

**CAMBRIDGESHIRE
PENSION FUND**



Pension Fund Committee

9th October 2020

Report by: Head of Pensions

Subject:	Employer Admissions and Cessations Report
Purpose of the Report	1. To report six admissions to the Cambridgeshire Pension Fund 2. To notify the Committee of twelve bodies ceasing in the Cambridgeshire Pension Fund
Recommendations	<p>That the Pension Fund Committee:</p> <p>1. Notes the admission of the following admitted bodies to the Cambridgeshire Pension Fund and approves the sealing of the admission agreements:</p> <ul style="list-style-type: none"> • ABM Catering (x 3) • Easy Clean Contractors • Lunchtime Company Ltd • Peterborough Limited <p>2. Notes the cessation of the following bodies from the Cambridgeshire Pension Fund:</p> <ul style="list-style-type: none"> • ABM Catering (x2) • Alliance in Partnership Ltd • Aspens Ltd • Caterlink • Easy Clean Contractors (x2) • Lunchtime Company Ltd (x3) • Pabulum Ltd • Visit Cambridge & Beyond
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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
13/08/2018	ABM Catering (Eynesbury Primary School)	Eynesbury Primary School have entered into a contract with ABM Catering to provide their catering services. As a result, 2 staff were transferred to the new admission body and a full admission agreement has been put in place. Cambridgeshire County Council have agreed to act as a guarantor for their pension risk.
05/04/2020	ABM Catering (Holywell CofE Primary School)	Holywell CofE School has entered into a contract with ABM Catering to provide catering services. Cambridge County Council has agreed to retain the pension risk under a Pass Through agreement.
01/01/2020	ABM Catering (Priory Junior School)	Priory Junior School has entered into a contract with ABM Catering to provide catering services. Cambridge County Council has agreed to retain the pension risk under a Pass Through agreement.
01/10/2019	Easy Clean Contractors (Greater Peterborough UTC)	Greater Peterborough UTC has entered into a contract with Easy Clean Contractors to provide cleaning services. Greater Peterborough UTC has agreed to retain the pension risk under a Pass Through agreement.
01/08/2019	Lunchtime Company Ltd (Cambridge Primary Education Trust)	Cambridge Primary Education Trust has entered into a contract with Lunchtime Company Limited to provide catering services. Cambridge Primary Education Trust has agreed to retain the pension risk under a Pass Through agreement.

02/02/2019	Peterborough Limited	Peterborough City Council has entered into a contract with Peterborough Limited to provide waste and recycling services. Peterborough City Council has agreed to retain the pension risk under a Pass Through agreement.
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3. Cessations

3.1 ABM Catering (Orchard Park)

- 3.1.1 ABM Catering were admitted to the Fund under a pass through agreement on 1 September 2017, after entering a contract to provide catering services to Orchard Park Community School.
- 3.1.2 On the 28 September 2019 the last active member left employment. No exit payment or credit will be required as the pension liabilities were retained within Cambridgeshire County Council.

3.2 ABM Catering (Wyton on the Hill Primary School)

- 3.2.1 ABM Catering were admitted to the Fund under a pass through agreement on 1 April 2018, after entering a contract to provide catering services to Wyton on the Hill Primary School.
- 3.2.2 On the 31 August 2019 the last active member left employment. No exit payment or credit will be required as the pension liabilities were retained within Cambridgeshire County Council.

3.3 Alliance in Partnership Ltd (Fawcett Primary School)

- 3.3.1 Alliance in Partnership Ltd were admitted to the Fund under a pass through agreement on 1 September 2018, after entering a contract to provide catering services to Fawcett Primary School.
- 3.3.2 On the 1 March 2019 the last active member left employment. No exit payment or credit will be required as the pension liabilities were retained within Cambridgeshire County Council.

3.4 Aspens Ltd (Swavesey Primary School)

- 3.4.1 Aspens Ltd were admitted to the Fund under a pass through agreement on 1 January 2015, after entering a contract to provide catering services to Swavesey Primary School.
- 3.4.2 On the 5 December 2019 the last active member left employment. No exit payment or credit will be required as the pension liabilities were retained within Cambridgeshire County Council.

