

Cambridgeshire
Pension Fund

Pension Fund Committee
13th December 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 notify the Committee of three 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:
- Caterlink
 - Compass Contract Services
 - Excellerate Services UK Limited
2. Notes the cessation of the following bodies from the Cambridgeshire Pension Fund:
- Compass Contract Services
 - Feldale Internal Drainage Board
 - VHS Cleaning Services
- Enquiries to: Name – Cory Blose, Employer Services and Systems Manager
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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 There are two backdated admission agreements within this report. These older cases were previously closed down due to a lack of progress in the admission progress but we were asked to reopen the cases by the scheme employer.
- 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
30/10/2018	Compass Contract Services (Diocese of Ely Multi Academy Trust)	The Diocese of Ely Multi Academy Trust (DEMAT), entered into a contract with Compass Contract Services to provide catering services. As a result, a group of staff were transferred to the new admission body and a pass through admission agreement has been put in place with the liabilities retained by Cambridgeshire County Council. This agreement has been backdated to 30 October 2018. The backdated contributions have been collected.
01/08/2018	Compass Contract Services (Stephen Perse Foundation)	The Stephen Perse Foundation entered into a contract with Compass Contract Services to provide catering services. As a result, a group of staff were transferred to the new admission body and a pass through admission agreement has been put in place with the liabilities retained by Cambridgeshire County Council. This agreement has been backdated to 30 October 2018. The backdated contributions have been collected.

13/09/2021	Excellerate Services UK Limited (Huntingdon Youth Centre)	Excellerate Services UK Limited have entered into a contract with Huntingdon Youth Centre to provide cleaning services. As a result, a group of staff were transferred to the new admission body and a pass through admission agreement has been put in place, with the liabilities retained by Cambridgeshire County Council. This agreement has been backdated to 13 September 2021 and backdated contributions have been collected.
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5. Cessations

5.1 Compass Contract Services (Stephen Perse Foundation)

- 5.1.1 Compass Contract Services were admitted to the Fund under a pass through agreement on 1 August 2018 after entering a contract to provide cleaning services for the Stephen Perse Foundation .
- 5.1.2 On 31 July 2021, the contract ended. No exit payment or credit will be required as the pension liabilities were retained by The Stephen Perse Foundation.

5.2 Feldale Internal Drainage Board

- 5.2.1 Feldale Internal Drainage Board were admitted to the Fund on 10 January 1969 when they passed a resolution designating their staff to become eligible for the scheme.
- 5.2.2 On 31 March 2019 the final active employee left employment, therefore Feldale Internal Drainage Board ceased to be an employer in the Fund. Following an initial delay to processing cessations following changes to the LGPS regulations and new guidance being issued, discussions began with the employer in the third quarter of 2020.
- 5.2.3 Following initial discussions, the cessation was postponed, as the employer was considering entering a new member into the Scheme. Postponement of a cessation, where the administering authority reasonably expects a new member to be entered into the Scheme within 3 years after the cessation date.
- 5.2.4 The employer ultimately decided not to enter any new members and discussions began again in September 2021.
- 5.2.5 The actuarial assessment undertaken has identified that a £13,000 exit payment is required from the exiting employer. At the time of writing this report, the employer has requested to pay the exit payment in installments and Fund officers are in discussions with the employer regarding payment.
- 5.2.6 The Committee will be updated if an agreement cannot be reached with the employer, in line with the policy set out in the Funding Strategy Statement.

5.3 VHS Cleaning Services Limited (Bewick Bridge Community Primary School)

5.3.1 VHS Cleaning Services Limited were admitted to the Fund under a pass through agreement on 17 September 2018 after entering a contract to provide cleaning services for Bewick Bridge Community Primary School.

5.3.2 On 16 July 2021, the last active member left employment. No exit payment or credit will be required as the pension liabilities were retained by Cambridgeshire County Council.

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.	Green

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

[Pension Fund Risk Register hyperlink](#)

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 on boarding 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 the course of 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.

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.

10. Legal Implications

- 10.1 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.

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 Eversheds, specialist pension legal advisers in consultation with LGSS Law.

12. Alternative Options Considered

- 12.1 None available.

Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood 01/12/2021

Has this report been cleared by Head of Pensions? Mark Whitby 12/11/21

Has the Chair of the Pension Fund Committee been consulted? Councillor Whelan

01/12/2021

Has this report been cleared by Legal Services? Fiona McMillan 19/11/2021