



West Northamptonshire Council

Pension Committee

27/3/2024

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	06/03/2024
S151	James Smith on behalf of Martin Henry	04/03/2024
Head of Pensions	Mark Whitby	21/02/2024

List of Appendices

None

1. Purpose of Report

- 1.1 To report the admission of six admitted bodies to the Northamptonshire Pension Fund.
- 1.2 To report the entry of two designating bodies to the Northamptonshire Pension Fund.
- 1.3 To notify the Committee of one employer ceasing participation in the Northamptonshire Pension Fund.
- 1.4 To update on previously reported cessations.

2. Executive Summary

- 2.1 The Committee is asked to note the admission of six transferee admission bodies and to approve the sealing of the admission agreements.
- 2.2 The committee is asked to note entry of two parish councils which passed resolutions designating staff as eligible for the LGPS, backdated to the start of their employment.

- 2.3 The Committee is also asked to note the exit of one employer from the Fund.
- 2.4 The Committee is also asked to note an update on one previously reported cessation cases where the funding assessment identified a surplus resulting in an exit credit determination.

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 admission agreements;

- KGB Cleaning South West Limited (Kettering Buccleuch Academy)
- Semilong Services Limited (Northampton Partnership Homes)
- Easy Clean Contractors Limited (Our Lady's Catholic Primary School)
- Kingswood Education Catering Limited (Hunsbury Park Primary School)
- Aspens-Services Limited (East Midlands Academy Trust)
- Renuvo Limited (Northampton Partnership Homes)

3.1.2 Note the entry of the following designating bodies to the Northamptonshire Pension Fund;

- Bugbrooke Parish Council
- Cottingham Parish Council

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

- Cleantec Limited (Grange Primary Academy)

3.1.4 Note the update on previously reported cessations relating to:

- NSL Limited

3.2 Reason for Recommendations

3.2.1 The six admission bodies fall under paragraph 1(d)(i) of Part 3 of Schedule 2 to the Local Government Pension Scheme Regulations 2013 (the Regulations) and all parties 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
1/9/2023	KGB Cleaning South West Limited (Kettering Buccleuch Academy)	KGB Cleaning South West Limited entered into a contract with United Learning Trust to provide cleaning services. As a result, fifteen employees were transferred to the admission body and a pass through admission agreement has been put in place. This agreement has been backdated to 1 September 2023 and the backdated contributions will be payable by the 19 March 2024. The assets and liabilities have been retained by United Learning Trust.
6/11/2023	Semilong Services Limited (Northampton Partnership Homes)	Semilong Services Limited entered into a contract with Northampton Partnership Homes to provide roofing/guttering maintenance and solar panel installation services. As a result, two employees were transferred to the admission body and a standard admission agreement has been put in place. Semilong Services Limited are required to arrange a bond to cover the pensions risk with Northamptonshire Partnership Homes acting as the guarantor of last resort for the pension liabilities. This agreement has been backdated to 6 November 2023 and the backdated contributions will be payable by the 19 March 2024.
1/7/2022	Easy Clean Contractors Limited (Our Lady's Catholic Primary School)	Easy Clean Contractors Limited entered into a contract with Our Lady Immaculate Catholic Academies Trust to provide cleaning services. As a result, three employees were transferred to the admission body and a pass through admission agreement has been put in place. This agreement has been backdated to 1 July 2022 and the the backdated contributions will be payable by the 19 March 2024. The assets and liabilities have been retained by Our Lady Immaculate Catholic Academies Trust.
16/10/2023	Kingswood Education Catering Limited (Hunsbury Park Primary School)	Kingswood Education Catering Limited entered into a contract with Hunsbury Park Primary School to provide catering services. As a result, one employee was transferred to the admission body and a pass through admission agreement has been put in place. This agreement has been backdated to 16 October 2023 and the backdated contributions will be payable by the 19 March 2024. The assets and liabilities have been retained by West Northamptonshire Council as Hunsbury Park Primary School is a WNC LEA school.

