

**CAMBRIDGESHIRE PENSION FUND**



**Pension Fund Board**

**Date: 26 June 2014**

**Report by: Head of Pensions**

<b>Subject:</b>	<b>Admissions Report</b>
<b>Purpose of the Report</b>	<b>To report on the admission of one Scheduled Body and gain approval for one Transferee Admission Body to join the Cambridgeshire Pension Fund.</b>
<b>Recommendations</b>	<b>1) To note the admission of the following body to the Cambridgeshire Pension Fund:</b> <ul style="list-style-type: none"><li>• Linton Village College Academy (MAT)</li></ul> <b>2) To approve the admission of the following body to the Cambridgeshire Pension Fund:</b> <ul style="list-style-type: none"><li>• Woman's Aid</li></ul>
<b>Enquiries to:</b>	<b>Mark Whitby, Employer and Systems Manager</b> <b>Tel – 0223715406</b> <b>E-mail – <a href="mailto:Mark.Whitby@cambridgeshire.gov.uk">Mark.Whitby@cambridgeshire.gov.uk</a></b>

**1. Background**

**1.1 Introduction**

**1.1.1** 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.

**1.1.2** This report provides an update on admissions to the Cambridgeshire Fund since the last report to the Pension Fund Board.

## 1.2 New Admission Bodies

- 1.2.1** Paragraph 1(d)(i) 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.
- 1.2.2** A paragraph 1(d)(i) Admission Body is a 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. Though the Regulations effectively provide discretion on the administering authority as to which bodies become paragraph 1(d)(i) Admission Bodies, guidance by the Department of Communities and Local Government in December 2009 states “*The administering authority cannot decline to admit a contractor if the contractor and the letting authority agree to meet the relevant requirements of the LGPS regulations.*”
- 1.2.3** The Pension Fund Board is asked to approve that the following becomes a new Admission Body in the Cambridgeshire Pension Fund.

Date	New Transferee Admission Body	Background information
1 April 2014	Woman’s Aid	Transfer of support services from PCC Domestic Abuse Support Services

## 1.2.4 New Academy admissions

- 1.2.5** Regulation 3 (1) of the Regulations provides for a person employed by a body listed in Schedule 2 to be an active member of the Local Government Pension Scheme.(LGPS) Part 1 of Schedule 2 includes an Academy as being a class of Schedule 2 employer and therefore a Scheduled Body. There is no discretion on the administering authority or the employer as to whether or not employers in Schedule 2 are provided with access to the Fund; it is a requirement.
- 1.2.6** The LGPS Regulations recognise the proprietor of the Academy as the scheme employer. Where Academies are part of a Multi Academy Trust (MAT), the Trust is the scheme employer and not each individual Academy. Academies joining an existing MAT are not reported as they are therefore not recognised as new scheme employers.
- 1.2.7** The following became new scheme employers either as a result of conversion to Academy status or opening as a brand new educational establishment.

Date	New Academy
1/4/2014	Linton VC Academy (MAT)

- 1.2.8** Actuarial advice will be sought on appropriate employer contribution rates from the Fund actuary and these will be advised to the new academy proprietors

## **2.0 Relevant Pension Fund Objectives**

<b>Perspective</b>	<b>Outcome</b>
<b>Funding and Investment</b>	<ul style="list-style-type: none"><li>• To ensure that the Fund is able to meet its liabilities for pensions and other benefits with the minimum, stable level of employer contributions.</li><li>• To ensure that sufficient resources are available to meet all liabilities as they fall due.</li></ul>
<b>Administration</b>	<ul style="list-style-type: none"><li>• Ensure the Funds and its stakeholders are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Funds.</li><li>• Put in place standards for the Fund and its employers and ensure these standards are monitored and developed as necessary.</li><li>• Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount.</li><li>• Understand the issues affecting scheme employers and the LGPS in the local and national context and adapt strategy and practice in response to this.</li></ul>

### 3.0 Finance & Resources Implications

- 3.1 Actuarial costs in obtaining employer contribution rates, bond levels and funding position at commencement are recharged directly to the relevant employer.
- 3.2 The employer contribution rates contain an allowance for administration charges, meaning the new admissions should be cost neutral.

### 4.0 Risk Implications

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
A company admitted to the Fund as an admission body may become financially unviable	A surety bond or guarantor is required to cover the potential risk of the admitted body becoming insolvent and the monetary value of this risk is reviewed regularly to ensure it provides adequate cover for the financial risks involved.	Green
Future pension liabilities that cannot be supported by the Academy	Limited mitigation available due to pressure for affordable employer contribution rates	Amber

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
Non compliance with the mandatory requirement to allow Academies admission to the Pension Fund	Red
Non compliance with CLG guidance that an admission body application cannot be declined where the requirements of the LGPS Regulations are met	Red

### 5.0 Communication Implications

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

## **6.0 Legal Implications**

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. LGSS Law is involved in ensuring the admission agreement is sealed and as and when required when finalising the terms of the agreement. The Fund's template admission agreement was updated by specialist pension legal advisors at Eversheds in order to be compliant with the Regulations.

## **7.0 Consultation with Key Advisors**

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

## **8.0 Alternative Options Considered**

None available.

## **9.0 Background Papers**

N/A

## **10.0 Appendices**

N/A

<b>Checklist of Key Approvals</b>	
Is this decision included in the Business Plan?	N/A
Will further decisions be required? If so, please outline the timetable here	NO
Is this report proposing an amendment to the budget and/or policy framework?	NO
Has this report been cleared by The Director of Finance?	N/A – as approved by S151
Has this report been cleared by The Head of Pensions?	
Has this report been cleared by the Section 151 Officer?	
Has the Chairman of the Pension Fund Board been consulted?	NO
Has this report been cleared by Legal Services?	N/A