

**CAMBRIDGESHIRE  
PENSION FUND**



**Pension Fund Committee**

**Date:** 18 October 2018

**Report by:** Head of Pensions

<b>Subject:</b>	<b>Employer Admissions and Cessations Report</b>
<b>Purpose of the Report</b>	<ol style="list-style-type: none"><li><b>To report the admission of seven admission bodies to the Cambridgeshire Pension fund.</b></li><li><b>To report the termination of one scheduled body from the Cambridgeshire Pension fund.</b></li></ol>
<b>Recommendations</b>	<p><b>That the Pension Fund Committee:</b></p> <ol style="list-style-type: none"><li><b>Notes the admission of the following admission bodies to the Cambridgeshire Pension Fund:</b><ul style="list-style-type: none"><li>Everyone Health Limited</li><li>Edwards and Blake</li><li>Lunchtime UK Limited for the following contracts:<ul style="list-style-type: none"><li><i>Houghton Primary School</i></li><li><i>Friday Bridge Primary</i></li><li><i>The Ashbeach Primary School</i></li><li><i>St Laurence Catholic Primary School</i></li><li>Clean Slate (Histon Early Years Centre)</li></ul></li></ul></li><li><b>Notes the termination of the following scheduled body from the Cambridgeshire Pension Fund:</b><ul style="list-style-type: none"><li>St Neot's Learning Partnership Trust</li></ul></li></ol>
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**1. Background**

- 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.
- 1.2 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. 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.”*

- 2.3 The Pension Fund Committee is asked to note the admission of the following bodies into the Cambridgeshire Pension Fund.

<b>Date</b>	<b>New Admission Body</b>	<b>Background information</b>
01/07/2017	Everyone Health Limited	Cambridgeshire County Council has entered into a contract with Everyone Health Limited to provide its Public Health services. As a result of the contract, a group of staff were transferred to the new admission body under TUPE regulations and a full admission agreement has been put in place. Cambridgeshire County Council has agreed to act as guarantor for this employer.
30/10/2017	Edwards & Blake	Cottenham Primary School, a Cambridgeshire LEA maintained school, has contracted Edwards & Blake to provide its catering services. As a result, a group of staff were transferred to the new admission body under TUPE regulations. Cambridgeshire County Council has agreed to retain the pension risk for this employer, and all liabilities and assets will be returned to the local authority on the contracts termination, under a Pass Through agreement.
01/06/2018	Clean Slate	Histon Early Years Centre, an early years education centre maintained by the Cambridgeshire LEA, has contracted Clean Slate to provide its cleaning services. As a result, a group of staff were transferred to the new admission body under TUPE regulations. Cambridgeshire County Council has agreed to retain the pension risk and all liabilities and assets will be returned to the local authority on the contracts termination under a Pass Through agreement.
01/04/2018	Lunchtime UK Ltd (Houghton Primary School)	Houghton Primary School, a Cambridgeshire LEA maintained school has contracted Lunchtime UK Ltd to provide its catering services. As a result, a group of staff were transferred to the new admission body under TUPE regulations. Cambridgeshire County Council has agreed to retain the pension risk and all liabilities and

		assets will be returned to the local authority on the contracts termination under a Pass Through agreement.
01/07/2018	Lunchtime Company (Friday Bridge Primary)	Friday Bridge Primary, a Cambridgeshire LEA maintained school has contracted Lunchtime UK Ltd to provide its catering services. As a result, a group of staff were transferred to the new admission body under TUPE regulations. Cambridgeshire County Council has agreed to retain the pension risk and all liabilities and assets will be returned to the local authority on the contracts termination under a Pass Through agreement.
01/09/2018	Lunchtime Company (The Ashbeach Primary School)	The Ashbeach Primary School, a Cambridgeshire LEA maintained school has contracted Lunchtime UK Ltd to provide its catering services. As a result, a group of staff were transferred to the new admission body under TUPE regulations. Cambridgeshire County Council has agreed to retain the pension risk and all liabilities and assets will be returned to the local authority on the contracts termination under a Pass Through agreement.
01/10/2018	Lunchtime Company (St Laurence Catholic School)	St Laurence Catholic School, a Cambridgeshire LEA maintained school has contracted Lunchtime UK Ltd to provide its catering services. As a result, a group of staff were transferred to the new admission body under TUPE regulations. Cambridgeshire County Council has agreed to retain the pension risk and all liabilities and assets will be returned to the local authority on the contracts termination under a Pass Through agreement.

### 3. Cessations

#### 3.1 St Neot's Learning Partnership Trust

3.1.1 St Neot's Learning Partnership Trust was the academy trust and recognised employer for Ernulf and Longsands Academies. The trust ceased as an active employer on 1 September 2018 after transferring sponsorship of the academies to Astrea Multi Academy Trust, an existing multi academy trust within the Cambridgeshire Pension Fund.

3.2 All assets and liabilities have been accepted by Astrea Multi Academy Trust and will be transferred accordingly, under the conditions of the transfer agreement. Therefore no exit payment will be required from St Neot's Learning Partnership Trust.

#### 4. 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 both in the lead up to and termination of a scheme employer. <i>Objective 7</i>

#### 5. Finance & Resources Implications

- 5.1 Actuarial costs incurred by obtaining a calculation of employer contribution rates, bond levels and funding positions at commencement are recharged directly to the relevant employer.
- 5.2 The employer contribution rates contain an allowance for administration charges, meaning the new admissions should be cost neutral.
- 5.3 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. Measures to mitigate such an eventuality are readily available for admission bodies and set out in section 6 below.

#### 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 register	Risk mitigated	Residual risk
Administration and Communication (risk 38)	An employer ceasing to exist with insufficient funding, adequacy of bond or guarantee. Without the required cover the Fund will pick up the shortfall leading to increased contribution rates for other employers.	Green
Administration and Communication (risk 39)	Lack of understanding of employer responsibilities which could result in a statutory deadline being missed.	Green

Administration and Communication (risk 40)	Failure to apply and demonstrate fairness in the differentiated treatment of different fund employers by reference to their own circumstances and covenant.	Green
Administration and Communication (risk 41)	Failure to manage the resources associated with increasing volumes of employing bodies entering the Fund, leading to unachievable targets.	Amber

6.3 The Fund's full risk register can be found on the Fund's website at the following link: <http://pensions.northamptonshire.gov.uk/governance/key-documents/cambridgeshire/>

## 7. Communication Implications

<b>Direct Communications</b>	Direct communications will be required to facilitate employer start up in the LGPS.
<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.
<b>Website</b>	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 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	Sarah Heywood – sent 28 September

Officer?	2018
Has this report been cleared by Head of Pensions?	Mark Whitby – 24 September 2018
Has the Chairman of the Pension Fund Committee been consulted?	Councillor Rogers – 3 October 2018
Has this report been cleared by Legal Services?	Fiona McMillan – 26 September 2018