Date of admission	New Admission Body	Background Information
1/9/2023	Aspens-Services Limited (East Midlands Academy Trust)	Aspens-Services Limited entered into a contract with East Midlands Academy Trust to provide catering services. As a result, five employees were transferred to the admission body and a pass through admission agreement has been put in place. This agreement has been backdated to 1 September 2023 and the backdated contributions will be payable by the 19 March 2024. The assets and liabilities have been retained by East Midlands Academy Trust.
6/11/2023	Renuvo Limited (Northampton Partnership Homes)	Renuvo Limited entered into a contract with Northampton Partnership Homes to provide gas and heating maintenance services. As a result, four employees were transferred to the admission body and a standard admission agreement has been put in place. Renuvo Limited are required to arrange a bond to cover the pensions risk with Northamptonshire Partnership Homes acting as the guarantor of last resort for the pension liabilities. This agreement has been backdated to 6 November 2023 and the backdated contributions will be payable by the 19 March 2024.

5.2 New Designating Bodies

- 5.2.1 Regulation 3 (1) of the Regulations provides for a person employed by a body listed in Schedule 2 and is designated, or belongs to a class of employees designated, by the body, to be an active member of the Local Government Pension Scheme.
- 5.2.2 A designating body has to pass a resolution to designate employees as eligible for membership of the Local Government Pension Scheme.
- 5.2.3 Paragraph 2(a) of Part 2 of Schedule 2 provides for a precepting authority within the meaning of section 69 of the Local Government Finance Act 1992 (interpretation) to be a designating body.
- 5.2.4 The Committee is asked to note that the following employers are designating bodies by means of being a precepting authority within the meaning of paragraph 2(a) of Part 2 of Schedule 2 to the Regulations and that they have passed a resolution.

Date of admission	New Admission Body	Background Information
1 April 2022	Cottingham Parish Council	Cottingham Parish Council passed a resolution designating their clerk as eligible for the LGPS from the start of their employment. The membership for the clerk was therefore backdated to 1 April 2022.
21 November 2023	Bugbrooke Parish Council	Bugbrooke Parish Council passed a resolution designating their clerk as eligible for the LGPS from the start of their employment. The membership for the clerk was therefore backdated to 21 November 2023.

5.3 New Cessations

Cleantec Limited (Grange Primary Academy)

- 5.3.1 Cleantec Limited were admitted to the Fund under a pass through admission agreement on 1 August 2020, after entering a contract to provide cleaning services for United Learning at Grange Primary Academy.
- 5.3.2 On 31 July 2023 the admission agreement between Cleantec 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. The remaining member under this contract transferred to the new service provider, KGB Cleaning Limited, on 1 August 2023.

5.4 Previously Reported Cessations

- 5.4.1 The cessation of NSL Limited was originally reported at the June 2023 meeting of the Pension Fund Committee.
- 5.4.2 Following an exit credit determination, as required by, and considering the factors listed under section 64 (2ZC) of the Regulations, the Administering Authority has determined that the amount of exit credit payable to NSL was £458,000.

6 Implications (including financial implications)

6.1. Resources and Financial

- 6.1.1 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.
- 6.1.2 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.
- 6.1.3 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.

6.2. Legal

- 6.2.1 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.
- 6.2.2 Exit credit determinations can be appealed by the exiting employer under the Fund's internal dispute resolution procedure and ultimately the Pensions Ombudsman.

6.3 Risk

- 6.3.1 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

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

6.4 Relevant Pension Fund Objectives

- 6.4.1 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.

6.5 Consultation

- 6.5.1 Contribution rate and bond assessments are undertaken by Hymans Robertson, the Fund Actuary.
- 6.5.2 The Fund Actuary is consulted with upon the exit of any employer from the Fund.
- 6.5.3 Advice was received from the Fund's Actuary on individual admission and cessation cases, where required.

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

7 Background Papers

None.