

# Cambridgeshire Pension Fund

## Pension Fund Committee

14 December 2022

Report by: Head of Pensions

Subject: Employer Admissions and Cessations Report

Purpose of the Report: 1. To report the admission of one admitted body to the Cambridgeshire Pension Fund.  
2. To notify the Committee of eleven bodies ceasing participation in the Cambridgeshire Pension Fund.

Recommendations: That the Pension Fund Committee

1. Notes the admission of the following admitted body to the Cambridgeshire Pension Fund and approves the sealing of the admission agreement:
  - Aspens Services Ltd (Park Street CofE primary School)
2. Notes the cessation of the following bodies from the Cambridgeshire Pension Fund:
  - Caldecote Parish Council
  - Cambridge Primary Education Trust
  - Hertfordshire Catering Limited (Meldreth Primary School)
  - Compass Contract Services Limited (The Netherhall School)
  - Caterlink UK Limited (Anglian Learning Trust)
  - TNS Catering Limited (Wasp Cluster 2)
  - Hertfordshire Catering Limited (The CAM Academy Trust)
  - Easy Clean Contractors (Milton Primary School)
  - Aspens Services Limited (Fulbourn Primary School)
  - Alliance in Partnership Limited
  - Cambridge Community Service NHS Trust

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## 1. Executive Summary

- 1.1 The Pension Fund Committee is asked to note the entry, to the Fund, of one admitted body and to approve the sealing of the admission agreement.
- 1.2 The admission body is a contractor providing catering services to a Cambridgeshire LEA school. The Committee cannot refuse entry to the Fund where the admission body has agreed to meet its obligations under the Local Government Pension Scheme Regulations, which it has done by signing an admission agreement.
- 1.3 The admission within this report is a “passthrough” admission meaning the assets and liabilities are retained by the awarding authority, so there is no additional risk to the Fund by admitting this employer.
- 1.4 The Committee is also asked to note the exit of eleven employers from the Fund. Full details of each cessation are set out in Appendix A.

## 2. Background

- 2.1 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.
- 2.2 This report provides an update on admissions to and cessations from the Cambridgeshire Pension Fund since the last meeting of the Pension Fund Committee.

## 3. New Admission Bodies

- 3.1 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.
- 3.2 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.
- 3.3 The Pension Fund Committee is asked to note the admission of the following body into the Cambridgeshire Pension Fund under paragraph 1(d)(i) and to approve the sealing of the admission agreements:
  - Aspens Services Ltd (Park Street CofE Primary School)
- 3.4 Aspens Services Ltd have entered into a contract with Park Street CofE Primary School to provide catering services. As a result, a group of employees were transferred to the admission body and a backdated pass through admission agreement has been put in place effective 13 April 2021. The assets and liabilities have been retained by Cambridgeshire County Council. The backdated contributions will be paid once the Admission Agreement has been sealed.

## 4. Cessations

4.1 The following admitted bodies have exited the Fund:

- Hertfordshire Catering Limited (Meldreth Primary School)
- Compass Contract Services Limited (The Netherhall School)
- Caterlink UK Limited (Anglian Learning Trust)
- TNS Catering Limited (Wasp Cluster 2)
- Hertfordshire Catering Limited (The CAM Academy Trust)
- Easy Clean Contractors (Milton Primary School)
- Aspens Services Limited (Fulbourn Primary School)
- Alliance in Partnership Limited
- Cambridge Community Service NHS Trust

4.2 The following scheduled body has exited the Fund:

- Cambridge Primary Education Trust

4.3 The following designating body has exited the Fund:

- Caldecote Parish Council

4.4 Full details of each cessation is included in Appendix A.

## 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.

*Objective 2*

Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. *Objective 5*

Ensure appropriate exit strategies are put in place in both the lead up to and termination of a scheme employer. *Objective 7*

## 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	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 the regulations.	Green
Failure to provide relevant information to the Pension Fund 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

5.3 The Fund's full risk register can be found on the Fund's website:

[Pension Fund Risk Register hyperlink](#)

## 6. Finance & Resources Implications

- 6.1 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.
- 6.2 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.
- 6.3 Employers who are unable to pay monies due during active membership may result in unpaid liabilities being borne by other employers in the Fund.

## 7. Communication Implications

Direct Communications - Direct communications will be required to facilitate employer start up in the LGPS.

