CAMBRIDGESHIRE PENSION FUND



Pension Fund Committee

Date: 13 December 2018

Report by: Head of Pensions

Subject:	EMPLOYER ADMISSIONS AND CESSATIONS REPORT
Purpose of the Report	 To report the admission of seventeen admitted bodies to the Cambridgeshire Pension Fund under fifty-two separate admission agreements To report the admission of one scheduled body to the Cambridgeshire Pension Fund To notify the Committee of the winding up of Drinksense and their cessation from the Pension Fund.
Recommendations	 That the Pension Fund Committee: 1. Notes the admission of the following admitted bodies to the Cambridgeshire Pension Fund: Aramark Freedom Leisure P3 – People, Potential and Possibilities YMCA The following 13 new admitted bodies relate to the closure of Cambridgeshire County Council Cleaning and Catering Service (CCS): ABM Catering Ltd Aspens Services Ltd Caterlink Ltd Edwards & Blake Ltd Nourish Pabulum VHS Cleaning Services Ltd Alliance in Partnership Clean Tec Services Ecocleen Nightingale Cleaning Ltd Notes the admission of the following scheduled body to the Cambridgeshire Pension Fund:
	Orbis Primary Trust

	3. Notes the winding up of Drinksense and their ability to only partially fund their exit payment.
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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) of Part 3 of Schedule 2 is an admission body which provides a public service in the United Kingdom which operates otherwise than for the purposes of gain, and has sufficient links with a Scheme employer for the body and the Scheme employer to be regarded as having a community of interest (whether because the operations of the body are dependent on the operations of the Scheme employer or otherwise.

2.3	The Pension Fund Committee is asked to approve the admission of the following body into
	the Cambridgeshire Pension Fund under paragraph 1(d).

Date	New Admission	Background information
	Body	
01/08/2018	Aramark	Cambridge Regional College has entered into a contract with Aramark Limited to provide its cleaning 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. Cambridge Regional College will act as guarantor for this employer and a bond will be put in place to protect Cambridge Regional College against any unpaid deficit as a result of the early termination of the contract
01/12/2018	Freedom Leisure	Fenland District Council has entered into a contract with Freedom Leisure to provide their sports and leisure 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 will be entered into. Fenland District Council will act as guarantor for this employer.

Date	New Admission Body	Background information
01/10/2018	P3 – People, Potential and Possibilities	Cambridgeshire County Council have entered into a contract with P3 to provide its floating support services. As a result, one member of staff was 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.
01/08/2018	YMCA	Peterborough City Council have contracted YMCA to provide its Young Adult Services. As a result, a group of staff were transferred to the new admission body under TUPE regulations. Peterborough City 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.

2.4 In addition to the bodies list in the above table, a number of new admissions have taken place as a result of Cambridgeshire County Council closing its catering and cleaning service, CCS. A number of contractors have taken on a total of 43 contracts. Each contract requires a separate admission agreement; please see Appendix 1 for the list of new admissions.

3. New Scheduled Bodies

- 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 transferri	of ng	Academy
01/02/2019	Orbis Primary Trust	The Duke School	of Bed	ford Primary

3.3 Actuarial advice has been sought on appropriate employer contribution rates from the fund actuary and these will be advised to the new Academy proprietors.

