

Date: 20th June 2024

Classification: General Release

Title: Admitted Body Request Innovate Ltd

Report of: Sarah Hay, Strategic Pension Lead

Wards Involved:

Policy Context:

Financial Summary:

1. Introduction

1.1 This paper is asking the Pension Committee to give consent for the City of Westminster Pension Fund to enter into an admission agreement with Innovate Services Ltd with Harris Academy as guarantor.

2. Harris Academy Outsourcing

2.1 In 2018 Harris Academy's outsourced its catering services to a company called Compass. Ten staff TUPE transferred from Harris to Compass and were in our LGPS Fund. Harris did not advise us of the contract when they completed the outsourcing, and it was only last year we managed to agree an admission agreement with Compass. The contract between Harris Academy and Compass ended on 31 August 2023.

2.2 On the 1 September 2023 Harris Academy outsourced their catering to a new supplier Innovate Services Ltd. The new contract is for three years, with a potential two-year extension. Harris had not advised the Fund of the new contract award prior to the commencement of the contract, despite our asking them to do so when dealing with the issues arising from the Compass contract. Two of the original ten staff members TUPE transferred from Harris have transferred to the new supplier Innovate Services Ltd.

2.3 Both of employees transferred are over 55 years old and have been with the school for the long term, one is in their early 70's. Under The Best Value

(Pensions) Directions 2007, employers receiving staff via TUPE transfer should seek to enter those staff into the Local Government Pension Scheme (LGPS) or a broadly comparable scheme.

- 2.4 Zuzana from the pension administration team has engaged with both Innovate services Ltd and Harris Academy on a potential new closed admission agreement. Harris has now advised that they will act as a guarantor for Innovate Services Ltd, therefore, Innovate Services Ltd does not need to obtain a bond. This arrangement has been documented in the draft admission agreement.
- 2.5 I am asking the Pension Committee to give consent to us to now complete the admission agreement between the Fund, Harris Academy and Innovate Services Ltd on a closed basis with Harris as guarantor. This will let these two long-term staff members retain access to the LGPS and protect them. If something were to happen to either of them without an admission agreement in place it would impact their pension entitlement and would certainly delay us in supporting them.
- 2.6 You will note that the new Pension Administration Strategy (PAS) that the Pension Committee previously agreed and is effective from the 1st of April 2024, does have potential charges for employers that don't tell us about outsourcing of staff prior to the date of transfer. We cannot make employers tell us about transfers but in future we can apply penalty charges in similar circumstances.

3. Summary

I am requesting permission from the committee to admit Innovate Services Ltd into the City of Westminster Pension Fund.