



West Northamptonshire Council

Pension Committee

29/6/2023

Mark Whitby – Head of Pensions

Report Title	Employer Admissions and Cessations Report
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Contributors/Checkers/Approvers

MO	Sarah Hall on behalf of Catherine Whitehead	8/6/2023
S151	James Smith on behalf of Martin Henry	5/6/2023
Head of Pensions	Mark Whitby	24/5/2023

List of Appendices

None

1. Purpose of Report

- 1.1 To report the admission of three admitted bodies to the Northamptonshire Pension Fund
- 1.2 To notify the Committee of nine employers ceasing participation in the Northamptonshire Pension Fund.

2. Executive Summary

- 2.1 The Pension Fund Committee is asked to note the admission of two transferee admission bodies across three admission agreements and to approve the sealing of the admission agreements.
- 2.2 The Committee is also asked to note the exit of nine employers from the Fund.

3. Recommendations

3.1 The Pension Committee is asked to:

3.1.1 Note the admission of the following admitted bodies to the Northamptonshire Pension Fund and approve the sealing of the following admission agreements;

- Compass Group (Innovate Multi Academy Trust)
- Kier (West Northants)
- Kier (North Northants)

3.1.2 Note the exit of the following bodies from the Northamptonshire Pension Fund:

- Birkin Cleaning Services (Elizabeth Woodville Academy – TOVE Learning Trust)
- Kier Limited (Fleet and Passenger Services)
- Kier Limited (May Gurney)
- Kingswood Catering Ltd (Little Harrowden Primary Academy)
- NSL Limited
- Voices for Victims and Witnesses Ltd
- Wellingborough Norse
- Huxlow Single Academy Trust

3.2 Reason for Recommendations

3.2.1 All three admissions fall under paragraph 1(d)(i) of Part 3 of Schedule 2 to the Local Government Pension Scheme Regulations 2013 (the Regulations) and have signed admission agreements where they agree to meet the requirements of the Regulations. The Pension Fund Committee therefore must admit these bodies to the Fund, as required by Part 3, 13 of the Regulations.

3.2.2 The minutes confirming The Committee's approval are required as evidence alongside any agreements before sealing can be arranged by the Fund's legal support.

3.2.3 It is good practice to ensure that The Pension Fund Committee are aware of any employer movements within the scheme, to ensure any financial implications (7.1), risk implications (7.8) and decisions in relation to Relevant Pension Fund Objectives (7.11) are appropriately managed.

4 Report Background

- 4.1 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.
- 4.2 The Regulations also require that, following the exit of an employer from the Fund, the administering authority carry out an assessment of its funding position on the date of exit.
- 4.3 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 Admission Bodies

- 5.1.1 Paragraph 1 of Part 3 of Schedule 2 to the Regulations provides for an Administering Authority to make an admission agreement with an admission body, enabling employees of the admission body to be active members of the Local Government Pension Scheme.
- 5.1.2 A body which falls under paragraph 1(d)(i) of Part 3 of Schedule 2 is an admission body that is providing a service, in connection with the function of a scheme employer, as the result of a transfer of service or assets by means of a contract or other arrangement.
- 5.1.3 Where an admission body of the description in paragraph 1(d) undertakes to meet the requirements of these Regulations, the appropriate administering authority must admit to the Scheme the eligible employees of that body.
- 5.1.4 The Pension Committee is asked to note the admission of the following bodies into the Northamptonshire Pension Fund and to approve the sealing of the admission agreements.

Date of admission	New Admission Body	Background Information
1 September 2022	Compass Group (Innovate MAT)	Compass Group entered into a contract with Innovate Multi Academy Trust to provide catering services at Kilsby CoE Primary and Badby School. As a result, a group of employees were transferred to the admission body and a standard admission agreement has been put in place. This agreement has been backdated to 1 September 2022 and backdated contributions have been collected. Innovate MAT will guarantee the pension liabilities.
12 September 2022	Kier (West Northants)	Following the retendering of the previous county-wide highways contract, Kier Limited entered into a new contract with North Northants to provide highway services. As a result, a group of employees were transferred to the admission body and a pass through admission agreement has been put in place. This agreement has been backdated to 12 September 2022 and backdated contributions have been collected. This admitted body also appears in the cessations section of this report as they were one of the providers of the previous countywide contract.
12 September 2022	Kier (North Northants)	Following the retendering of the previous county-wide highways contract, Kier Limited entered into a new contract with West Northants to provide highway services. As a result, a group of employees were transferred to the admission body and a pass through admission agreement has been put in place. This agreement has been backdated to 12 September 2022 and backdated contributions have been collected. This admitted body also appears in the cessations section of this report as they were one of the providers of the previous countywide contract.

