

**CAMBRIDGESHIRE
PENSION FUND**



Pension Fund Committee

14th January 2020

Report by: Head of Pensions

Subject:	Employer Admissions and Cessations Report
Purpose of the Report:	<ol style="list-style-type: none"> 1. To report the admission of six admitted bodies to the Cambridgeshire Pension Fund 2. To report the admission of one scheduled body to Cambridgeshire Pension Fund 3. To notify the Committee of four bodies ceasing in the Cambridgeshire Pension Fund
Recommendations	<p>That the Pension Fund Committee:</p> <ol style="list-style-type: none"> 1. Notes the admission of the following admitted bodies to the Cambridgeshire Pension Fund and approves the sealing of the admission agreements: <ul style="list-style-type: none"> • ABM Catering Limited • Caterlink • Easy Clean • Hertfordshire Catering Service (HCL) • Nightingale Cleaing Limited • Pabulum Limited 2. Notes the admission of the following scheduled body to the Cambridgeshire Pension Fund: <ul style="list-style-type: none"> • Our Lady of Walsingham Catholic MAT 3. Notes the cessation of the following admission agreements with the Cambridgeshire Pension Fund: <ul style="list-style-type: none"> • Aspens (The Weatherall's Primary School) • Edwards and Blake (New Road Primary School) • Pabulum (Downham Feoffes Primary) • YMCA Trinity Group
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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 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 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
01/10/2019	ABM Catering Limited (Heltwate Primary and Marshfields Primary School)	Heltwate and Marshfields Primary schools, two Peterborough City Council LEA schools have entered into a contract with ABM Catering Limited to provide catering services. As a result, a group of staff were transferred to the new admission body. Peterborough City Council has agreed to retain the pension risk under a Pass Through agreement.
01/08/2018	ABM Catering Limited (The Beeches Primary and Hampton Hargate Primary)	The Beeches and Hampton Hargate Primary schools, two Peterborough City Council LEA schools have entered into a contract with ABM Catering Limited to provide catering services. As a result, a group of staff were transferred to the new admission body. Peterborough City Council has agreed to retain the pension risk under a Pass Through agreement. This agreement has been backdated to 1 August 2018 and backdated contributions have been collected.
01/01/2016	Caterlink (St Peter's HD Academy)	The Cam Academy Trust has entered into a contract with Caterlink to provide catering services for St Peter's HD Academy. As a result, a group of staff were transferred to the new admission body. The Cam Academy Trust has agreed to retain the pension risk under a Pass Through agreement, which has been agreed with the Department for Education.

02/01/2019	Easy Clean (The Phoenix School - Phase 1 Juniors)	The Phoenix Junior School, a Peterborough City Council LEA school, has entered into a contract with Easy Clean Contractors Limited to provide cleaning services . As a result, a group of staff were transferred to the new admission body. Peterborough City Council has agreed to retain the pension risk under a Pass Through agreement.
01/09/2019	Easy Clean (The Phoenix School – Phase 2 Secondary)	Peterborough City Council has entered into a contract with Easy Clean Contractors Limited to provide cleaning services for The Phoenix Secondary School. As a result, a group of staff were transferred to the new admission body. Peterborough City Council has agreed to retain the pension risk under a Pass Through agreement.
03/09/2018	HCL - Hertfordshire Catering Service (Hartford Infants, Hartford Junior & Gamlingay First School)	The Cam Academy Trust has entered into a contract with Hertfordshire Catering Service to provide catering services for Hartford Infants and Junior Schools and Gamlingay First School. As a result, a group of staff were transferred to the new admission body. The Cam Academy Trust has agreed to retain the pension risk under a Pass Through agreement.
01/12/2018	Nightingale Cleaning Limited – Cambridge Meridian Academies Trust (CMAT)	CMAT have entered into a contract with Nightingale Cleaning Limited to provide cleaning services for all academies listed under the trust. As a result, 47 staff were transferred to the new admission body and a full admission agreement has been put in place. CMAT have agreed to act as a guarantor for their pension risk. This agreement has been backdated to 1 December 2018 and backdated contributions have been collected.
06/04/2019	Pabulum (Morely Memorial)	The Morely Memorial Primary School, a Cambridgeshire LEA School, have entered into a contract with Pabulum to provide their catering services. As a result, a group of staff were transferred to the new admission body. Cambridgeshire County Council has agreed to retain the pension risk under a Pass Through agreement.

