

## **Report of the Section 151 Officer**

**Pension Fund Committee – 14 July 2016**

### **REPORT ON CESSATION OF ADMITTED BODY – COLIN LAVER HEATING LTD**

**Purpose:** The report is presented for information purposes regarding the cessation of Colin Laver Heating Ltd. as an Admitted Body in the City and County of Swansea Pension Fund.

**Report Author:** Lynne Miller – Pensions Manager

**Finance Officer:** Jeff Dong – Chief Treasury & Technical Officer

**Legal Officer:** Stephanie Williams

**Access to Services Officer:** N/A

#### **FOR INFORMATION**

### **1. Background**

1.1 In 2008, the City & County of Swansea Pension Fund, Neath Port Talbot CBC and Colin Laver Heating Ltd entered into a Pensions Admission Agreement (backdated to 7<sup>th</sup> November 2005) under regulation 5(3)(a)(i) of the Local Government Pension Regulations 1997 (as amended).

1.2 The contract ceased on 4<sup>th</sup> November 2015.

### **2. Colin Laver Heating**

2.1 In 2005, Neath Port Talbot CBC outsourced the contract to service central heating for its local authority housing to Colin Laver Heating Ltd.

2.2 The contract was for a period of 7 years with effect from 7<sup>th</sup> November 2005, with the option to extend the contract for a further 3 years.

2.3 In 2008, the Pension Fund Committee agreed to admit Colin Laver Heating Ltd into the LGPS as a Transferee Admission Body. Admission Body Status was backdated to the commencement of the contract with Neath Port Talbot CBC.

2.4 It was agreed that Colin Laver Heating was to be given 'orphaned' status and therefore, a condition of the contract was for Colin Laver Heating Ltd to provide a bond to the Fund to safeguard against the level of risk assessed.

2.5 The contract ceased on 4<sup>th</sup> November 2015. At that time, the two remaining employees were able to access their pension benefits as they were of pensionable age.

2.6 At cessation of the contract, the Fund is required under the Regulations to obtain a cessation valuation from the Fund's Actuary, to assess if Colin Laver's liabilities were in surplus or deficit.

2.7 This valuation has now been completed and it has been found that they are in deficit by £33,200.

2.8 Arrangements will now be made to obtain the amount owed from Colin Laver Heating Ltd or its sponsoring body Neath Port Talbot CBC.

#### **4. Equality and Engagement Implications**

4.1 There are no equality and engagement implications.

#### **5. Legal Implications**

5.1 The legal implications are outlined in the body of the report.

#### **6. Financial Implications**

6.1 The cessation deficit of £33, 200 shall be recovered from Colin Laver Heating Ltd or its sponsoring body Neath Port Talbot CBC

#### **FOR INFORMATION**

**Background papers:** Cessation Valuation of Colin Laver Heating Ltd by the Fund Appointed Actuary, Aon Hewitt.

**Appendices:** None.