



AGENDA

SUPERANNUATION FUND COMMITTEE

Friday, 6th March, 2009 at 10.00 am
In the Medway Room, Sessions House, County
Hall, Maidstone.

Ask for: **Geoff Rudd**
Telephone **01622 6943548**

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

A. COMMITTEE BUSINESS

1. Substitutes
2. Declarations of Interests by Members in items on the Agenda for this meeting.
3. Minutes - 21 November 2008 (Pages 1 - 2)

B. MOTION TO EXCLUDE THE PRESS AND PUBLIC FOR EXEMPT ITEMS

That under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of Schedule 12A of the Act.

EXEMPT ITEMS

(During these items the meeting is likely NOT to be open to the press and public)

C. MATTERS FOR REPORT/DECISION BY THE COMMITTEE

1. Minutes - 21 November 2008 (Pages 3 - 4)
2. DTZ
3. Alliance Bernstein
4. Fund Structure (Pages 5 - 8)
5. Actuarial Services (Pages 9 - 10)

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

D. MATTERS FOR REPORT/DECISION BY THE COMMITTEE

1. External Audit Plan (Pages 11 - 22)
2. Fund Position Statement (Pages 23 - 30)

3. Application for Admission to the Fund (Pages 31 - 32)

Peter Sass
Head of Democratic Services and Local Leadership
(01622) 694002

Thursday, 26 February 2009

- (i) *Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.*
- (ii) *In accordance with the current arrangements for meetings, representatives of the Managers have been given notice of the meeting and will be in attendance for Items C2 and C3.*

KENT COUNTY COUNCIL

SUPERANNUATION FUND COMMITTEE

MINUTES of a meeting of the Superannuation Fund Committee held at Sessions House, Maidstone, Kent on Friday, 21 November 2008.

PRESENT: Mr J E Scholes (Chairman), Mr K Bamber, Mr J Burden, Mr P Clokie, Mr D S Daley, Mr J A Davies, Mrs J De Rochefort, Ms A Dickenson, Mr C G Findlay (substitute for Mr J Simmonds), Mr M J Fittock, Mr J F London, Mr R A Marsh (substitute for Mr R Parry), Mr R Packham, Mr S Richards and Mrs E D Rowbotham (substitute for Mr J I Muckle).

IN ATTENDANCE: Director of Finance, Ms L McMullan; Head of Financial Services, Mr N Vickers and Assistant Democratic Services Manager, Mr G Rudd.

UNRESTRICTED ITEMS

41. Declarations of Interest

There were none.

42. Minutes

RESOLVED that the Minutes of the meeting held on 12 September 2008 are correctly recorded and that they be signed by the Chairman.

43. Pensions Administration

(Item D1 – Report by Director of Finance)

(Mr P Luscombe, Pensions Manager was in attendance for this item)

RESOLVED unanimously that:-

- (a) the contents of the report be noted and the recommendation regarding the renumbering of the administering body policy be agreed; and
- (b) The Chairman write, on behalf of the Committee supporting the recommendation that the vesting period relating to deferred benefits be changed back from three months to the former arrangement of 2 years and a copy of the letter be circulated to all Members of the Committee.

44. External Audit Report

(Item D2 –Mr G Brown and Mr J Jacobs of the Audit Commission were in attendance for this item)

RESOLVED that the report be noted.

45. Cash Management

(Item D3 – Report by Director of Finance)

(Mr N J D Chard, Cabinet Member for Finance, was in attendance for this item)

RESOLVED that the report be noted.

46. Application for Admission to the Fund

(Item D4 – Report by Director of Finance)

RESOLVED that admission to the Fund of Ashford Future Company Limited and the successful contractor from the two companies tendering for the KCC Mental Health Day Services, be approved.

47. Fund Position Statement

(Item D5 – Report by Director of Finance)

RESOLVED that the report be noted.

EXEMPT ITEMS

(Open Access to Minutes)

48. Minutes

RESOLVED that the Minutes of the meeting held on 12 September 2008 are correctly recorded and that they may be signed by the Chairman.

49. Baillie Gifford

(Item C2)

(Mr N Morecroft and Mrs L Dewar were in attendance for this item)

RESOLVED that the report be noted.

50. Societe Generale Asset Management (SGAM)

(Item C3)

(Mr M Murray was in attendance for this item)

RESOLVED that the report be noted.

