

West Northamptonshire Council

Pension Committee

15/06/2021

Mark Whitby – Head of Pensions

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

West MO	John Murphy on behalf of Catherine Whitehead	23 May 2021
West S151	James Smith on behalf of Martin Henry	19 May 2021
Head of Pensions	Mark Whitby	13 May 2021

List of Appendices

None

1. Purpose of Report

- 1.1 To report the admission of five employers to the Northamptonshire Pension Fund across five admission agreements.
- 1.2 To report the admission of one designating body to Northamptonshire Pension Fund
- 1.3 To notify the Committee of one body ceasing in the Northamptonshire Pension Fund

2. Executive Summary

- 2.1 Following a number of TUPE transfers five contractors have applied for admitted body status within the Northamptonshire Pension Fund and signed an admission agreement undertaking to meet the requirements of the Local Government Pension Scheme Regulations 2013. As a result, the Pension Committee must admit to the Scheme all eligible employees of those bodies.

- 2.2 Appropriate written amendments have been made to these admission agreements, in accordance with advice received from the Fund's legal advisor, as they pre-date local government reorganisation in Northamptonshire.
- 2.3 Northampton Town Council was established following the reorganisation of local government in Northamptonshire. The Council has a statutory right to admit some or all employees into the Local Government Pension Scheme as long as the Council passes a resolution designating all or some of its employees as being eligible for membership of the Scheme.
- 2.4 As a result of the last active member leaving the Scheme, the admission agreement between Compass Contract Services Limited and David Ross Education Trust has come to an end with the assets and liabilities being retained by the academy trust.

3. Recommendations

3.1 The Pension Committee is asked to:

- a) Note the admission of the following admitted bodies to the Northamptonshire Pension Fund and approve the sealing of the following admission agreements;
- Alliance in Partnership Limited
 - Compass Contract Services Limited
 - Everyone Active (Sports and Leisure Management Limited)
 - Innovate Services Limited
 - Miquill (South) Limited
- b) Note the admission of the following designating body to the Northamptonshire Pension Fund;
- Northampton Town Council
- c) Note the exit of the following body from the Northamptonshire Pension Fund:
- Compass Contract Services Limited

3.2 Reason for Recommendations: To comply with the Local Government Pension Scheme Regulations 2013. Under the Regulations, the bodies listed either have a statutory right to offer membership of the LGPS or have entered into an admission agreement and therefore undertaken to meet the requirements of the Regulations. The Pension Fund Committee has no discretion in these circumstances to refuse entry.

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 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 As the admission agreements pre-date local government reorganisation in Northamptonshire, advice has been sought from the Fund's legal advisors, Squire Patton Boggs, and appropriate written amendments have been made in the agreements to reflect the transfer of rights and obligations to the new administering authority, West Northamptonshire Council, or the new schemer employer, West Northamptonshire Council or North Northamptonshire Council.
- 5.1.5 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
01/04/2020	Alliance in Partnership Limited (Magdalen College School)	Magdalen College School has entered into a contract with Alliance in Partnership Limited to provide catering services at Grange Primary Academy. 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 1 April 2020 and we have received all back dated contributions.
01/09/2014	Compass Contract Services Limited (Eastfield Academy and Rockingham Primary School)	The David Ross Education Trust has entered into a contract with Compass Contract Services Limited to provide cleaning services at The Eastfield Academy and Rockingham Primary School. 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 1 September 2014 after the case was re-opened on request of the admission body and scheme employer. Backdated contributions will be collected by 19 June 2021.
01/08/2020	Innovate Services Limited (Campion School)	The Campion School and Language College have entered into a contract with Innovate Services Limited to provide children's services at The Campion School. 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 1 August 2020 and backdated contributions will be collected by 19 June 2021.

01/11/2020	Miquill (South) Limited (Whitefriars Primary School)	Whitefriars Primary School, a North Northamptonshire LEA school, have entered into a contract with Miquill (South) Limited to provide catering 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 1 November 2020 and backdated contributions will be collected by 19 June 2021.
24/02/2020	Everyone Active (Sports and Leisure Management Limited)	Daventry District Council entered into a contract with Everyone Active (a subsidiary company of Sports and Leisure Management) to operate services at Moulton Leisure Centre. 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 24 February 2020 and backdated contributions will be collected by 19 June 2021.

5.2 New Designating Body

- 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.
- 5.1.2 The designating body has to pass a resolution to designate employees as eligible for membership of the Local Government Pension Scheme.
- 5.1.3 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.
- 5.1.4 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	Designating Body	Background Information
01/04/2021	Northampton Town Council	Northampton Town Council was established as part of the reorganisation of local government in Northamptonshire. As a result, a group of staff were transferred from Northampton Borough Council to Northampton Town Council. Northampton Town Council passed a resolution designating all transferred staff as well as all future employees to the LGPS.

5.3 Cessations

- 5.3.1 **Compass Contract Services Limited (Kings Heath Primary Academy, Welton CofE Academy & Daventry Academy – David Ross Education Trust)**
- 5.3.2 Compass Contract Services Limited were admitted to the Fund under a pass through agreement on 4 December 2016, after entering into a contract with The David Ross Education Trust, to provide cleaning services across a number of academies within the Trust.
- 5.3.3 On 20 July 2018, the last active member left the organisation. No exit debit or credit will be required as the pension liabilities were retained by The David Ross Education 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 is also 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 Employers who are unable to pay monies due during the course of active membership may result in unpaid liabilities being borne by other employers in the Fund.

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. A precedent admission agreement was originally drafted by Eversheds Sutherland, former pension legal advisers, in consultation with LGSS Law.
- 6.2.2 The Fund consulted with the Fund's current legal advisors, Squire Patton Boggs, with regards to the local government reorganisation as set out above.

6.3 Risk

- 6.3.1 The Pension Committee are responsible for approving some admission bodies into the Fund as well as monitoring all admissions and cessations.
- 6.3.2 The mitigated risks associated with this report have been captured in the Fund's risk register as detailed below -

Risk No.	Risk	Residual risk rating
14	Failure to administer the scheme in line with regulations and guidance	Green
17	Failure to provide relevant information to the pension Committee/Pension Board to enable informed decision making	Green

The Fund's full risk register can be found on the Fund's website at the following link:
<https://pensions.northamptonshire.gov.uk/governance/key-documents/northamptonshire/>

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 termination of a scheme employer.

6.5 **Consultation**

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

7. **Background Papers**

None