4 Cessations - Drinksense (Cambridgeshire Council on Alcoholism)

- 4.1 Drinksense was admitted to the Cambridgeshire Pension Fund on 23rd June 1982, following the transfer of alcohol abuse support staff from Cambridgeshire County Council to what was, at the time, known as; Cambridgeshire Council on Alcoholism. Following the closure of the charity, due to the withdrawal of its funding earlier this year, Drinksense has ceased as a scheme employer in the Fund and is now in the process of being wound up.
- 4.2 The final valuation of the liabilities has identified a deficit of £114,800. Due to the type of admission, there is no guarantor, meaning that any unpaid deficit must be spread across all other employers in the Fund.
- 4.3 The charity only has £30,000 left, which, having been aware that an exit payment would be likely, it ringfenced for payment of the pension deficit. There are no additional assets available. After settling actuarial fees, the charity has a final cash amount of £27,890 which remains available for payment of the pension deficit.
- 4.5 This payment will result in a shortfall of £89,910 that will be absorbed into the Cambridgeshire Pension Fund.
- 4.6 The Committee has previously been advised that there are a dwindling number of employers, of this type, remaining in the Fund and that the combined deficits of these employers is not of material significance to the Fund. The Fund now insists that all bodies of this type acquire a guarantee from another tax raising employer in the Fund or a Central Government department as a requirement of entry into the Fund.

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. *Objective 1*

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*

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. *Objective 3* Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. *Objective 5*

Ensure regular monitoring of employer covenants, putting in place mitigations of adequate strength to protect the Fund. *Objective 6*

Ensure appropriate exit strategies are put in place in both the lead up to and termination of a scheme employer. *Objective 7*

6. Finance & Resources Implications

- 6.1 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.
- 6.2 The employer contribution rates contain an allowance for administration charges, meaning the new admissions 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. Measures to mitigate such an eventuality are readily available for admission bodies and set out in section 6 below.

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 register	Risk mitigated	Residual risk
Administration and Communication (risk 38)	An employer who ceases to exist with insufficient funding, and no bond or guarantee requiring the funding shortfall to be spread across all other employers in the Fund.	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 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

7.3 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/

8. Communication Implications

Direct	Direct communications will be required to facilitate employer start
Communications	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.

9. Legal Implications

9.1 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.

10. Consultation with Key Advisers

- 10.1 Contribution rate and bond assessments are undertaken by Hymans Robertson, the Fund Actuary.
- 10.2 A precedent admission agreement has been drafted by Eversheds, specialist pension legal advisers in consultation with LGSS Law.

11. Alternative Options Considered

11.1 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 – 29 November 2018			
Has this report been cleared by Head of Pensions?	Mark Whitby – 26 November 2018			
Has the Chairman of the Pension Fund Committee been consulted?	Councillor Rogers – 29 November 2018			
Has this report been cleared by Legal Services?	Fiona McMillan – 26 November 2018			

Appendix 1: CCS Transfers

New Admission	School in	Date of	Background information
Body	which	Admission	
	contract is		
	held		
ABM Catering Ltd	Alderman	01/09/2018	The following listed Cambridgeshire LEA maintained schools have contracted ABM Catering
	Jacobs		Ltd to provide their catering services. As a result, the staff transferred to the new admission
	Primary		body under TUPE regulations per contract. Cambridgeshire County Council have agreed to
	School		retain the pension risk and all liabilities and assets will be returned to the local authority on the
	Bushmead	01/09/2018	contracts termination under a Pass Through agreement.
	Primary and		
	Elsworth		
	Primary		
	Great Paxton	01/09/2018	
	Primary		
	School,		
	Newton		
	Community		
	Primary		
	School,		
	Offord		
	Primary		
	School,		
	Samuel		
	Pepys School		
	Heltwate	01/09/2018	
	Primary and		
	Marshfields		
	Primary		
	School		