Training - Training will need to be provided to new employers on a number of LGPS issues.

Website - New employers are given access to the employer's guidance available on the pension's website.

## 8. Legal Implications

- 8.1 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.

## 9. Consultation with Key Advisers

- 9.1 Contribution rate and bond assessments are undertaken by Hymans Robertson, the Fund Actuary.

- 9.2 A precedent admission agreement has been drafted by Squire Patton Boggs, specialist pension legal advisers.
- 9.3 Advice was received from the Fund's legal advisers, Squire Patton Boggs, on individual admission cases, where required.
- 10. Alternative Options Considered
  - 10.1 None available.

### Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Yes

Has this report been cleared by Head of Pensions? Yes

Has the Chair of the Pension Fund Committee been consulted Yes

Has this report been cleared by Legal Services? Yes

## **Appendix A: Exiting Scheme Employers**

- **Caldecote Parish Council**

Caldecote Parish Council became an employer in the Fund on 1 October 2012 when they passed a resolution designating their Clerk as eligible for membership of the LGPS.

On 22 April 2022 their last active member left employment. The cessation assessment identified a £500.00 funding surplus. It was not necessary to pay the surplus to Caldecote Parish Council as this was offset against their cessation fee of £600.

- **Cambridge Primary Education Trust**

Cambridge Primary Education Trust was created as an Academy Trust on 1 November 2012 and began participating as a Scheduled Body from that date.

On 31 March 2022 Cambridge Primary Education Trust merged with Meridian Trust and ceased participating as a separate employer in the Fund. All pension assets and liabilities in relation to Cambridge Primary Education Trust have been transferred to Meridian Trust.

- **Hertfordshire Catering Limited (Meldreth Primary School)**

Hertfordshire Catering Limited were admitted to the Fund under a pass through agreement on 1 September 2020 after entering a contract to provide catering services to Meldreth Primary School.

On 30 September 2021, the last active member left the scheme. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

- **Compass Contract Services Limited (The Netherhall School)**

Compass Contract Services Limited were admitted to the Fund under a pass through agreement on 1 April 2015 after entering a contract to provide catering services to The Netherhall School.

On 31 August 2022, the contract ended. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

- **Caterlink UK Limited (Anglian Learning Trust)**

Caterlink UK Limited were admitted to the Fund under a pass through agreement on 15 October 2018, after entering a contract to provide catering services to the Bottisham Primary, Fen Ditton Primary and Stapleford Primary.

On 27 July 2022, the last active member left. No exit payment or credit is required as the pension liabilities were retained by the Anglian Learning Trust.

- **TNS Catering Limited (Wasp Cluster 2)**

TNS Catering Limited were admitted to the Fund under a pass through agreement on 24 September 2018, after entering a contract to provide catering services to a number of schools under the local authority of Cambridgeshire.

On 30 October 2022, the contract ended. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

- Hertfordshire Catering Limited (The CAM Academy Trust)

Hertfordshire Catering Limited were admitted to the Fund under a pass through agreement on 3 September 2018, after entering a contract to provide catering services to a number of schools in the CAM Academy Trust.

On 31 August 2022, the contract ended. No exit payment or credit is required as the pension liabilities were retained by the CAM Academy Trust.

- Easy Clean Contractors (Milton Primary School)

Easy Clean Contractors were admitted to the Fund under a pass through agreement on 22 October 2018, after entering a contract to provide cleaning services to Milton Primary School.

On 21 October 2022, the last active member left. No exit payment or credit is required as the pension liabilities were retained by the Diocese of Ely Multi Academy Trust.

- Aspens Services Limited (Fulbourn Primary School)

Aspens Services Limited were admitted to the Fund under a pass through agreement on 13 February 2021, after entering a contract to provide catering services to Fulbourn Primary School.

On 30 April 2021, the last active member left. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

- Alliance in Partnership Limited

Alliance in Partnership Limited were admitted to the Fund under a pass through agreement on 1 September 2015, after entering a contract to provide catering services to Cambridgeshire County Council.

On 31 August 2022, the last active member left. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council

- Cambridge Community Service NHS Trust

Cambridge Community Service NHS Trust were admitted to the Fund as a Community Admission Body on 1 April 2010.

On 22 February 2016, the last active member left. A funding shortfall of £2,951,000 has been identified. The admission body has been informed and our Funding team is raising an invoice to collect the exit payment.