

**CAMBRIDGESHIRE
PENSION FUND**



Pension Fund Committee

13th June 2019

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 four admitted bodies to the Cambridgeshire Pension Fund 2. To report the admission of one scheduled body to Cambridgeshire Pension Fund 3. To notify the Committee of three 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"> • <i>Caterlink</i> • <i>Aspens Services Limited</i> • <i>Edwards and Blake</i> • <i>ABM Catering Limited</i> 2. Notes the admission of the following scheduled body to the Cambridgeshire Pension Fund: <ul style="list-style-type: none"> • OWN Academy Trust 2. Notes the exit of the following bodies from the Cambridgeshire Pension Fund: <ul style="list-style-type: none"> • Churchill Contract Services Ltd (Thorndown Primary School) • SLM Ltd Everyone Active • Cambridge Live
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1. Background

- 1.1 The Local Government Pension Scheme Regulations 2013 (as amended) 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.
- 1.2 This report provides an update on admissions to 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
01/01/2018	Caterlink (The Diamond Learning Partnership Trust)	The Diamond learning Partnership Trust, has entered into a contract with Caterlink Limited to provide catering services for the Trust's academies. As a result of the contract, a group of staff were transferred to the new admission body under Transfer of Undertakings (Protection of Employment) (TUPE) regulations and a full admission agreement has been put in place.
01/08/2018	Aspens Services Limited (Brewster Avenue, Dogsthorpe Infants, Oakdale and St. Augustine's Church of England (CE) Junior)	The listed group of Cambridgeshire Local Education Authority (LEA) schools, have entered into a contract with Aspens Services Limited to provide school catering services within the schools. As a result, a group of staff were transferred to the new admission body. Peterborough City Council has agreed to retain the pension risk under a Pass Through agreement.
01/06/2018	Edwards and Blake (Spring Common Academy)	Spring Common Academy Trust has entered into a contract with Edwards & Blake Limited to provide catering services. As a result, a group of staff were transferred to the new admission body. Spring Common Academy Trust has the pension risk under a Pass Through agreement.

01/09/2018	ABM Catering Limited (Great Paxton Primary School, Newton Community Primary School, Offord Primary School, Samuel Pepys School)	The listed group of Cambridgeshire LEA schools, have entered into a contract with Aspens Services Limited to provide school catering services within the schools. As a result, a group of staff were transferred to the new admission body. Cambridgeshire County Council has agreed to retain the pension risk under a Pass Through agreement.
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3. New Scheduled Body

- 3.1 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. Part 1 of Schedule 2 includes “a proprietor of 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.
- 3.2 The LGPS Regulations recognise the proprietor of the Academy Trust 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.

Date of admission	Academy Trust	Name of Academies transferring
01/03/2019	OWN Trust	Nene Valley Primary School Orton Wistow Primary School Woodston Primary School)

4. Cessations

4.1 Churchill Contract Services Ltd (Thorndown Primary School)

- 4.1.1 Churchill Contract Services Ltd were admitted to the Fund under a pass through agreement on 1 January 2018, after entering a contract to provide cleaning services to Thorndown Primary School.
- 4.1.2 On 31 August 2018 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 pool.

4.2 SLM Ltd Everyone Active

- 4.2.1 SLM Ltd Everyone Active were admitted to the Fund under a pass through agreement on 15 May 2015, after entering a contract to provide cleaning services to Thorndown Primary School.
- 4.2.2 On 1 August 2018 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 pool

4.3 Cambridge Live

- 4.3.1 Cambridge Live were admitted to the Fund on 1 April 2015, after entering a contract to provide services to run events for Cambridge City Council.
- 4.3.2 On 31 March 2019 the organisation ceased to exist. No exit payment or credit will be required as the pension liabilities have been taken back by Cambridge City Council.

5. Relevant Pension Fund Objectives

Have robust governance arrangements in place, to facilitate informed decision-making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance. <i>Objective 1</i>
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>
Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment. <i>Objective 3</i>
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. <i>Objective 5</i>
Ensure regular monitoring of employer covenants, putting in place mitigations of adequate strength to protect the Fund. <i>Objective 6</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>

6. Risk Management

- 6.1 The Pension Fund Committee are responsible for approving some admission bodies into the Fund as well as monitoring all admissions and cessations.
- 6.2 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
10	Lack of understanding of employer responsibilities which could result in statutory and non-statutory deadlines being missed.	Green
20	Failure to assess and monitor the financial strength of an employer covenant to ensure employer liabilities are met.	Green

- 6.3 The Fund's full risk register can be found on the Fund's website at the following link:

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?	No
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 Section 151 Officer?	Sarah Heywood – 30 th May 2019
Has this report been cleared by Head of Pensions?	Mark Whitby – 22 nd May 2019
Has the Chairman of the Pension Fund Committee been consulted?	Councillor Rogers – 30 th May 2019
Has this report been cleared by Legal Services?	Fiona McMillan – 29 th May 2019

Background Papers: None