	St John's CE	01/09/2018	
	Primary		
	School		
	(Huntingdon)		
	The Beeches	01/08/2018	
	Primary,		
	Hampton		
	Hargate		
	Primary		
	Wyton on the	01/04/2018	
	Hill Primary		
	School		
	Eynesbury	13/08/2018	
	Primary		
	School		
	Middleton	27/10/2018	
	Primary		
	School	00/40/0040	Middleter Drimery Cohool, a Datarkaraugh Kaup Academy Truct achool has contracted ADM
	Middleton	26/10/2018	Middleton Primary School, a Peterborough Keys Academy Trust school has contracted ABM
	Primary School		Catering Ltd to provide its catering services. As a result, a group of staff transferred to the new
	301001		admission body under TUPE regulations. Peterborough Keys Academy Trust has agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts
			termination under a Pass Through agreement.
	Werrington	01/08/2018	Werrington Primary School, a SOKE Academy Trust school has contracted ABM Catering Ltd
	Primary	01/00/2010	to provide its catering services. As a result, a group of staff transferred to the new admission
	School		body under TUPE regulations. SOKE Academy Trust has agreed to retain the pension risk and
			all liabilities and assets will be returned to the trust on the contracts termination under a Pass
			Through agreement.
Aspens Services	The Harbour	27/10/2018	The following Cambridgeshire LEA maintained schools have contracted Aspens Services Ltd to
Ltd	School		provide their cleaning services. As a result, the school's group of staff transferred to the new
	Brampton	01/09/2018	admission body under TUPE regulations per contract. Cambridgeshire County Council have
	Village		

	Primary School		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.
	Willingham Primary	01/06/2018	
	Cottenham Village College	01/08/2018	Cottenham Village College, an Astrea Academy Trust college, has contracted Aspens Services Ltd to provide its cleaning services. As a result, a group of staff transferred to the new admission body under TUPE regulations. Astrea Academy Trust has agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
	Brewster Avenue, Dogsthorpe Infants, Oakdale and St. Augustine's CE Junior	01/08/2018	The following Peterborough LEA maintained schools have contracted Aspens Services Ltd to provide their cleaning services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. Peterborough City Council have 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.
	Weatheralls Primary School	27/10/2018	Weatheralls Primary School, a Staploe Education Trust academy, has contracted Aspens Services Ltd to provide its cleaning services. As a result, a group of staff transferred to the new admission body under TUPE regulations. Staploe Education Trust has agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
Caterlink Ltd	Priory Park Infant School & Playgroup	01/09/2018	The following Cambridgeshire LEA maintained schools have contracted Caterlink Ltd to provide their catering services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. Cambridgeshire County Council have agreed to
	Westwood The Vine Inter-Church Primary School	01/09/2018 01/01/2018	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.
	Meadowgate Academy	0/09/2018	The following Affinity Multi Academy Trust academy has contracted Caterlink Ltd to provide their catering services. As a result, the school's group of staff transferred to the new admission

		body under TUPE regulations per contract. Affinity Multi Academy Trust have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
	Peter's 01/01/20 Academy	The following The Cam Academy Trust academy has contracted Caterlink Ltd to provide their catering services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. The Cam Academy Trust have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
Earit Grov High Isle King Pake	ve, hfield Ely, of Ely, jsfield, efield, Oak,	The following Active Learning Trust academies have contracted Caterlink Ltd to provide their catering services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. The Active Learning Trust have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
	hford VC 01/06/20	The following Morris Education Trust academy has contracted Caterlink Ltd to provide their catering services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. The Morris Education Trust have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
East	eport and 01/10/20 t Cambs demy	
Prim Acad	demy, Ditton	

	Academy and Stapleford Primary		
	Glebelands Primary School, Leverington Primary Academy, Murrow Primary Academy, Thomas Eaton Primary Academy	01/01/2018	The following Diamond Learning Partnership Trust academies have contracted Caterlink Ltd to provide their catering services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. The Diamond Learning Partnership Trust have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
Easy Clean Ltd	Milton Primary C of E School	22/10/2018	The following DEMAT academy has contracted Easy Clean Ltd to provide their cleaning services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. The DEMAT have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
	Upwood Primary School	01/09/2018	The following Thomas Deacon Education Trust academy has contracted Easy Clean Ltd to provide their cleaning services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. The Thomas Deacon Education Trust have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
Edwards & Blake Ltd	Coates Primary School Cheveley Primary School	04/09/2018 01/10/2018	The following Cambridgeshire LEA maintained schools have contracted Edwards & Blake Ltd to provide their catering services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. Cambridgeshire County Council have 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.

