

West Northamptonshire Council

Pension Committee

29/3/2023

Mark Whitby – Head of Pensions

Report Title	Employer Admissions and Cessations Report
Report Author	Cory Blose, Pensions Service Employer and Communications Manager, Cory.Blose@westnorthants.gov.uk

Contributors/Checkers/Approvers

MO	Sarah Hall on behalf of Catherine Whitehead	21/3/2023
S151	James Smith on behalf of Martin Henry	7/3/2023
Head of Pensions	Mark Whitby	24/2/2023

List of Appendices

None

1. Purpose of Report

- 1.1 To notify the Committee of two employers ceasing participation in the Northamptonshire Pension Fund.
- 1.2 To provide an update to the Committee on previously reported cessations.

2. Executive Summary

- 2.3 On 31 August 2022 the admission agreement between ABM Catering Limited and Innovate Multi Academy Trust ceased following the end of the contract for services. This was a pass through admission with the assets and liabilities being retained by the academy trust therefore no assessment of the funding position on exit is required.

- 2.3 On 1 September 2022, the operation of the CE Academy transferred from The Complementary Education Academy Limited to Tove Learning Trust. The Complementary Education Academy Limited ceased participation in the Fund as it was a single academy trust. No exit payment or credit will be required as the pension assets and liabilities were transferred to the accepting Multi Academy Trust (Tove Learning Trust).
- 2.3 Officers previously reported the cessation of the following employers:
- Barby and Onely Parish Council
 - Consortium Audit Warwickshire
- 2.4 This report provides confirmation that exit payments have been received or exit credit determinations completed for each of these employers

3. Recommendations

- 3.3 The Pension Committee is asked to:
- a) Note the exit of the following bodies from the Northamptonshire Pension Fund:
- ABM Catering Limited (Innovate MAT)
 - The Complementary Education Academy Limited
- b) Note the update on previously reported cessations cases.
- 3.3.1 Reason for Recommendations: To comply with the Local Government Pension Scheme Regulations 2013.

4 Report Background

- 4.3 The Local Government Pension Scheme Regulations 2013 (as amended) [the Regulations] provide for the admission of a number of different types of body to the Local Government Pension Scheme; scheduled bodies, designating bodies, and admission bodies.
- 4.4 The Regulations also require that, following the exit of an employer from the Fund, the administering authority carry out an assessment of it's funding position on the date of exit.
- 4.5 The Fund's cessations policy sets out how the Fund will assess the funding position of an exiting employer and the Fund's policies on the collection of exit debits and determination of the value of any exit credit payable to the exiting employer.
- 4.4 This report provides an update on admissions to and cessations from the Northamptonshire Pension Fund since the last meeting of the Pension Committee, including the collection and payment of any exit debits or credits.

5 Issues and Choices

5.1 New Cessations

5.2 ABM catering Limited (Innovate MAT)

5.3 ABM catering Limited were admitted to the Fund under a pass through agreement on 1 September 2016, after entering into a contract with Innovate Multi Academy Trust to provide catering services at Badby School, Kilsby CE School and Weedon Bec Primary School.

5.4 On the 31 August 2022, the contract ended. No exit debit or credit will be required as the pension liabilities were retained by Innovate Multi Academy Trust.

5.5 The Complementary Education Academy Limited

5.6 The Complementary Education Academy Limited joined the Fund on 1 November 2012 when the CE Academy opened. On 1 September 2022, the operation of The CE Academy transferred from The Complementary Education Academy Limited to Tove Learning Trust.

5.7 The Complementary Education Academy Limited ceased participation in the Fund on that date as it was a single academy trust. No exit payment or credit will be required as the pension assets and liabilities were transferred to the accepting Multi Academy Trust (Tove Learning Trust).

6 Previously Reported Cessations

6.1 Barby & Onley Parish Council

6.2 The cessation of Barby and Onley Parish Council was originally reported at the October 2022 meeting for the Committee. The Funding assessment at the date of exit identified a funding deficit of £2,900.00. The cessation payment was received in full on 3 October 2022.

6.3 Consortium Audit (Warwickshire)

6.4 The cessation of Consortium Audit was originally reported at the June 2022 meeting of the Committee. The funding assessment at the date of exit identified a funding surplus of £34,000.

6.5 Following an exit credit determination, as required by and taking into account the factors listed under section 64 (2ZC) of the Regulations, the Administering Authority has determined that the amount of exit credit payable to Consortium Audit was Nil.

7 Implications (including financial implications)

7.1. Resources and Financial

7.2 Actuarial costs incurred by obtaining a calculation of the employer's contribution rate and opening funding position at commencement are recharged directly to the employer.

7.3 The employer contribution rate contains an allowance for administration charges, and the employer is charged a fee to recover the Funds administration costs of on boarding new

employers and terminating ceased employers. This means that admissions and cessations should be cost neutral.

7.4 Where an exit credit is determined to be greater than nil, a payment will need to be made to the exiting employer. This payment may be all or part of the overall surplus of assets so the liabilities will continue to be at least full funded at the date of cessation.

7.5. Legal

7.6 Admitted bodies enter into an admission agreement with the administering authority in order to become an employer within the Northamptonshire Pension Fund. This agreement sets out the statutory responsibilities of an employer, as provided for under the Regulations governing the LGPS.

7.7 Exit credit determinations can be appealed by the exiting employer under the Fund's internal dispute resolution procedure and ultimately the Pensions Ombudsman.

7.8 Risk

7.9 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below -

Risk	Residual risk rating
Failure to administer the scheme in line with regulations and guidance	Green
Failure to provide relevant information to the pension Committee/Pension Board to enable informed decision making	Green
Fund assets are not sufficient to meet obligations and liabilities.	Amber

7.10 Please see the [Northamptonshire Pension Fund Risk Register](#) for full details

7.11 Relevant Pension Fund Objectives

7.12 The following objectives have been considered in this report -

- To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.
- To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.
- To ensure appropriate exit strategies are put in place both in the lead up to and on termination of a scheme employer.

7.13 Consultation

7.14 The Fund Actuary is consulted with upon the exit of any employer from the Fund.

7.15 The Fund Actuary was consulted when drafting the Fund's Cessations policy

8 Background Papers

None