

Cambridgeshire  
Pension Fund

Pension Fund Committee

28 March 2024

Report by: Head of Pensions

Subject: Employer Admissions and Cessations Report

Purpose of the Report: 1. To report the admission of six admitted bodies to the Cambridgeshire Pension Fund across seven admission agreements.

2. To notify the Committee of one body 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 bodies to the Cambridgeshire Pension Fund and approves the sealing of the admission agreement:

- Aspens Services Limited (Castle Camps Primary School)
- Caterlink (Sir Harry Smith Community College)
- Churchill Catering Limited (Meridian Trust)
- Lunchtime Company Limited (Hardwick & Cambourne Community Primary School)
- OCS Food Co Limited x 2
- RCCN Limited (Astrea Multi Academy Trust)

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

- TNS Catering Limited

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

- Compass Contract Services Limited (Innovate Multi Academy Trust)

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## 1. Executive Summary

- 1.1 The Pension Fund Committee is asked to note the entry, to the Fund, of seven transferee admission bodies and to approve the sealing of the admission agreements.
- 1.2 Six of the admissions are “pass-through” admissions, meaning the assets and liabilities are retained by the awarding authority, so there is no additional risk to the Fund from the admission.
- 1.3 The Committee has no discretion over the admission of these bodies as they have agreed to follow the Regulations of the LGPS by signing the admission agreements and therefore the regulations require the administering authority to admit them to the Fund.
- 1.4 The Committee is also asked to note the exit of one employer from the Fund.
- 1.5 The exiting employer was admitted under a pass-through agreement, so no funding assessment is needed.
- 1.6 The Committee is also asked to note the update on one cessation case previously reported where the funding assessment was outstanding at the time of reporting.
- 1.7 A funding surplus was identified for the exiting employer and an exit credit determination 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.

### 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 (Castle Camps Primary School)
  - Caterlink (Sir Harry Smith Community College)
  - Churchill Catering Limited (Meridian Trust)
  - Lunchtime Company Limited (Hardwick & Cambourne Community Primary School)
  - OCS Food Co Limited x 2
  - RCCN Limited (Astrea Multi Academy Trust)
- 3.4 Full details of the admissions are included in Appendix A.

### 4. Cessations

- 4.1 The following admitted bodies have exited the Fund:
- TNS Catering Limited (Linton Cluster)

4.2 Full details about this cessation are included in Appendix B.

## 5 Update on previously reported cessations

5.1 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.

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

- Compass Contract Services Limited (Innovate Multi Academy Trust)

5.3 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

9.1 Direct Communications – Direct communications will be required to facilitate employer start up in the LGPS.

9.2 Training – Training will need to be provided to new employers on a number of LGPS issues.

9.3 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.
- 10.3 Exit credit determinations can be appealed by the exiting employer under the Fund's internal dispute resolution procedure and ultimately the Pensions Ombudsman.

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

## 12. Alternative Options Considered

- 12.1 None.

## 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? 08/03/2024

Has this report been cleared by Head of Pensions? 21/02/2024

Has this report been cleared by Monitoring Officer? 04/03/2024

## **Appendix A: New employers**

### **To be noted:**

- **Aspens Services Limited (Castle Camps Primary School)**

Aspens Services Limited have entered a contract with Castle Camps Primary School (a Cambridgeshire Local Education Authority School) to provide catering services. As a result, one employee was transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 1 September 2023. The assets and liabilities have been retained by Cambridgeshire County Council.

- **Caterlink Limited (Sir Harry Smith Community College)**

Caterlink Limited have entered a contract with Aspire Learning Trust to provide catering services at Sir Harry Smith Community College. As a result, six employees were transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 1 September 2023. The assets and liabilities have been retained by Aspire Learning Trust.

- **Churchill Catering Limited (Meridian Trust)**

Churchill Catering Limited have entered a contract with Meridian Trust to provide catering services. As a result, twenty eight employees were transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 1 August 2023. The assets and liabilities have been retained by Meridian Trust.

- **Lunchtime Company Limited (Hardwick & Cambourne Community Primary School)**

Lunchtime Company Limited have entered a contract with Hardwick & Cambourne Community Primary School (a Cambridgeshire Local Education Authority School) to provide catering services. As a result, one employee was transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 1 September 2023. The assets and liabilities have been retained by Cambridgeshire County Council.

- **OCS Food Co Limited (Ditchburn Place)**

OCS Food Co Limited have entered a contract with Cambridge City Council to provide services at Ditchburn Place. As a result, one employee was transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 1 February 2022. The assets and liabilities have been retained by Cambridge City Council.

- **OCS Food Co Limited (Huntingdon Youth Centre)**

OCS Food Co Limited have entered a contract with Huntingdon Youth Centre to provide services at Huntingdon Youth Centre. As a result, two employees were transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 1 April 2023. The assets and liabilities have been retained by Cambridge County Council.

- **RCCN Limited (Astrea Multi Academy Trust)**

RCCN Limited have entered a contract with Astrea MAT to provide catering services. As a result, fifteen employees were transferred to the admission body and a backdated, standard admission agreement has been put in place effective 10 July 2023. No bond has been put in place as the Trust has agreed to directly guarantee the pension liabilities.



## **Appendix B: New cessations**

- **TNS Catering Limited (Linton Cluster)**

TNS Catering Limited were admitted to the Fund under a pass-through agreement on 1 September 2018 after entering a contact to provide catering services to Burrough Green CofE Primary School, Castle Camps Church of England Primary School, Great Abington Primary School and Linton CofE Infant School ('Linton Cluster')

On 31 August 2023, the contract ended. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

## **Appendix C: Update on previously reported cessations**

- **Compass Contract Services Limited (Innovate Multi Academy Trust)**

The cessation of Compass Contract Services Limited was originally reported at the October 2023 meeting of the Pension Fund Committee. The actuarial assessment as at the exit date identified a funding surplus of £2,000.

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 Compass Contract Services Limited (Innovate MAT) is nil. The exiting employer has been informed of the decision and its right to appeal the decision.