

## Notice of Non-Key Executive Decision

<b>Subject Heading:</b>	The Admission of May Harris Multi Services Ltd into the Havering Pension Fund
<b>Decision Maker:</b>	Kathy Freeman Strategic Director of Resources
<b>Cabinet Member:</b>	Cllr Chris Wilkins Cabinet Member for Finance
<b>ELT Lead:</b>	Kathy Freeman Strategic Director of Resources
<b>Report Author and contact details:</b>	Caroline Guyon Caroline.guyon@havering.gov.uk 01708 432185
<b>Policy context:</b>	Local Government Pension Scheme Regulations 2013. Schedule 2 part 3
<b>Financial summary:</b>	May Harris Multi Services Ltd will be admitted on a pass through basis as defined in the January 2024 Funding Strategy Statement. The standard contribution rate of 25% will apply for the duration of the contract and risks will be shared between Royal Liberty Academy and May Harris Multi Services Ltd
<b>Relevant Overview &amp; Scrutiny Sub Committee:</b>	Overview and Scrutiny Board
<b>Is this decision exempt from being called-in?</b>	The decision will be exempt from call in as it is a Non key Decision

## Non-key Executive Decision

### **The subject matter of this report deals with the following Council Objectives**

People - Supporting our residents to stay safe and well	[x]
Place - A great place to live, work and enjoy	[x]
Resources - Enabling a resident-focused and resilient Council	[x]

### **Part A – Report seeking decision**

#### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

For the reasons set out in this report, the Strategic Director of Resources is recommended to approve the admission of May Harris Multi Services Ltd (Company number 07111275) into the Havering Pension Fund as a transferee admission body, subject to the completion of the legal admission agreement.

#### **AUTHORITY UNDER WHICH DECISION IS MADE**

##### **Scheme 3.3.6**

##### **Specific powers of the Strategic Director of Resources**

1.20 To administer the Council's pension fund

#### **STATEMENT OF THE REASONS FOR THE DECISION**

##### **1 Executive Summary**

- 1.1 May Harris Multi Services Ltd (May Harris) succeeded in winning the contract to provide cleaning services to Royal Liberty Academy. The contract is for a minimum of 3 years and commenced on 1 January 2024.
- 1.2 The employment contracts of 4 members of staff have transferred from Royal Liberty Academy to May Harris.
- 1.3 May Harris has requested admission to the Havering Pension Fund as a transferee admission body.
- 1.4 The LGPS Regulations require funds to allow admission to its scheme if the organisation applying for membership is one that provides a service in connection with the exercise of a function of an existing scheme employer as a result of the transfer of the service by means of a contract or other arrangement.

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1.5 Following guidance from the Ministry of Housing, Communities and Local Government (MHCLG), where a transferee admission body and the scheme employer undertake to meet the relevant requirements of Schedule 2, Part 3 of the LGPS Regulations 2013, an administering authority cannot decline to admit to the LGPS the eligible employees of the transferee admission body.

1.6 May Harris falls within the definition contained in Schedule 2, Part 3 of the LGPS Regulations 2013 and as such is eligible to become a transferee admission body. Therefore the Fund must admit the eligible designated employees, provided the transferee admission body and the scheme employer undertake to meet the relevant requirements of the regulations through an admission agreement.

### **2. Proposals**

2.1 Fund officers will ensure the appropriate admission agreement is completed to allow May Harris admission to the Pension Scheme.

2.2 When the agreement is formed, May Harris will be admitted, in line with the current Funding Strategy Statement, on a pass through basis. They will pay a standard 25% employer contribution rate for the duration of the contract. The risks will be shared with Royal Liberty Academy as the outsourcing scheme employer and therefore no bond or guarantor is required.

2.3 The Funding Strategy Statement is attached to this report and the specific risk sharing arrangement of the passthrough can be seen in point 3.3 on page 40 of the document.

2.4 Following the guidance from MHCLG, the administering authority cannot decline the admission and must allow the eligible designated employees continued membership within the Fund.

2.5 The admission agreement will ensure May Harris meet the relevant requirements of fund membership and fund officers will monitor compliance.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

There are no alternatives to be considered where the employer applying for transferee admitted body status meets the relevant criteria.

### **PRE-DECISION CONSULTATION**

None

**Non-key Executive Decision**

**NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Caroline Guyon

Designation: Pensions Projects and Contracts Manager

Signature:



Date: 25/09/25

## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

Local Authorities are scheme employers for the purposes of the local government pension scheme. Where they let contracts for the provision of services, their contractors are eligible to become admitted bodies, subject to the completion of an Admission Agreement.

Local Authorities are public sector bodies required to have regard to the Government's policy guidance "Fair Deal for staff pensions: staff transfer from central Government" (published with immediate effect on the 4 October 2013) when outsourcing services. Where staff are compulsorily transferred (TUPE) to an independent provider of public services (May Harris) those staff will generally have a right of continued access to the relevant public service pension arrangements (Havering LGPS).

In the case of the former Royal Liberty Academy employees transferring to the new cleaning contractor, Fair Deal obligations can be achieved by means of an admission agreement, between the Council as administering authority, Royal Liberty Academy as the letting authority and May Harris as the employing/admission body allowing the transferring employees to remain a member of the Local Government Pension Scheme. Under the terms of the passthrough, admission is on a closed scheme basis.

The admittance of May Harris into the Havering Pension Fund will ensure the current employees enjoy their current pension protection when transferring to their new employer and negate against any complaints to the Pension Regulator and Pensions Ombudsman resulting from a failure to ensure Fair Deal pension protection for its employee on transfer.

The recommendations in this report are in keeping with the constitutional delegation.

### **FINANCIAL IMPLICATIONS AND RISKS**

Continued membership in the LGPS means there is no loss to contributions into the Fund. The employer contribution to be paid in line with the Funding Strategy Statement is 25% for the duration of the contract.

As the admission is on a pass through basis no bond or guarantor is required. The risks to the Fund are shared between the original scheme employer (Royal Liberty Academy) and the transferee admitted body (May Harris).

The risk of non-payment of contributions, which would have a cash flow impact, is actively managed by the Havering pension team on a monthly basis with appropriate escalation for non-compliance. Any strain costs that become due to the Fund, for example if a member is made redundant, is paid for by the transferee admitted body.

May Harris is an existing transferee admitted body within the Havering Pension Fund, so have experience of the implications of being a Scheme Employer.

**Non-key Executive Decision**

**HUMAN RESOURCES IMPLICATIONS AND RISKS  
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

Admitted body status will allow the 4 eligible Royal Liberty Academy employees who transferred to May Harris continued membership eligibility of the LGPS.

**EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

An EHIA (Equality and Health Impact Assessment) has not been completed and is not required for this decision. The Council seeks to ensure equality, inclusion, and dignity for all. There are no equalities and social inclusion implications and risks associated with this decision.

**ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

None

**BACKGROUND PAPERS**

None

**APPENDICES**

**Appendix A      The Funding Strategy Statement**

**Non-key Executive Decision**

**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

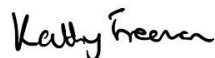
**Decision**

Proposal agreed

*Delete as applicable*

**Details of decision maker**

Signed



Name: Kathy Freeman

Cabinet Portfolio held:

ELT Member title: Strategic Director of Resources

Head of Service title

Other manager title:

Date: 26.09.25

**Lodging this notice**

The signed decision notice must be delivered to Committee Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_