

Cambridgeshire
Pension Fund

Pension Fund Committee

8 June 2023

Report by: Head of Pensions

Subject: Employer Admissions and Cessations Report

Purpose of the Report: 1. To report the admission of three admitted bodies to the Cambridgeshire Pension Fund across five admission agreements.

2. To notify the Committee of eleven bodies across thirteen admissions ceasing participation in the Cambridgeshire Pension Fund.

Recommendations: That the Pension Fund Committee

1. Notes the admission of the following transferee admission bodies to the Cambridgeshire Pension Fund and approves the sealing of the admission agreement:
 - Aspens Services Limited x3
 - Rapid Commercial Cleaning Services Limited
 - Dolce Limited
2. Notes the cessation of the following bodies from the Cambridgeshire Pension Fund:
 - Churchill Contractors Limited
 - Taylor Shaw Limited
 - NPS Peterborough Limited
 - Multi-Active Holiday Courses Limited
 - Caterlink UK Limited x2
 - ABM Caterlink Limited x2
 - Malco Services Limited
 - Chorus Homes Group Limited
 - Friends Therapeutic Community
 - Hertfordshire Catering Service
 - Aspens Services Limited
3. Notes the update on the collection of exit payments and assessment of exit credits for previously reported cessations.

Enquiries to: Name – Cory Blose, Employer services manager
Tel – 07990 560829
E-mail – cory.blose@westnorthants.gov.uk

1. Executive Summary

- 1.1 The Pension Fund Committee is asked to approve the entry, to the Fund, of three transferee admitted bodies across five admission agreements and to approve the sealing of the admission agreements.
- 1.2 Two of the admissions are “pass through” admissions, meaning the assets and liabilities are retained by the awarding authority, so there is no additional risk to the Fund from these admissions.
- 1.3 The Committee is also asked to note the exit of thirteen employers from the Fund.
- 1.4 The Committee is also asked to note the update on the collection of exit payments and assessment of exit credits for previously reported cessations.

2. Background

- 2.1 The Local Government Pension Scheme Regulations 2013 (as amended) (the Regulations) 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 When an employer ceases participation in the Fund, the administering authority is required, under regulation 64 of the Local Government Pension Scheme Regulations 2013 (the Regulations), to obtain an actuarial valuation, as at the exit date, of the liabilities and to obtain a revised rates and adjustments certificate showing the exit payment due from the exiting employer or the excess of assets in the Fund relating to that employer.
- 2.3 This report provides an update on admissions to and cessations from the Cambridgeshire Pension Fund since the last meeting of the Pension Fund Committee and also provides an update on the collection of exit payments and determination of exit credits for previously reported cessations.

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 (known as transferee admission bodies) 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 bodies into the Cambridgeshire Pension Fund under paragraph 1(d)(i) and to approve the sealing of the admission agreements:

- Aspens Services Limited 3x admission agreements
- Rapid Commercial Cleaning Services Limited
- Dolce Limited

3.4 Full details of each admission are included in Appendix A.

4 Cessations

4.1 The following admitted bodies have exited the Fund:

- Churchill Contractors Limited (Cambridge City Council)
- Taylor Shaw Limited (Elliot Foundation Trust)
- NPS Peterborough Limited
- Multi-Active Holiday Courses Limited
- Caterlink UK Limited (The Vine Inter-Church School)
- Caterlink UK Limited (The Diamond Learning Partnership)
- ABM Caterlink Limited (Holywell CE Primary School)
- ABM Catering Limited (Eynesbury Primary School)
- Malco Services Limited (Newton Comm Primary & Homerton Early Years Centre)
- Chorus Homes Group Limited
- Friends Therapeutic Community
- Hertfordshire Catering Service (Thongsley Fields Primary)
- Aspens Services Limited (St Philips CE Primary)

4.2 Full details of each cessation are included in Appendix B.

5 Update on previously reported cessations

5.1 When an employer ceases to participate in the Fund, the Regulations require the administering authority to obtain a valuation of the assets and liabilities attributed to that employer to determine if there is a funding surplus or deficit. If a deficit exists the employer must pay an exit payment to the Fund equal to the value of the deficit. If a surplus exists, the administering authority must make a determination of the amount of exit credit (which could be zero) should be paid to the exiting employer.