- 2.4 There are a number of back dated admissions in this report. These admissions did not progress at the relevant time due to delays by the employers in agreeing bond and/or guarantor arrangements. The admission process was either delayed or closed at that time and later reopened when all requirements were met. As per the regulations, where an admission body of this type undertakes to meet the requirements of the regulations, the appropriate administering authority must admit them to the Scheme. The admission agreements have been backdated, in line with the regulations.

3. New Scheduled Body

- 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 of Academies transferring
01/09/2019	Our Lady of Walsingham Multi Academy Trust	Our Lady of Walsingham MAT has joined the Fund following the conversion of St Laurance Catholic Primary School under the sponsorship of the Our Lady of Walsingham Multi Academy Trust.

4. Cessations

4.1 Aspens Services Limited (Weatheralls Primary School)

- 4.1.1 Aspens Services Limited were admitted to the Fund under a pass through agreement on 27 October 2018, after entering a contract to provide catering services to The Weatheralls Primary School, part of the Staploe Education Trust.
- 4.1.2 Their service contract with The Staploe Education Trust ended on 5 April 2019. No exit payment or credit will be required as the pension liabilities were retained within The Staploe Education Trust.

4.2 Edwards and Blake (New Road Primary School)

- 4.2.1 Edwards and Blake were admitted to the Fund under a pass through agreement on 7 December 2018, after entering a contract to provide catering services to New Road Primary School, part of the Aspire Learning Trust.
- 4.2.2 On 7 December 2019, the last active member left employment. No exit payment or credit will be required as the pension liabilities were retained by the Aspire Learning Trust.

4.3 Pabulum (Downham Feoffes Primary School)

- 4.3.1 Pabulum were admitted to the Fund under a pass through agreement on 18 February 2018, after entering a contract to provide catering services to Downham Feoffes Primary School, part of the Cambridgeshire Meridian Academy Trust (CMAT).
- 4.3.2 Their contract with CMAT ended on 31 July 2019. No exit valuation has been completed as CMAT agreed to accept the pension assets and liabilities at the end of their contract.

4.4 YMCA Trinity Group

- 4.4.1 YMCA Trinity Group were admitted to the Fund under a pass through agreement on 1 August 2018, after entering a contract to provide community based services with Cambridgeshire Council Council.
- 4.4.2 On 31 March 2019, the last active member left employment. No exit payment or credit will be required as the pension liabilities were retained by Cambridgeshire Council Council.

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

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 No	Risk	Residual risk rating
11	Lack of understanding of employer responsibilities which could result in statutory and non-statutory deadlines being missed.	Green
14	Failure to administer the scheme in line with the regulations.	Green
17	Failure to provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making	Green
21	Failure to assess and monitor the financial strength of an employer covenant to ensure employer liabilities are met.	Green

6.3 The Fund's full risk register can be found on the Fund's website at the following link:

<https://pensions.northamptonshire.gov.uk/app/uploads/2019/10/RiskRegisterCPF.pdf>

7. Communication Implications

Direct Communications	Direct communications will be required to facilitate employer start 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 employers guidance available on the LGSS Pensions 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	
Has this report been cleared by Section 151 Officer?	Sarah Heywood – 17 th December 2019
Has this report been cleared by Head of Pensions?	Mark Whitby – 4 th December 2019
Has the Chairman of the Pension Fund Committee been consulted?	Councillor Rogers – 17 th December 2019
Has this report been cleared by Legal Services?	Fiona McMillan – 4 th December 2019

