

West Northamptonshire Council

Pension Committee

12/10/2022

Mark Whitby – Head of Pensions

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

MO	Jennifer Affie on behalf of Catherine Whitehead	22 September 2022
S151	James Smith on behalf of Martin Henry	20 September 2022
Head of Pensions	Mark Whitby	8 September 2022

List of Appendices

None

1. Purpose of Report

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- 1.1 To report the entry of one designating body to the Northamptonshire Pension Fund.
 - 1.2 To notify the Committee of two employers ceasing participation in the Northamptonshire Pension Fund.

2. Executive Summary

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- 2.1** Kettering Town Council passed a resolution designating their deputy clerk as eligible for the LGPS from the start of their employment, 25 May 2022. Entry to the Fund for designating bodies is automatically permitted by the regulations and the Fund has no ability to deny participation, if a resolution is passed designating a member or groups of members as being eligible.
 - 2.2** Barby & Onley Parish Councils participation in the scheme has come to an end following their last active member leaving the LGPS on 31 May 2022. An actuarial assessment has been

undertaken to calculate the closing funding position which identified a funding shortfall of £2,900.

- 2.3** On 1 September 2021, the Lion Academy Trust and Lion Education Trust merged into a single Multi-Academy Trust. No exit payment or credit will be required as the pension assets and liabilities were combined within the ongoing Trust.

3. Recommendations

3.1 The Pension Committee is asked to:

- a) Note the admission of the following designating body to the Northamptonshire Pension Fund:
- Kettering Town Council
- b) Note the exit of the following bodies from the Northamptonshire Pension Fund:
- Barby & Onley Parish Council
 - Lion Education Trust

3.2 Reason for Recommendations: To comply with the Local Government Pension Scheme Regulations 2013.

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.

This report provides an update on admissions to and cessations from the Northamptonshire Pension Fund since the last meeting of the Pension Committee.

5. Issues and Choices

5.1 New Designating Bodies

- 5.1.1** The Regulations allow that a body listed in Schedule 2 can designate an employee, or a class of employees as being eligible to be members of the Local Government Pension Scheme.
- 5.1.2** If such a body passes a resolution to designate employees as eligible for membership of the Local Government Pension Scheme, the Pensions Committee cannot refuse their participation in the Fund.
- 5.1.3** Paragraph 2(a) of Part 2 of Schedule 2 of the Regulations provides for a precepting authority to be a designating body.
- 5.1.4** The Committee is asked to note that the following employer is a designating body by means of being a precepting authority within the meaning of paragraph 2(a) of Part 2 of Schedule 2 to the Regulations.

Date of admission	New Admission Body	Background Information
25 May 2022	Kettering Town Council	Kettering Town Council passed a resolution designating their deputy clerk as eligible for the LGPS from the start of their employment.

5.2 Cessations

5.2.1 Barby & Onley Parish Council

- 5.2.1.1 On 5 June 2006, Barby & Onley Parish Council passed a resolution designating their Clerk as eligible for membership of the LGPS beginning their participating in the Fund as a designating body.
- 5.2.1.2 On 31 May 2022 the last active member left employment. The cessation assessment identified a funding deficit of £2,900.00. An invoice was issued to the employer to collect the funding deficit in July 2022. The Parish Council have advised that payment approval will be sought at the next Parish Council meeting which at the time of writing this report is on 12 September 2022.

5.2.2 Lion Education Trust/Lion Academy Trust

- 5.2.2.1 The Lion Academy Trust was admitted to the Fund in June 2021.
- 5.2.2.2 On 1 September 2021, Lion Academy Trust and Lion Education Trust merged. The Lion Academy Trust (the Transferor) ceased participation in the Fund and the Lion Education Trust (the Transferee) was renamed Lion Academy Trust. No exit payment or credit will be required as the pension assets and liabilities were transferred to the ongoing Multi Academy Trust.

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.

6.2 Risk

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

Risk	Residual risk rating
Lack of understanding of employer responsibilities which could result in statutory and non-statutory deadlines being missed.	Green
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
Failure to assess and monitor the financial strength of an employer covenant to ensure employer liabilities are met.	Green

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

6.3 Relevant Pension Fund Objectives

- 6.3.1 The following objectives as per the Business Plan 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 termination of a scheme employer.

6.4 Consultation

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

7 Background Papers

7.1 None