

Cambridgeshire  
Pension Fund

Pension Fund Committee

20 December 2023

Report by: Head of Pensions

Subject: Employer Admissions and Cessations Report

Purpose of the Report: 1. To report the admission of one admitted body and the entry of two designating bodies to the Cambridgeshire Pension Fund.

2. To notify the Committee of three bodies ceasing participation in the Cambridgeshire Pension Fund.

3. To update on previously reported cessations

Recommendations: That the Pension Fund Committee

1. Notes the admission of the following transferee admission body to the Cambridgeshire Pension Fund and approves the sealing of the admission agreement:

- Aspens Services Limited (Over Primary School)

2. Notes the entry of the following designating bodies to the Cambridgeshire Pension Fund:

- Orton Longueville Parish Council
- Ramsey Town Council

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

- Cross Keys Homes
- Kimbolton School
- ABM Catering Limited (St Johns CE Primary School)

4. Notes the update on previously reported cessations relating to:

- NPS Peterborough Limited
- Taylor Shaw Limited (Elliott Foundation Trust)
- Cater Link Limited (Diamond Learning Partnership Trust)
- Aspens Services Limited (Staploe Education Trust)

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## 1. Executive Summary

- 1.1 The Pension Fund Committee is asked to note the entry to the Fund of one transferee admitted body and two designating bodies, approving the sealing of the admission agreement for the admitted body.
- 1.2 The Committee is also asked to note the exit of three employers from the Fund. The first was admitted under a pass-through agreement so no funding assessment is needed. A funding surplus has been identified for the second employer and a determination will need to be made over the value of the exit credit (which may be nil) payable to the exiting employer. A final funding assessment has been requested for the third exiting employer.
- 1.3 The Committee is also asked to note the update on four cessation cases previously reported where the funding assessment was outstanding at the time of reporting. In two of the four cases an exit credit payment has been made.

## 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 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 (Over Primary School)

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

## 4 New Designating Bodies

4.1 The Regulations allow that a body listed in Schedule 2 can designate an employee, or a class of employees as being eligible to be members of the Local Government Pension Scheme.

4.2 If such a body passes a resolution to designate employees as eligible for membership of the Local Government Pension Scheme, the Pensions Committee cannot refuse their participation in the Fund.

4.3 Paragraph 2(a) of Part 2 of Schedule 2 of the Regulations provides for a precepting authority to be a designating body.

4.4 The Committee is asked to note that the following employers are designating bodies by means of being a precepting authority within the meaning of paragraph 2(a) of Part 2 of Schedule 2 to the Regulations.

- Orton Longueville Parish Council
- Ramsey Town Council

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

## 5 Cessations

5.1 The following admitted bodies have exited the Fund:

- Cross Keys Homes
- Kimbolton School
- ABM Catering Limited (St Johns CE Primary School)

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

## 6 Update on previously reported cessations

6.1 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.

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

- NPS Peterborough Limited
- Taylor Shaw Limited (Elliott Foundation Trust)
- Cater Link Limited (Diamond Learning Partnership Trust)
- Aspens Services Limited (Staploe Education Trust)

6.3 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](#)

## 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 onboarding 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 No material issues have been identified which may give rise to legal liability and/or risk from an administering authority perspective.

10.2 Admitted bodies enter into an admission agreement with the administering authority 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. The precedent admission agreement used by the Fund has been drafted by the Fund's legal advisors, Squire Patton Boggs.

## 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, as stated under Legal Implications.

11.3 Advice was received from the Fund's legal advisors, Squire Patton Boggs, on individual admission and cessation cases, where required.

11.4 Squire Patton Boggs conducted a review of the paper for legal implications.

## 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? 29/11/2023

Has this report been cleared by Head of Pensions? 17/11/2023

Has this report been cleared by Monitoring Officer? 28/11/2023

## **Appendix A: New employers**

### **To be noted:**

- **Aspens Services Limited (Over Primary School)**

Aspens Services Limited have entered a contract with Over Primary School (a Cambridgeshire Local Education 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 July 2023. The assets and liabilities have been retained by Cambridgeshire County Council.

- **Orton Longueville Parish Council**

On 27 July 2023, Orton Longueville Parish Council passed a resolution designating their clerk as eligible for the LGPS backdated to the start of their employment, 1 May 2023.

- **Ramsey Town Council**

On 12 October 2023, Ramsey Town Council passed a resolution designating their clerk as eligible for the LGPS backdated to the start of their employment, 1 June 2023.

## **Appendix B: New cessations**

- **Cross Keys Homes**

Cross Keys Homes were admitted to the Fund as a Community Admission Body on 4 October 2004, following a transfer of staff from Peterborough City Council.

On 30 April 2023, Cross Keys Homes closed the scheme to new accrual following a consultation with staff. The cessation assessment identified a funding surplus of £1,657,000. 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.

- **Kimbolton School**

Kimbolton School became an employer in the Cambridgeshire Pension Fund as a community admission body following local government reorganisation in 1974 having previously participated in the Huntingdonshire Superannuation Fund.

On 31 August 2023, Kimbolton School closed the scheme to new accrual following a consultation with staff. The actuary has been sent final membership data in order to proceed with an exit assessment and the outcome will be reported at a future Committee meeting.

- **ABM Catering Limited (St John's CE Primary School)**

ABM Catering Limited were admitted to the Fund under a pass-through agreement on 1 September 2018 after entering a contract to provide catering services to St John's CE Primary School.

On 19 July 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**

- **NPS Peterborough Limited**

The cessation of NPS Peterborough Limited was originally reported at the June 2023 meeting of the Pension Fund Committee.

Following an exit credit determination, as required by, and considering the factors listed under section 64 (2ZC) of the Regulations, the Administering Authority has determined that the amount of exit credit payable to NPS Peterborough Limited is nil. The exiting employer has been informed of the decision and its right to appeal the decision.

- **Taylor Shaw Limited (Elliott Foundation Trust)**

The cessation of Taylor Shaw Limited (Elliott Foundation Trust) was originally reported at the June 2023 meeting of the Pension Fund Committee.

Following an exit credit determination, as required by, and considering the factors listed under section 64 (2ZC) of the Regulations, the Administering Authority has determined that the amount of exit credit payable to Taylor Shaw Limited was £107,000. Payment was made to the employer on 7 November 2023.

- **Cater Link Limited (Diamond Learning Partnership Trust)**

The cessation of Cater Link Limited (Diamond Learning Partnership Trust) was originally reported at the June 2023 meeting of the Pension Fund Committee.

Following an exit credit determination, as required by, and considering the factors listed under section 64 (2ZC) of the Regulations, the Administering Authority has determined that the amount of exit credit payable to Cater Link Limited was £35,000. Payment was made to the employer on 7 November 2023.

- **Aspens Services Limited (Staploe Education Trust)**

The cessation of Aspens Services Limited (Staploe Education Trust) was originally reported at the October 2019 meeting of the Pension Fund Committee.

Following an exit credit determination, as required by, and considering the factors listed under section 64 (2ZC) of the Regulations, the Administering Authority has determined that the amount of exit credit payable to Aspens Services Limited is nil. The exiting employer has been informed of the decision and its right to appeal the decision.