

Cambridgeshire  
Pension Fund

Pension Fund Committee

25<sup>th</sup> March 2021

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
2. To report the admission of one designating body to the Cambridgeshire Pension Fund
3. To notify the Committee of seven 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:
  - ABM Catering Limited
  - Stevenage Leisure Limited
  - YTKO Limited
2. Notes the admission of the following designating body to the Cambridgeshire Pension Fund:
  - CMAT Educational Services Limited
3. Notes the cessation of the following bodies from the Cambridgeshire Pension Fund:
  - Carers Trust (Caring Together Charity)
  - Kingdom Services Group
  - Lunchtime UK Limited x 3
  - Chartwells Catering
  - Easy Clean Contractor Limitd
  - Adec (Arts Development in East Cambridgeshire)

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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 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
01/08/2019	ABM Catering Limited (Brewsters Avenue Infant School)	Brewster Avenue Infant School, a Cambridgeshire County Council LEA school, entered into a contract with ABM Catering Limited to provide school catering services. As a result, a group of staff were transferred to the new admission body and a full admission agreement has been put in place. This agreement has been backdated to 1 <sup>st</sup> August 2019 and backdated contributions are due by 12 <sup>th</sup> March 2021.
01/12/2019	Stevenage Leisure Limited (Sawtry Leisure Centre)	The management of Sawtry Leisure Centre was transferred from Huntingdonshire District Council to Cambridge Meridian Academy Trust (CMAT) and CMAT entered into a contract with Stevenage Leisure Limited to provide the leisure centre service. As a result, a group of staff were transferred to the new admission body. CMAT has agreed to retain the pension risk under a Pass Through agreement. This agreement has been backdated to 1 <sup>st</sup> December 2019 and the contract has already ceased. Backdated contributions have been collected.

15/02/2021	YTKO Limited	Cambridgeshire and Peterborough Combined Authority (CPCA) created a company known as Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) and entered into a joint agreement with YTKO Limited to manage efforts to stimulate economic growth in the Greater Cambridgeshire and Peterborough area. As a result a group of staff were transferred from CPCA to YTKO Limited. CPCA has agreed to retain the pension risk under a Pass Through agreement.
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### 3. New Designating Body

- 3.1 Regulation 3 (1) of the Regulations provides for a person employed by a body listed in Schedule 2 and is designated, or belongs to a class of employees designated, by the body, to be an active member of the Local Government Pension Scheme.
- 3.2 The designating body has to pass a resolution to designate employees as eligible for membership of the Local Government Pension Scheme.
- 3.3 Paragraph 6 of Part 2 of Schedule 2 provides for a company under the control of a body listed in paragraphs 6 to 24 (e.g Academy Trusts) to pass such a resolution.
- 3.4 Where such a body passes a resolution designating one or more employees as eligible for membership, the Fund must provide access to the Scheme for those employees. The Committee has no discretion over allowing the employer to participate in the Fund.
- 3.5 The Committee is asked to note that the following employer is a designating body by means of being a body controlled by Cambridge Meridian Academy Trust within the meaning of paragraph 6 of Part 2 of Schedule 2 to the Regulations.

Date of admission	Scheduled Body (with designation)	Background information
01/08/2020	CMAT Educational Services Limited	CMAT Educational Services Limited (CMAT ES) is a subsidiary of Cambridge Meridian Academies Trust (CMAT). The service contract with Stevenage Leisure Limited (SLL) to provide the services in Sawtry Leisure Centre ended on 31 <sup>st</sup> July 2020 and the services were taken over by CMAT ES. As a result a group of staff were transferred from SLL to CMAT ES. A resolution was passed designating the transferring staff as eligible to join the LGPS.

### 4. Cessations

#### 4.1 Carers Trust (Caring Together Charity)

- 4.1.1 Carers Trust were admitted to the Fund under a pass through agreement on 1<sup>st</sup> April 2015, after entering a contract to provide carer's support services.
- 4.1.2 On 30 June 2020, the last active member left employment. No exit debit or credit will be required as the pension liabilities were retained by Cambridgeshire County Council.

## 4.2 Kingdom Services Group

4.2.1 Kingdom Services Group were admitted to the Fund under a pass through agreement on 1<sup>st</sup> November 2017 after entering a contract to provide the cleaning services in Brampton Village Primary School.

4.2.2 On 31<sup>st</sup> October 2019, the last active member left employment. No exit payment or credit will be required as the pension liabilities were retained by Cambridgeshire County Council.

## 4.3 Lunchtime UK Limited

4.3.1 Lunchtime UK Limited were admitted to the Fund under a number of separate pass through admission agreements which are listed in the table in paragraph 4.3.3.

4.3.2 The last active members have left the Scheme in respect of each admission agreement listed below. The relevant cessation date is also shown. No exit payment or credit will be required as the pension liabilities were retained by Cambridgeshire County Council.

School	Date of admission	Date of cessation
Colville Primary School	19 <sup>th</sup> April 2010	31 <sup>st</sup> December 2020
St Laurence Catholic Primary School	1 <sup>st</sup> October 2018	1 <sup>st</sup> November 2020
Waterbeach Community Primary School	1 <sup>st</sup> January 2014	31 <sup>st</sup> December 2020

## 4.4 Chartwells Catering (Netherhall School)

4.4.1 Chartwells Catering were admitted to the Fund under a pass through agreement on 1<sup>st</sup> April 2015, after entering a contract to provide catering services in Netherall School.

4.4.2 Their service contract ended on 31<sup>st</sup> March 2018. No exit payment or credit will be required as the pension liabilities were retained by Cambridgeshire County Council.

## 4.5 Easy Clean Contractor Limited (The Phoenix School – Juniors)

4.5.1 Easy Clean Contractor Limited were admitted to the Fund under a pass through agreement on 2<sup>nd</sup> January 2015, after entering a contract to provide cleaning services.

4.5.2 On 1<sup>st</sup> September 2020, the last active member left employment. No exit payment or credit will be required as the pension liabilities were retained by Peterborough City Council.

## 4.6 Stevenage Leisure Limited

4.6.1 Stevenage Leisure Limited were admitted to the Fund under a pass through agreement on 1<sup>st</sup> December 2019, after entering a contract to manage Sawtry Leisure Centre on behalf of CMAT.

4.6.2 Their service contract ended on 31<sup>st</sup> July 2020. No exit payment or credit will be required as the pension liabilities were retained by Cambridge Meridian Academy Trust.

## 4.7 ADeC (Arts Development in East Cambridgeshire)

4.7.1 ADeC were admitted to the Fund under a Community Admission Body on 1<sup>st</sup> June 2000.

4.7.2 On 22<sup>nd</sup> July 2019, the last active member left employment. An exit surplus of £14,000 was calculated by the Fund Actuary. The exit surplus has been paid to the employer in accordance with the Funding Strategy Statement.

## 5. 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*

## 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:

[Pension Fund Risk Register hyperlink](#)

## 7. Finance & Resources Implications

7.1 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.

7.2 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.

7.3 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.

## 8. 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.

## 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.

10.3 Advice has been sought from Hymans Robertson in connection with the cessation of Vivacity.

## 11. Alternative Options Considered

11.1 None available.

### Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood – 15/3/21

Has this report been cleared by Head of Pensions? Mark Whitby – 24<sup>th</sup> February 2021

Has the Chairman of the Pension Fund Committee been consulted? Councillor Rogers – 12/3/21

Has this report been cleared by Legal Services? Fiona McMillan – 1/3/21