

Pension Fund Committee

28 January 2008



**Admitted Body Status – Informal
Consultation Exercise**

Report of Stuart Crowe, County Treasurer

Purpose of the Report

- 1 The purpose of the report is to advise Members of an informal consultation exercise on Admitted Body Status and to seek authority for me to respond to the consultation document by the closing date for comments – 10 April 2008. Members are also asked to consider giving me delegated authority to respond to future consultation exercises on behalf of Durham County Council as an administering authority.

Background

- 2 On 18 January 2008 Communities and Local Government (CLG) commenced a twelve week informal consultation exercise on Admitted Body Status in the Local Government Pension Scheme (LGPS).
- 3 The Admitted Body Status provisions in the LGPS allow contractors taking on local authority contracts to provide transferring staff with continuing access to the LGPS. The consultation document supports the continuing availability of Admitted Body Status but tries to address concerns that have been raised about some of the detailed implementation.

Informal Consultation

- 4 The covering letter setting out the purpose of the consultation is attached at Appendix A. The accompanying 24 page consultation document and 15 page response questionnaire are available on request or at www.communities.gov.uk/localgovernment/personnelandworkforce/localgovernmentpensions/abs/reviewabs/
- 5 The consultation suggests three approaches to improve the regulations governing Admitted Body Status, these are:
 - (i) Provide revised guidance re-emphasising the original intentions

- (ii) In addition to updating the guidance consider making minor regulatory modifications to make the existing framework work better
- (iii) Consider the possibility of introducing some broader regulatory changes which enhance the options available, while at the same time, avoiding any conflict with the key policy basis of Admitted Body Status

Other suggested approaches will also be considered.

Recommendation

- 6 Members are asked to authorise me to respond to the consultation document by the closing date for comments – 10 April 2008.
- 7 In light of the increasing frequency with which the Government consults on all areas governing the administration of the LGPS, Members are also asked to give me delegated authority to respond to future consultation exercises on behalf of Durham County Council as an administering authority.

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pen/rep/kno14



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18 January 2008

Dear Colleague

Informal Consultation Exercise – Local Government Pension Scheme Admitted Body Status Provisions

The Department for Communities and Local Government today commenced a twelve weeks informal consultation exercise on Admitted Body Status (ABS) provisions in the Local Government Pension Scheme (LGPS).

ABS provisions allow contractors who take on local authority contracts to provide transferring staff with continued access to the LGPS if they wish, rather than to provide a broadly comparable pension scheme. ABS is an attractive and useful mechanism for dealing with pensions in the contracting out process and that there is nothing in the fundamental concept which needs to be changed. However, concerns have been expressed by some stakeholders that the detailed arrangements are not always being implemented in the way intended.

The consultation document published today examines specific concerns raised about the implementation of ABS provisions and sets out three possible broad approaches which might be developed to address those concerns.

A copy of the consultation document and accompanying questionnaire is provided with this letter. We welcome your views on the approaches set out in the consultation document and encourage you to provide additional ideas on potential ways forward to help ensure the provisions meet the needs and support the interests of local authorities, contractors, employees and taxpayers.

Responses should be provided to me at Darren.kristiansen@communities.gsi.gov.uk by Thursday 10 April 2008. Further copies of the consultation document are available at www.communities.gov.uk/localgovernment/personnelandworkforce/localgovernmentpension/abs/reviewabs/

Yours sincerely

Darren Kristiansen