

West Northamptonshire Council

Pension Committee

2/10/2023

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	12/9/2023
S151	James Smith on behalf of Martin Henry	6/9/2023
Head of Pensions	Mark Whitby	17/8/2023

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 six employers ceasing participation in the Northamptonshire Pension Fund.

2. Executive Summary

- 2.1 The Pension Fund Committee is asked to note the admission of three 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 six 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;

- Grange Transport Services
- Dolce Limited (Little Harrowden Community Primary School)
- Fresh Start Catering Limited (Innovate Multi Academy Trust)

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

- Compass Contract Services Limited (Innovate Multi Academy Trust)
- Alliance in Partnership Limited (Magdalen College School)
- Caterlink UK Limited (Grange Primary Academy)
- Compass Contract Services Limited (Fairfields School)
- Champion School & Language College (Single Academy Trust)
- Catch22 Multi 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)(i) 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 January 2023	Grange Transport Services	West Northamptonshire Council has awarded a contract to Grange Transport Limited for the provision of passenger transport services. The Passenger Transport Contract has been procured by West Northamptonshire Council on behalf of itself and North Northamptonshire Council to provide home to school transport for people with special educational needs. As a result, a group of employees were transferred from Kier Group to the admission body and a backdated pass through admission agreement has been put in place effective 1 January 2023. West Northamptonshire Council provides a guarantee in the first instance, under the admission agreement, but has entered into an agreement with North Northamptonshire to share overall responsibility for the pension risk. The agreement sets out how the assets and liabilities should be shared between them when the admission agreement ceases.
31 October 2022	Dolce Limited (Little Harrowden Community Primary School)	Dolce Limited entered into a contract with InMAT to provide catering services at Little Harrowden Community Primary School. As a result, a group of employees were transferred to the admission body and a backdated pass through admission agreement has been put in place effective 31 October 2022. The backdated contributions have been collected. The assets and liabilities have been retained by InMAT.
1 April 2023	Fresh Start Catering Limited (Innovate Multi Academy Trust)	Fresh Start Catering Limited entered into a contract with Innovate MAT to provide catering services at Kilsby CE Primary School and Badby School. As a result, a group of employees were transferred to the admission body and a backdated pass through admission agreement has been put in place effective 1 April 2023. The backdated contributions have been collected. The assets and liabilities have been retained by Innovate MAT.

5.2 New Cessations

5.3 Compass Contract Services Limited (Innovate MAT)

5.3.1 Compass Contract Services Limited were admitted to the Fund under a standard admission agreement on 1 September 2022, after entering a contract to provide catering services for Innovate MAT at Kilsby CE Primary School and Badby School.

5.3.2 On 31 March 2023 the admission agreement between Compass Contract Services Limited and Innovate MAT ceased when the contract ended. The Funding assessment at the date of exit identified a funding surplus of £2,000.00. A determination will now be made over the value of an exit credit which could be nil.

5.4 Alliance in Partnership Limited (Magdalen College School)

5.4.1 Alliance in Partnership Limited were admitted to the Fund under a pass through admission agreement on 1 April 2020, after entering a contract to provide catering services to Magdalen College School (single academy trust).

5.4.2 On 31 March 2023 the admission agreement between Alliance in Partnership and Magdalen College School ceased when the last member left. No exit debit or credit will be required as the pension liabilities were retained by Magdalen College School.

5.5 Caterlink UK Limited (Grange Primary Academy)

5.5.1 Caterlink UK Limited were admitted to the Fund under a pass through admission agreement on 1 April 2016, after entering a contract to provide catering services for United Learning Trust at Grange Primary Academy.

5.5.2 On 31 August 2023 the admission agreement between Caterlink UK Limited and United Learning Trust ceased when the contract ended. No exit debit or credit will be required as the pension liabilities were retained by United Learning Trust

5.6 Compass Contract Services Limited (Fairfields School)

5.6.1 Compass Contract Services Limited were admitted to the Fund under a pass-through admission agreement on 5 December 2016, after entering a contract to provide catering services for Fairfields School.

5.6.2 On 31 March 2023 the admission agreement between Compass Contract Services Limited and West Northants Council (Fairfields School) ceased when the last active member left. No exit debit or credit will be required as the pension liabilities were retained by West Northants Council.

5.7 Champion School & Language College (Single Academy Trust)

5.7.1 On 1 September 2023, the operation of the Champion School & Language College (Single Academy Trust) transferred to the United Learning Trust.

5.7.2 Champion School & Language College was a single academy trust so has ceased participation in the Fund as an employer in its own right and now forms part of United Learning Trust. No exit payment or credit will be required as the pension assets and liabilities were transferred to the accepting Multi Academy Trust (United Learning Trust).

5.8 Catch22 Multi Academy Trust

5.8.1 On 1 September 2023, the operation of The Spires Academy transferred from Catch22 MAT to Tove Learning Trust.

5.8.2 The Spires Academy was the only academy from Catch22 MAT participating in the Fund the MAT has therefore ceased as a Scheme employer in the Fund. 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