

**CAMBRIDGESHIRE
PENSION FUND**



Pension Fund Committee

19th March 2020

Report by: Head of Pensions

Subject:	Employer Admissions and Cessations Report
Purpose of the Report:	<ol style="list-style-type: none"> 1. To report the admission of five admitted bodies to the Cambridgeshire Pension Fund 2. To notify the Committee of seven bodies ceasing in the Cambridgeshire Pension Fund
Recommendations:	<p>That the Pension Fund Committee:</p> <ol style="list-style-type: none"> 1. Notes the admission of the following admitted bodies to the Cambridgeshire Pension Fund and approves the sealing of the admission agreements: <ul style="list-style-type: none"> • ABM Catering • Busy Bee Cleaning Services • Easy Clean Contractors • Pabulum Ltd • Taylor Shaw 2. Notes the cessation of the following bodies from the Cambridgeshire Pension Fund: <ul style="list-style-type: none"> • Advanced Cleaning Services (ACS) Ltd • Aspens Ltd • Holmewood and District Internal Drainage Board • Leisure Provisions Ltd, • P3 – People, Potential and Possibilities • VHS Cleaning Service Ltd • Wisbech Grammar School 3. Approves, in principle, the proposal to agree a repayment plan with Wisbech Grammar school
Enquiries to:	<p>Name – Cory Blose, Employer Services and Systems Manager Tel – 07990560829 E-mail – cblose@northamptonshire.gov.uk</p>

1. Background

- 1.1 The Local Government Pension Scheme Regulations 2013 (as amended) provide for the participation of a number of different types of body in the Local Government Pension Scheme; scheduled bodies, designating bodies, and admission bodies.
- 1.2 This report provides an update on admissions to and cessations from the Cambridgeshire Pension Fund since the last meeting of the Pension Fund Committee.

2 New Admission Bodies

- 2.1 Paragraph 1 of Part 3 of Schedule 2 to the Regulations provides for an Administering Authority making an admission agreement with an admission body, enabling employees of the admission body to be active members of the Local Government Pension Scheme.
- 2.2 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.
- 2.3 The Pension Fund Committee is asked to note the admission of the following bodies into the Cambridgeshire Pension Fund under paragraph 1(d)(i) and to approve the sealing of the admission agreements.

Date	New Admission Body	Background information
01/08/2019	ABM Catering (Oakdale Primary School)	Oakdale Primary School has entered into a contract with ABM Catering to provide catering services. Peterborough City Council has agreed to retain the pension risk under a Pass Through agreement.
28/05/2019	Busy Bee Cleaning Services Ltd (St Bedes Inter-Church School Academy)	St Bedes Inter-Church School Academy has entered into a contract with Busy Bee Cleaning Services Limited to provide cleaning services. The Academy has agreed to retain the pension risk under a Pass Through agreement.
01/01/2020	Easy Clean Contractors (Arbury Primary School)	The Arbury Primary School has entered into a contract with Easy Clean Contractors to provide cleaning services. Cambridgeshire County Council has agreed to retain the pension risk under a Pass Through agreement.
01/06/2018	Pabulum Ltd (Cambridge Meridian Academies Trust (CMAT), Lantern Community Primary School)	Cambridge Meridian Academies Trust (CMAT) has entered into a contract with Pabulum Limited to provide catering services. CMAT has agreed to retain the pension risk under a Pass Through agreement.
29/10/2018	Pabulum Ltd (Cambridge Primary Education Trust (CPET))	Cambridge Primary Education Trust (CPET) has entered into a contract with Pabulum Limited to provide catering services. CPET has agreed to retain the pension risk under a Pass Through agreement.
01/09/2019	Taylor Shaw (Abbey College Academy)	The Abbey College Academy, has entered into a contract with Taylor Shaw to provide catering services. The Academy has agreed to retain the pension risk under a Pass Through agreement.

3. Cessations

3.1 Advanced Cleaning Services Ltd (Kettlefields Primary School)

3.1.1 Advanced Cleaning Services were admitted to the Fund under a pass through agreement on 1 October 2018, after entering a contract to provide catering services to Kettlefields Primary School.

3.1.2 On 30 November 2019 the last active member left employment. No exit payment or credit will be required as the pension liabilities were retained within Cambridgeshire County Council.

3.2 Aspens Ltd (Brewster Avenue Infants, Dogsthorpe Infants, Oakdale Primary and St Augustine's CofE Junior Schools)

3.2.1 Aspens Ltd were admitted to the Fund under a pass through agreement on 1 August 2018, after entering a contract to provide catering services to Brewster Avenue Infants, Dogsthorpe Infants, Oakdale Primary and St Augustine's CofE Junior Schools.

3.2.2 Their service contract with the schools ended on 31 July 2019. No exit payment or credit will be required as the pension liabilities were retained within Peterborough City Council.