	Bassingbourn Primary	01/0/0218	
	New Road Primary School	01/09/2018	The following Aspire Learning Trust academy has contracted Edwards & Blake Ltd to provide their cleaning services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. The Aspire Learning Trust have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
	Spring Common Academy	01/06/2018	The following Spring Common Academy Trust academy has contracted Edwards & Blake Ltd to provide their cleaning services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. The Spring Common Academy Trust have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
Nourish	Girton Glebe Primary School, Park Street Primary School, St Lukes Primary School and St Philips School	01/10/2018	The following Cambridgeshire LEA maintained schools have contracted Caterlink Ltd to provide their catering services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. Cambridgeshire County Council have 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.
	All Saints Interchurch Academy	01/10/2018	The following All Saints Interchurch Academy (single academy trust) has contracted Nourish to provide their cleaning services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. All Saints Interchurch Academy have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
Pabulum	Hatton Park Primary School, Histon Infant,	29/10/2018	The following Cambridge Partnership Education Trust academies have contracted Pabulum Ltd to provide their catering services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. Cambridge Partnership Education Trust

	Histon Junior, Somersham Primary School and Trumpington Park Primary School Downham Feoffees Lantern CP School	18/02/2018 01/06/2018	have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement. The following Cambridge Meridian Academies Trust academies have contracted Pabulum Ltd to provide their catering services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. Cambridge Meridian Academies Trust have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
	St Bede's Inter-Church School	01/09/2018	The following St Bede's Inter-Church School (single academy trust) has contracted Pabulum to provide their catering services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. St Bede's Inter-Church School have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
	Hardwick & Cambourne School	01/09/2018	The following Cambridgeshire LEA maintained school has contracted Pabulum Ltd to provide their catering services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. Cambridgeshire County Council have 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.
VHS Cleaning Services Ltd	Bewick Bridge Community Primary School	17/09/2018	The following Cambridgeshire LEA maintained school has contracted VHS Cleaning Services Ltd to provide their cleaning services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. Cambridgeshire County Council have 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.
	Stapleford Community Primary School	27/10/2018	The following Anglian Learning Trust academy have contracted VHS Cleaning Services Ltd to provide their cleaning services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. The Anglian Learning Trust have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.

Alliance in	Fawcett	01/09/2018	The following Cambridgeshire LEA maintained school has contracted Alliance in Partnership to
Partnership	Primary School		provide their cleaning services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. Cambridgeshire County Council have 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.
Clean Tec Services	Cromwell Academy	01/09/2018	The following The Diamond Learning Partnership Trust academy have contracted Clean Tec Services to provide their catering services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. The Diamond Learning Partnership Trust have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement.
Ecocleen	Ely St Johns School & Monkfield Park	29/10/2018	The following Cambridgeshire LEA maintained schools have contracted Ecocleen to provide their cleaning services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. Cambridgeshire County Council have 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.
Nightingale Cleaning Ltd	Hatton Park Primary and Histon and Impington Junior	27/10/2018	The following Cambridge Partnership Education Trust academies have contracted Nightingale Cleaning Ltd to provide their cleaning services. As a result, the school's group of staff transferred to the new admission body under TUPE regulations per contract. The Cambridge Partnership Education Trust have agreed to retain the pension risk and all liabilities and assets will be returned to the trust on the contracts termination under a Pass Through agreement
Taylor Shaw Ltd	Ramsey Junior School, Millfields Primary School, Elm Road Primary School, Ramsey Spinning Infant School, Nene Infant	22/10/2018	The following Elliot Foundation Trust academies have entered into a contract with Taylor Shaw Ltd to provide their cleaning services. Because of the contract, a group of staff transferred to the new admission body under TUPE regulations and a full admission agreement prepared. A bond will be put in place to protect against the liabilities to the Fund.

School and	
Ramnoth	
Junior School	