

Cambridgeshire
Pension Fund

Pension Fund Committee
24 March 2022

Report by: Head of Pensions

Subject: Employer Admissions and Cessations Report

Purpose of the Report: 1. To report the admission of two admitted bodies to the Cambridgeshire Pension Fund
2. To notify the Committee of six bodies ceasing participation in the Cambridgeshire Pension Fund

Recommendations: That the Pension Fund Committee

1. Notes the admission of the following admitted bodies to the Cambridgeshire Pension Fund and approves the sealing of the admission agreements:

- Easy Clean Contractors Limited
- Lunchtime Company Limited x 5

2. Notes the cessation of the following bodies from the Cambridgeshire Pension Fund:

- ABM Catering Limited
- Clean Slate Limited
- Compass Contract Service (U.K.) Limited
- Easy Clean Contractors Limited
- Nourish Contract Catering Limited
- Romsey Mill Trust

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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 Regulations require that applications for bodies, assessed by officers as complying with paragraph 1(d)(i), and who agree to meet the terms of the admission agreement must be accepted. The Regulations also allow Funds to enter into backdated admission agreements.
- 2.4 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
06/01/2020	Easy Clean Contractors Limited (Thomas Deacon Academy, Warboys Primary School, Welbourne Primary School, and Richard Barnes Academy)	Thomas Deacon Education Trust entered into a contract with Easy Clean Contractors Limited to provide catering services in their academies. As a result, a group of staff were transferred to the new admission body and a full admission agreement has been put in place. The arrangement is 'ajar' to incorporate the different transfer dates of the staff under the same service contract. This agreement has been backdated to 6 January 2020 and the backdated contributions have been collected.

Date	New Admission Body	Background information
01/04/2021	<p>Lunchtime Company Limited</p> <p>4 separate admission agreement for their service contract with the following Cambridgeshire LEA schools;</p> <ul style="list-style-type: none"> • Fordam Primary School • Great Wilbraham Primary School • Isleham Primary School • Teversham Primary School 	<p>Lunchtime Company Limited entered into separate contracts with 4 Cambridgeshire LEA maintained schools in 2018 to provide catering services. As a result a group of staff were transferred to Lunchtime Company Limited, but the staff were enrolled into a scheme broadly comparable to the LGPS. In April 2021 the staff were removed from the broadly comparable scheme and Lunchtime Company Limited asked to be admitted to the LGPS. Separate backdated admission agreements have been entered into for each contract. The Employer's contributions rate assessment is still on-going and the backdated contributions will be collected once the rate is confirmed.</p>
01/09/2018	<p>Lunchtime Company Limited</p> <p>(Ely St Johns Primary School)</p>	<p>Lunchtime Company Limited entered into a contract with Ely St Johns Primary School, a Cambridgeshire LEA School, to provide catering services. As a result, a group of staff were transferred to the new admission body. Admitted body status was not requested at that time. The employer has since requested a backdated admission into the Fund and has agreed to meet the requirements of the Regulations, The Committee therefore must admit this employer to the Fund as required by the Regulations. A full admission agreement has been put in place and backdated to the transfer date. The Employer's contributions rate assessment is still on-going and the backdated contributions will be collected once the rate is confirmed.</p>

3. Cessations

3.1 ABM Catering Limited (Priory Junior School)

- 3.1.1 ABM Catering Limited were admitted to the Fund under a pass through agreement on 1 January 2020 after entering a contract to provide catering services to Priory Junior School.
- 3.1.2 On 26 October 2021, the last active member left the scheme. No exit payment or credit will be required as the pension liabilities were retained by Cambridgeshire County Council.

3.2 Clean Slate Limited (Histon Early Years Centre)

- 3.2.1 Clean Slate Limited were admitted to the Fund under a pass through agreement on 1 June 2018 after entering a contract to provide cleaning services to Histon Early Years Centre.

3.2.2 On 31 October 2019, the last active member left the scheme. No exit payment or credit will be required as the pension liabilities were retained by Cambridgeshire County Council.

3.3 Compass Contract Services (U.K) Limited (DEMAT)

3.3.1 Compass Contract Services (U.K) Limited were admitted to the Fund under a pass through agreement on 30 October 2018 after entering a contract to provide catering services to academies under the Diocese of Ely Multi Academy Trust.

3.3.2 The service contract with the Diocese of Ely Multi Academy Trust ended on 31 December 2021. No exit payment or credit will be required as the pension liabilities were retained by the Diocese of Ely Multi Academy Trust.

3.4 Easy Clean Contractors Limited (Arbury Primary School)

3.4.1 Easy Clean Contractors Limited were admitted to the Fund under a pass through agreement on 1 January 2020 after entering a contract to provide cleaning services to Arbury Primary School.

3.4.2 On 30 September 2021, the last active member left the scheme. No exit payment or credit will be required as the pension liabilities were retained by Cambridgeshire County Council.

3.5 Easy Clean Contractors Limited (Godmanchester Community School)

3.5.1 Easy Clean Contractors Limited were admitted to the Fund under a pass through agreement on 1 June 2016 after entering a contract to provide cleaning services to Godmanchester Community School.

3.5.2 The service contract with Godmanchester Community School ended on 15 October 2021. No exit payment or credit will be required as the pension liabilities were retained by Cambridgeshire County Council.

3.6 Nourish Contract Catering Limited (All Saints Inter-Church Academy)

3.6.1 Nourish Contract Catering Limited were admitted to the Fund under a pass through agreement on 1 October 2018 after entering a contract to provide catering services to All Saints Inter-Church Academy.

3.6.2 The service contract with All Saints Inter-Church Academy ended on 31 March 2021. No exit payment or credit will be required as the pension liabilities were retained by All Saints Inter-Church Academy Trust.

3.7 Romsey Mill Trust

3.7.1 Romsey Mill Trust were admitted to the Fund under a pass through agreement on 3 December 2018 after entering a contract to run Ross Street Community Centre for Cambridge City Council.

3.7.2 On 3 February 2022, the last active member left the scheme. No exit payment or credit will be required as the pension liabilities were retained by Cambridge City Council.

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.

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*

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	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.	Green

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

[Pension Fund Risk Register hyperlink](#)

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.

Direct communications will be required with the exiting employers.

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.

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.
- 9.3 Advice was received from the Fund's legal advisers, Squire Patton Boggs, on individual admission cases, where required.

10. Alternative Options Considered

- 10.1 None available.

Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood 14/3/2022

Has this report been cleared by Head of Pensions? Mark Whitby 15/2/2022

Has the Chair of the Pension Fund Committee been consulted? Cllr Whelan 11/3/2022

Has this report been cleared by Legal Services? Fiona McMillan 2/3/2022