

**CAMBRIDGESHIRE
PENSION FUND**



Pension Fund Committee

18th June 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 nine admissions to the Cambridgeshire Pension Fund 2. To notify the Committee of eight bodies ceasing in the Cambridgeshire Pension Fund 3. To seek approval, in principal, to agree a repayment plan with one ceasing employer
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 (2 admission agreements) • Pabulum Ltd (2 admission agreements) • Radis Community Care • Taylor Shaw • VHS Cleaning Service Ltd 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 • Chilford Hundred Trust • Holmewood and District Internal Drainage Board • Leisure Provisions Ltd • P3 – People, Potential and Possibilities • Pabulum 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.
01/11/2019	Easy Clean Contractors (Brampton Village Primary School)	The Brampton Village 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.

24/02/2020	Radis Community Care (GP Homecare Ltd)	Radis Community Care has entered into a contract with Cambridge County Council to provide care services at Ditchburn Place. Cambridgeshire County Council has agreed to share the pension risk under a pass through agreement.
01/06/2018	Pabulum Ltd (Cambridge Meridian Academies Trust (CMAT))	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.
01/01/2018	VHS Cleaning Service Ltd (The Netherhall School)	The Anglian Learning Trust has entered into a contract with VHS Cleaning Service Ltd to provide cleaning services. The Anglian Trust 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 Chilford Hundred Trust

- 3.3.1 Childford Hundred Trust were admitted to the Fund as a Scheduled Body on 1 February 2011 after Linton Village College and Linton Heights Junior School converted to an academy under sponsorship of Childford Hundred Trust.
- 3.3.2 On 31 March 2020, all academies within the trust were transferred to Anglian Learning Trust, meaning the Childofrd Hundred Trust ceased as a Scheme employer in the Fund. All assets and liabilities in relation to the transferred academies have been rolled over to Anglian Learning Trust.

3.4 Holmewood and District Internal Drainage Board

- 3.4.1 Holmewood and District Internal Drainage Board is a designating body which passed a resolution to join the Cambridgeshire Pension Fund on 1 April 1988.
- 3.4.2 On 31 March 2019, the last active member left employment, meaning Holmewood Internal Drainage Board ceased as a Scheme employer in the Fund. An actuarial assessment as of the date of cessation has resulted in a surplus of £8,000. The cessation surplus has been paid to Homewood and District Internal Drainage Board.

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

- 3.5.1 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.
- 3.5.2 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.

3.6 P3 – People, Potential and Possibilities

- 3.6.1 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.
- 3.6.2 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.

3.7. Pabulum Limited (Lantern CP School Academy)

- 3.7.1 Pabulum Limited were admitted to the Fund under a pass through agreement on 1 June 2018, after entering a contract with Cambridges Meridian Academies Trust to provide cleaning services to Lantern CP School Academy.
- 3.7.2 Their service contract with the academy ended on 31 July 2019. No exit payment or credit will be required as the pension liabilities were retained within Cambridge Meridian Academies Trust.

3.8 Wisbech Grammar School

- 3.8.1 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.

- 3.8.2 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 has provided a security proposal.
- 3.8.3 Officers are seeking approval in principal for the proposal so that we can take appropriate legal advice and agree the finer detail. Due to the inclusion of commercially sensitive information, the details of the proposal have been included in private 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. <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. 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 the course of 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.
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.

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 Eversheds, specialist pension legal advisers in consultation with LGSS Law.

10. Alternative Options Considered

10.1 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 – 28 th May 2020
Has this report been cleared by Head of Pensions?	Mark Whitby – 19 th May 2020
Has the Chairman of the Pension Fund Committee been consulted?	Councillor Rogers – 5 th June 2020
Has this report been cleared by Legal Services?	Fiona McMillan – 1 st June 2020