5.2 The Pension Fund Committee is asked to note the update on the following previously reported cessations.

- Cambridge Community Service NHS Trust
- Serco (PCC IT)
- Elior UK Limited (Cambridge City Council)

5.3 Full details of each update are included in Appendix C.

6. 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*

7. Risk Management

7.1 The Pension Fund Committee are responsible for approving some admission bodies into the Fund as well as monitoring all admissions and cessations.

7.2 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 in conjunction with the Fund Actuary/specialist advisors.	Green

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

[Pension Fund Risk Register hyperlink](#)

8. Finance & Resources Implications

8.1 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.

8.2 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.

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

9. 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.

10. Legal Implications

- 10.1 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.

11. Consultation with Key Advisers

- 11.1 Contribution rate and bond assessments are undertaken by Hymans Robertson, the Fund Actuary.
- 11.2 A precedent admission agreement has been drafted by Squire Patton Boggs, specialist pension legal advisers.
- 11.3 Advice was received from the Fund's legal advisers, Squire Patton Boggs, on individual admission and cessation cases, where required.

12. Alternative Options Considered

- 12.1 None available.

13. Appendices

- 13.1 Appendix A: New admissions
- 13.2 Appendix B: New cessations
- 13.3 Appendix C: Update on previously reported cessations

Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? 26/5/2023

Has this report been cleared by Head of Pensions? 10/5/2023

Has the Chair of the Pension Fund Committee been consulted? 26/5/2023

Has this report been cleared by Legal Services? 11/5/2023

Appendix A: Admitted Bodies

To be noted:

- **Aspens Services Limited (All Saints Inter-Church Academy)**

Aspens Services Limited have entered into a contract with All Saints Inter-Church Academy (single academy trust) to provide catering services. As a result, a group of employees were transferred to the admission body and a backdated standard admission agreement has been put in place effective 1 April 2021. The Trust will guarantee the pension liabilities.

- **Aspens Services Limited (Diamond Learning Trust)**

Aspens Services Limited have entered into a contract with Diamond Learning Trust to provide catering services. As a result, a group of employees were transferred to the admission body and a backdated standard admission agreement has been put in place effective 1 September 2022. The Trust will guarantee the pension liabilities.

- **Aspens Services Limited (St Botolph's CE Primary School)**

Aspens Services Limited have entered into a contract with the Diocese of Ely Multi Academy Trust to provide catering services at St Botolph's CE Primary School. 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 1 September 2022. The assets and liabilities have been retained by the Diocese of Ely Multi Academy Trust.

- **Rapid Commercial Cleaning Services Limited (Granta School)**

Aspens Services Limited have entered into a contract with Granta School (a Cambridgeshire County Council local authority 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 1 September 2022. The assets and liabilities have been retained by Cambridgeshire County Council.

- **Dolce Limited (Elliot Foundation Trust)**

Dolce Limited have entered into a contract with the Elliot Foundation Trust to provide catering services. As a result, a group of employees were transferred to the admission body and a backdated standard admission agreement has been put in place effective 24 October 2022. The Trust will guarantee the pension liabilities.

Appendix B: Exiting Scheme Employers

- Churchill Contract Services (Cambridge City Council)

Churchill Contract Services were admitted to the Fund under a standard agreement on 15 June 2015, after entering into a contract to provide cleaning services to Cambridge City Council.

On 31 March 2022, the contract ended. An actuarial assessment is being undertaken by the scheme actuary to confirm the closing liabilities of the exiting employer.

- Taylor Shaw Limited (Elliott Foundation Trust)

Taylor Shaw Limited were admitted to the Fund under a standard agreement on 22 October 2018, after entering a contract to provide catering services for the Elliot Foundation Trust.

On 23 October 2022, the contract ended. The cessation assessment identified a funding surplus of £161,000.00. Officers have started the process to determine the value of the exit credit (which may be nil) that should be paid to the exiting employer.

- NPS Peterborough Limited

NPS Peterborough Limited were admitted to the Fund under a standard agreement on 1 July 2016 following a TUPE of five Peterborough City Council and Serco employees to NPS Peterborough Limited.

On 31 March 2023, the last active member left the scheme. The cessation assessment identified a funding surplus of £531,000.00. Officers have started the process to determine the value of the exit credit (which may be nil) that should be paid to the exiting employer.