3.5 Caterlink (St Peter's HD Academy)

- 3.5.1 Caterlink were admitted to the Fund under a pass through agreement on 1 January 2016, after entering a contract with The Cam Academy Trust to provide catering services to St Peter's HD Academy.
- 3.5.2 On the 4 September 2019 the last active member left employment. No exit payment or credit will be required as the pension liabilities were retained within The Cam Academy Trust.

3.6 Easy Clean Contractors Ltd (Brampton Village Primary School)

3.6.1 Easy Clean Contractors Ltd were admitted to the Fund under a pass through agreement on 1 November 2019, after entering a contract to provide cleaning services to Brampton Village Primary School.

3.6.2 On the 31 December 2019 the last active member left employment. No exit payment or credit will be required as the pension liabilities were retained within Cambridgeshire County Council.

3.7 Easy Clean Contractors Ltd (Kings Hedges Primary School)

3.7.1 Easy Clean Contractors Ltd were admitted to the Fund under a pass through agreement on 1 April 2016, after entering a contract to provide cleaning services to Kings Hedges Primary School.

3.7.2 On 1 May 2020 the last active member left the organisation. No exit payment or credit will be required as the pension liabilities were retained within Cambridgeshire County Council.

3.8 Lunchtime Company Ltd (Gorefield Primary Academy)

3.8.1 Lunchtime Company Ltd were admitted to the Fund under a pass through agreement on 1 March 2018, after entering a contract with Godmanchester Community Education Trust to provide catering services to Gorefield Primary Academy.

3.8.2 On 24 July 2019 the last active member left the organisation. No exit payment or credit will be required as the pension liabilities were retained within Godmanchester Community Education Trust.

3.9 Lunchtime Company Ltd (Kinderley Primary School)

3.9.1 Lunchtime Company Ltd were admitted to the Fund under a pass through agreement on 1 March 2018, after entering a contract to provide catering services to Kinderley Primary School.

3.9.2 On 24 July 2019 the last active member left the organisation. No exit payment or credit will be required as the pension liabilities were retained within Cambridgeshire County Council.

3.10 Lunchtime Company Ltd (Over Primary School)

3.10.1 Lunchtime Company Ltd were admitted to the Fund under a pass through agreement on 20 April 2014, after entering a contract to provide catering services to Over Primary School.

3.10.2 On 5 January 2020 the last active member left the organisation. No exit payment or credit will be required as the pension liabilities were retained within Cambridgeshire County Council.

3.11 Pabulum Ltd (Cambridge Primary Education Trust)

3.11.1 Pabulum Ltd were admitted to the Fund under a pass through agreement on 9 October 2018, after entering a contract with Cambridge Primary Education Trust to provide catering services to a number of schools in the Trust.

3.11.2 Their service contract with the schools ended on 31 July 2019. No exit payment or credit will be required as the pension liabilities were retained within Cambridgeshire Primary Education Trust.

3.12 Visit Cambridge & Beyond

3.12.1 Visit Cambridge & Beyond were admitted to the Fund as a Community Admission Body on 1 February 2016.

3.12.2 The organisation went into liquidation and the last active member was made redundant on 24 July 2020. No exit payment or credit will be required as Cambridge City Council agreed to indemnify Visit Cambridge and Beyond against any cessation deficit. All assets and liabilities have therefore been transferred to Cambridge City Council.

4. 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*

5. Risk Management

5.1 The Pension Fund Committee are responsible for approving some admission bodies into the Fund as well as monitoring all admissions and cessations.

5.2 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

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

[Pension Fund Risk Register Hyperlink](#)

6. Finance & Resources Implications

- 6.1 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.
- 6.2 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.
- 6.3 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.

7. Communication Implications

Direct Communications	Direct communications will be required to facilitate employer start up in the LGPS.
Induction	New employers require an introduction to their employer responsibilities under the LGPS.
Training	Training will need to be provided to new employers on a number of LGPS issues.

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 – 24th September 2020

Has this report been cleared by Head of Pensions? Mark Whitby – 15th September 2020

Has the Chairman of the Pension Fund Committee been consulted? Councillor Rogers – 24th September 2020

Has this report been cleared by Legal Services? Fiona McMillan – 18th September 2020

