

To: Pension Fund Committee

Meeting date: 19 December 2024

Report by: Cory Blose
Employer Services and Communications Manager

Subject: Review of Admissions and Bulk Transfers Policy

Purpose of the report: To seek approval of the Fund's Admissions and Bulk Transfers Policy.

Recommendations: The Pension Fund Committee is asked to approve the draft policy

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1. Background

- 1.1 The Fund has previously published and maintained an Admission Bodies, Scheme Employers and Bulk Transfer policy which sets out the requirements for employers joining the Fund and provides details of the Fund's policies regarding how the Fund will manage the participation of different types of employer, including: admissions, managing and monitoring risk, the collection of contributions and other payments, and exits from the Fund.
- 1.2 The document also sets out the Fund's policies regarding the bulk transfer of assets and liabilities into or out of the Fund.
- 1.3 The policy was last reviewed in 2021.

2. Executive summary

- 2.1 The Fund's Admission Bodies, Scheme Employers and Bulk Transfers policy has undergone an officer review, having last been reviewed in 2021.
- 2.2 As a result of the review, the policy has been completely restructured and rewritten in line with current preferences.
- 2.3 The policy document contains the Fund's policies on how it will manage the employer life cycle including requirements for entry, risk management and other matters concerning an employers' participation in the Fund.
- 2.4 The policy detail has mostly remained unchanged. The main change to the policy has been to make pass through admissions the default approach to manage the participation and risk of these employers.
- 2.5 The policy has also been renamed as the Admissions and Bulk Transfers policy to better reflect the subject matter included.

3. Issues and choices

Review of the policy

- 3.1 The policy has been reviewed by officers and a new draft policy has been provided with this paper for review and approval by the Pension Fund Committee.
 - 3.2 Advice has been taken from the Fund Actuary when developing and reviewing the policy.
 - 3.3 The policy document has been completely restructured and rewritten to reflect the Fund's current writing style and to update the Fund objectives in line with the current business plan.
 - 3.4 The policy has now been restructured thematically according to the typical employer life cycle, rather than by employer type, reducing duplication of policies.
 - 3.5 The policy covers the following aspects of the employer life cycle:
 - Requirements for entry
 - Allocation of assets and liabilities on entry
 - Contribution rates and other costs
 - Monitoring and managing employer related risks
 - Pass through arrangements
 - Cessations
 - Bulk transfer of assets and liabilities into and out of the Fund
 - 3.6 The policy detail has mostly remained unchanged. The most significant change is that the default approach to managing risk in relation to transferee admission bodies (contractors) is for a pass-through admission to be put in place where the assets and liabilities are retained by the employer awarding the contract (usually a large council or academy trust).
 - 3.7 The policy has also been renamed the Admissions and Bulk Transfers policy to make it clearer what the policy document covers. A separate cessations policy is in place providing details on how cessations will be treated. To avoid any confusion, the term cessation has not been included in the title of this policy, even though it does touch on some cessations policy and set the context for the cessations policy.
 - 3.8 As the policy has been completely restructured and rewritten, officers have not included a track changed version of the draft policy. The current version of the policy is available on the Fund's website <https://pensions.cambridgeshire.gov.uk/governance/key-documents/cambridgeshire/>.
4. Relevant Pension Fund objectives

- 4.1 To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies, and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- 4.2 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.
- 4.3 To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.
- 4.4 To ensure regular monitoring of employer covenants, putting in place mitigations of adequate strength to protect the Fund.
5. Implications (including financial implications)
 - 5.1 Resources and financial
 - 5.1.1 There are no resources or financial implications arising from the proposals.
 - 5.2 Legal
 - 5.2.1 There are no legal implications arising from the proposals.
 - 5.3 Risk management
 - 5.3.1 There are no significant risks arising from the proposed recommendations in this report.
 - 5.4 Consultation
 - 5.4.1 The Fund actuary was consulted when reviewing the strategy.
6. Background papers
 - 6.1 The Admission Bodies, Scheme Employers and Bulk Transfers policy.
7. Appendices
 - 7.1 Appendix 1 – Draft Admissions and Bulk Transfers Policy
8. Accessibility
 - 8.1 An accessible version of the information contained in this report and appendix is available on request from the report author.