5.2 New Cessations

5.3 Birkin Cleaning Services

- 5.3.1 Birkin Cleaning Services were admitted to the Fund under a standard admission agreement on 1 January 2021, after entering a contract to provide cleaning services for the Tove Learning Trust.
- 5.3.2 On 31 January 2023 the admission agreement between Birkin Cleaning Services and Tove Learning Trust (Elizabeth Woodville Academy) ceased when the last active member left the scheme. An actuarial assessment is being undertaken by the scheme actuary to identify the closing liabilities of the exiting employer.

5.4 Kier Limited (Fleet and Passenger)

- 5.4.1 Kier Limited were admitted to the Fund under a standard admission agreement on 1 April 2013, after entering a contract to provide highway services for Northamptonshire County Council. Following the Unitary changes on 1 April 2021, West and North Northamptonshire Council became the joint scheme employer.

5.4.2 On 31 December 2022 the admission agreement between Kier Limited (Fleet and Passenger Services) and West Northamptonshire Council ceased when the contract ended. An actuarial assessment is being undertaken by the scheme actuary to identify the closing liabilities of the exiting employer.

5.5 Kier Limited (May Gurney)

5.5.1 Kier Limited were admitted to the Fund under a standard admission agreement on 29 September 2008, after entering a contract to provide highway services for Northamptonshire County Council. Following the Unitary changes on 1 April 2021, West and North Northamptonshire Council became the joint scheme employer.

5.5.2 On 11 September 2022 the admission agreement between Kier Limited (May Gurney) and West Northamptonshire Council ceased when the contract ended. An actuarial assessment is being undertaken by the scheme actuary to identify the closing liabilities of the exiting employer.

5.6 Kingswood Catering Limited

5.6.1 Kingswood Catering Limited were admitted to the Fund under a pass-through admission agreement on 1 August 2015, after entering a contract to provide catering services for Little Harrowden Primary School. Little Harrowden converted to Academy status from 1 December 2018, when Inspire Multi Academy Trust (INMAT) became the scheme employer.

5.6.2 On 28 November 2022 the admission agreement between Kingswood Catering Limited and North Northamptonshire Council (Little Harrowden School) ceased when the contract ended. No exit debit or credit will be required as the pension liabilities were retained by INMAT.

5.7 NSL Limited

5.7.1 NSL Limited were admitted to the Fund under a standard admission agreement on 13 June 2016, after entering a contract to provide car parking services for Northamptonshire County Council. Following the Unitary changes on 1 April 2021, West Northamptonshire Council became the scheme employer.

5.7.2 On 31 August 2022 the admission agreement between NSL Limited and West Northamptonshire Council ceased when the contract ended. An actuarial assessment is being undertaken by the scheme actuary to identify the closing liabilities of the exiting employer.

5.8 Voice for Victims

5.8.1 Voice for Victims were admitted to the Fund under a standard admission agreement on 1 August 2017, after entering a contract to provide witness support services for Northants Police and Crime Commissioner.

5.8.2 On 31 March 2023 the admission agreement between Voice for Victims and Witnesses and Northants Police and Crime Commissioner ceased when the last active member left the scheme. An actuarial assessment is being undertaken by the scheme actuary to identify the closing liabilities of the exiting employer.

5.9 Wellingborough Norse

- 5.9.1 Wellingborough Norse were admitted to the Fund under a standard admission agreement on 10 August 2012, after entering a contract to provide waste collection services for Wellingborough Borough Council. Following the Unitary changes on 1 April 2021, North Northamptonshire Council became the scheme employer.
- 5.9.2 On 31 March 2022 the admission agreement between Wellingborough Norse and North Northants Council ceased when the contract ended. The Funding assessment at the date of exit identified a funding surplus of £3,953.00. 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 Wellingborough Norse was Nil.

5.10 The Huxlow Single Academy Trust

- 5.10.1 On 1 September 2022, the operation of the Huxlow Academy transferred from The Huxlow Academy Single Academy Trust to Tove Learning Trust.
- 5.10.2 The Huxlow Single Academy Trust 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).

6 Previously Reported Cessations

None to report

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 Contribution rate and bond assessments are undertaken by Hymans Robertson, the Fund Actuary.

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

7.16 Advice was received from the Fund’s Actuary on individual admission and cessation cases, where required.

7.17 A precedent admission agreement has been drafted by Squire Patton Boggs, specialist pension legal advisers.

8 Background Papers

None