3.3 Holmewood and District Internal Drainage Board

3.3.1 Holmewood and District Internal Drainage Board is a designating body which passed a resolution to join the Cambridgeshire Pension Fund on 1 April 1988.

3.3.2 On 31 March 2019, the last active member left employment, meaning Holmewood Internal Drainage Board ceased as a Scheme employer in the Fund.

3.4 Leisure Provisions Ltd (Ely St John's School and Monkfield Park Primary School)

3.4.1 Leisure Provisions Ltd were admitted to the Fund under a pass through agreement on 29 October 2018, after entering a contract to provide cleaning services to Ely St John's School and Monkfield Park School.

3.4.2 Their service contract with the schools ended on 31 March 2019. No exit payment or credit will be required as the pension liabilities were retained within Cambridgeshire County Council.

3.5 P3 – People, Potential and Possibilities

3.5.1 P3 – People, Potential and Possibilities were admitted to the Fund under a pass through agreement on 1 October 2018, after entering a contract to provide community based services for Cambridgeshire County Council.

3.5.2 On 31 July 2019 their last active member left the organisation. No exit payment or credit will be required as the pension liabilities were retained within Cambridgeshire County Council.

3.6 VHS Cleaning Service Ltd (The Netherall School)

3.6.1 VHS Cleaning Service Ltd were admitted to the Fund under a pass through agreement on 1 September 2016, after entering a contract to provide cleaning services to The Netherall School.

3.6.2 On 31 August 2017, the last active member left employment. No exit payment or credit will be required as the pension liabilities were retained within Anglian Learning Trust.

3.7 Wisbech Grammar School

3.7.1 Wisbech Grammar School was admitted to the Fund on 13 March 1987 as a body providing a public service in the United Kingdom otherwise than for gain.

3.7.2 On 31 January 2020, the School was sold to a private entity and the last active members left the Scheme, creating a cessation event. The Trust that was operating the school has no liquid assets available to pay off their pension deficit but does have significant physical assets. We are currently in discussions with the Trust over a potential repayment plan. In return, the Trust will provide security to the Fund in the form of a charge on one of their properties.

3.7.3 A verbal update will be provided at the meeting and the Pension Fund Committee will be asked to approve the proposal, in principle.

4. Relevant Pension Fund Objectives

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. <i>Objective 2</i>
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. <i>Objective 5</i>
Ensure appropriate exit strategies are put in place in both the lead up to and termination of a scheme employer. <i>Objective 7</i>

5. Risk Management

5.1 The Pension Fund Committee are responsible for approving some admission bodies into the Fund as well as monitoring all admissions and cessations.

5.2 The risks associated with failing to monitor admissions and cessations have been captured in the Fund's risk register as detailed below.

Risk No	Risk	Residual risk rating
11	Lack of understanding of employer responsibilities which could result in statutory and non-statutory deadlines being missed.	Green
14	Failure to administer the scheme in line with the regulations.	Green

17	Failure to provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making	Green
21	Failure to assess and monitor the financial strength of an employer covenant to ensure employer liabilities are met.	Green

- 5.3 The Fund's full risk register can be found on the Fund's website at the following link:
<https://pensions.northamptonshire.gov.uk/app/uploads/2019/10/RiskRegisterCPF.pdf>

6. Communication Implications

Direct Communications	Direct communications will be required to facilitate employer start up in the LGPS.
Newsletter	Regular pension bulletins are issued to the scheme employers on topical matters.
Induction	New employers require an introduction to their employer responsibilities under the LGPS.
Seminar	Employers will be entitled to attend an annual Employer Forum.
Training	Generic and bespoke training courses will be made available.
Website	New employers are given access to the employer's guidance available on the LGSS Pensions website.

7. Legal Implications

- 7.1 Admitted bodies enter into an admission agreement with the administering authority in order to become an employer within the Cambridgeshire Pension Fund. This agreement sets out the statutory responsibilities of an employer, as provided for under the Regulations governing the LGPS.

8. Consultation with Key Advisers

- 8.1 Contribution rate and bond assessments are undertaken by Hymans Robertson, the Fund Actuary.
- 8.2 A precedent admission agreement has been drafted by Eversheds, specialist pension legal advisers in consultation with LGSS Law.

9. Alternative Options Considered

- 9.1 None available.

Checklist of Key Approvals	
Is this decision included in the Business Plan?	
Will further decisions be required? If so, please outline the timetable here	
Is this report proposing an amendment to the budget and/or policy framework?	
Has this report been cleared by Section 151 Officer?	Sarah Heywood – 27 th February 2020
Has this report been cleared by Head of Pensions?	Mark Whitby – 14 th February 2020
Has the Chairman of the Pension Fund Committee been consulted?	Councillor Rogers – 4 th March 2020
Has this report been cleared by Legal Services?	Fiona McMillan – 25 th February 2020

