fund has been received from Bath & North East Somerset Council in respect of Community Health & Social Care (Community Interest Company or CIC).

2 RECOMMENDATION

The Avon Pension Fund Committee is asked to agree that:

- 2.1 Community Health & Social Care (CIC) be allowed entry into the Avon Pension Fund as a Community Admission Body with Bath & North East Somerset Council acting as guarantor.**

3 FINANCIAL IMPLICATIONS

- 3.1 In allowing any community admission body to join the fund there is always a need to consider the financial risks such a body may present. If an admission body becomes insolvent with pension liabilities, those liabilities have to be met by all the other employers in the Fund **unless a guarantee or bond is in place**. Because of this it is the Committee's policy that, save in exceptional circumstances, a community admission body will only be allowed to join the Fund if it can provide a guarantor. In this case Bath & North East Somerset Council (B&NES) will act as guarantor for the applicant.

4 THE REPORT

- 4.1 Community Health & Social Care (CIC) is a non-profit making Social Enterprise, established jointly between B&NES Council and B&NES Primary Care Trust to deliver community health and adult social care services in the B&NES area. Existing B&NES Council staff, who are members of the Local Government Pension Scheme, will be transferred across to the new body to protect their pension provision.
- 4.2 The admission agreement is to be set up as a 'closed arrangement' and will only cover B&NES Council staff transferred and not any new employees.
- 4.3 The number of potential transferring scheme members is currently:
- | | |
|---|----------------------|
| Community Health & Social Care (CIC) | 567 (approx.) |
|---|----------------------|
- 4.4 The Community Health & Social Care (CIC) is due to commence operations from 1st October when the staff transfer will take place. This is subject to contracts being agreed between Council, PCT and the Social Enterprise. Any Admission Agreement approved would only be activated on the successful conclusion of contracts and staff transfer.
- 4.5 The Pension Committee must approve any Community Admission Body who wishes to join the Fund.

5 RISK MANAGEMENT

- 5.1 In line with Avon Pension Fund Committee policy, officers have ensured that such admissions will only be considered if a guarantor is in place.

6 EQUALITIES

- 6.1 There are no direct equality implications from this process

7 CONSULTATION

- 7.1 No consultation is appropriate.

8 ADVICE SOUGHT

8.1 The Council's Monitoring Officer (Council Solicitor) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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Background papers	
Please contact the report author if you need to access this report in an alternative format	