- Multi-Active Holiday Courses Limited (Houghton Primary School)

Multi Active Holiday Courses Limited were admitted to the Fund under a pass-through agreement on 12 April 2021, after entering a contract to provide wrap around care for Houghton Primary School.

On 6 February 2023, the organisation ceased trading. Although no exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council, officers are concerned that some of the membership data provided was incorrect and that insufficient contributions may have been received. Discussions are in progress with the liquidator to try and resolve this matter.

- Caterlink UK Limited (The Vine Inter-Church Primary School)

Caterlink UK Limited were admitted to the Fund under a pass-through agreement on 1 January 2018, after entering a contract to provide catering services to the Vine Inter-Church Primary School (a Cambridgeshire County Council local authority school).

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

- **ABM Catering Limited (Holywell CE Primary School)**

ABM Catering Limited were admitted to the Fund under a pass-through agreement on 5 April 2020, after entering a contract to provide catering services to Holywell CE Primary School (a Cambridgeshire County Council local authority school).

On 25 November 2022, the last active member left. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

- **Malco Services Limited (The Newton Community Primary School & Homerton Early Years Centre)**

Malco Services Limited were admitted to the Fund under a pass-through agreement on 1 September 2018, after entering a contract to provide catering services to the Newton Community Primary School & Homerton Early Years Centre (both Cambridgeshire County Council local authority schools).

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

- **Chorus Homes Limited**

Chorus Homes Limited were admitted to the Fund as a Community Admission Body on 9 January 2006, following a transfer of staff from Huntingdonshire Housing Partnership Limited.

On 28 February 2023, the organisation was closed as part of a rationalisation of the wider company group structure. The new entity closed the scheme to new accrual following a consultation with staff to harmonise terms and conditions in the new entity. An actuarial assessment is being produced by the scheme actuary to confirm the closing liabilities of the exiting employer.

- **Friends Therapeutic Community Trust**

Friends Therapeutic Community Trust were admitted to the Fund under as a Community Admission Body on 16 August 1968.

On 31 March 2023, the Trust closed the scheme to new accrual following a consultation with remaining members to offer an alternative pension scheme. An actuarial assessment is being undertaken by the scheme actuary to confirm the closing liabilities of the exiting employer.

- **ABM Catering Limited (Eynesbury Primary School)**

ABM Catering Limited were admitted to the Fund under a pass-through agreement on 13 August 2018, after entering a contract to provide catering services to Eynesbury Primary School (a Cambridgeshire County Council local authority 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 (The Diamond Learning Partnership Trust)**

Caterlink UK Limited were admitted to the Fund under a pass-through agreement on 1 June 2016, after entering a contract to provide catering services to The Diamond Learning Partnership.

On 31 August 2022, the last member left. No exit payment or credit is required as the pension liabilities were retained by The Diamond Learning Partnership Trust.

- Hertfordshire Catering Limited (Thongsley Fields Primary and Nursery School)

Hertfordshire Catering Limited were admitted to the Fund under a standard agreement on 27 October 2018, after entering a contract to provide catering services to Thongsley Fields Primary and Nursery School (The CAM Academy Trust).

On 31 August 2022, the contract ended. An actuarial cessation assessment is being undertaken by the scheme actuary to confirm the closing liabilities of the exiting employer.

- Aspens Services Limited (St Philips CE Primary)

Aspens Services Limited were admitted to the Fund under a pass-through agreement on 1 April 2021, after entering a contract to provide catering services to St Philips CE Primary (a Cambridgeshire County Council local authority school).

On 27 January 2023, the last active member left. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

Appendix C: Update on previously reported cessations

- **Cambridge Community Service NHS Trust**

The cessation of Cambridge Community Service NHS Trust was originally reported at the December 2022 meeting of the Pension Fund Committee. The actuarial assessment as at the exit date identified a funding deficit and required exit payment of £2,951,000.

On 28 March 2023, the exit payment was made in full.

- **Elior UK Limited (Cambridge City Council)**

The cessation of Elior UK Limited (Cambridge City Council) was originally reported at the March 2023 meeting of the Pension Fund Committee. The funding assessment at the date of exit identified a funding surplus of £57,000.

Following an exit credit determination, as required by and taking into account the factors listed under section 64 (2ZC) of the Regulations, the Administering Authority has determined that the amount of exit credit payable to Elior UK Limited is nil. The exiting employer has been informed of the decision.