SUMMARY OF EXEMPT ITEM

(Where Access to Minutes Remains Restricted)

51. Fund Structure

(Item C4 – Report by Director of Finance)

The Committee agreed a number of issues relating to the structure and management of the Fund.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item C1

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item C4

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item C5

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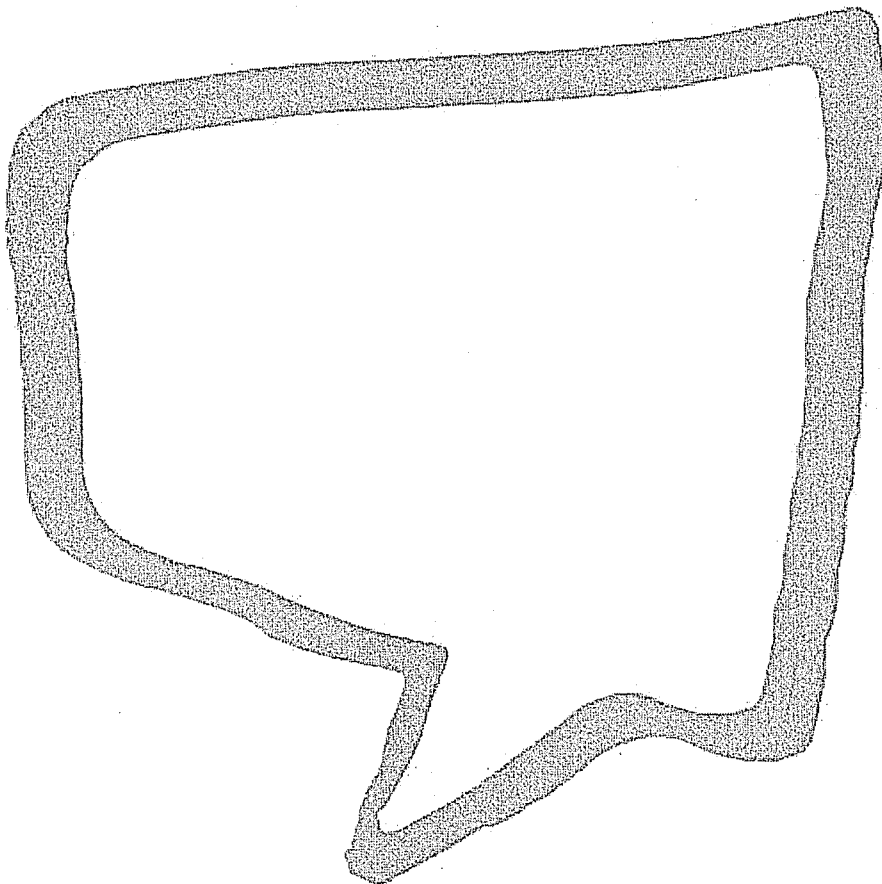
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Superannuation Fund Audit Plan

Kent County Council

Audit 2008/09

February 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/ members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
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Introduction

Background

- 1 This plan sets out the work we propose to undertake on the Superannuation Fund's financial statements for 2008/09. The plan is based on the Audit Commission's risk-based approach to audit planning which assesses the risks specifically associated with the Superannuation Fund.
- 2 Regulation 34 of the Local Government Pension Scheme (Administration) Regulations 2008 requires administering authorities to prepare an annual report for the pension fund, which should incorporate the annual accounts, from 2008/09 and this will be subject to audit. Kent County Council has followed this practice for a number of years.
- 3 The Superannuation Fund financial statements remain part of Kent County Council's overall financial statements and the Superannuation Fund Committee retains the responsibility for receiving, considering and agreeing the audit plans and receiving and considering any reports arising from the audit of the Fund.

Responsibilities

- 4 The Audit Commission's *Statement of responsibilities of auditors and of audited bodies* sets out the respective responsibilities of the auditor and Kent County Council as the administering body of the Superannuation Fund. The Audit Commission has issued a copy of the Statement to every audited body.
- 5 The Statement summarises where the different responsibilities of auditors and of the audited body begin and end, and our work is undertaken in the context of these responsibilities.
- 6 We comply with the statutory requirements governing our audit work, including the Audit Commission Act 1998 and the Code of Audit Practice (the Code).

Work under the Code of Audit Practice

- 7 We will carry out our audit of the financial statements in accordance with the International Standards on Auditing (UK and Ireland) (ISA) issued by the Auditing Practices Board (APB).
- 8 We are required to issue an opinion on the financial statements, in accordance with applicable laws and regulations and the Statement of Recommended Practice (SoRP) on Local Authority Accounting in the United Kingdom 2008, the financial position of the Superannuation Fund as at 31 March 2009 and its income and expenditure for the year. We also audit the Superannuation Fund Annual Report.

Assessing risks

- 9 The Audit Commission is committed to targeting its work where it will have the greatest effect, based upon assessments of risk and performance. This means planning our audit work to address areas of risk relevant to our audit responsibilities.
- 10 We are required by professional auditing standards to specify the detailed risks that we need to consider as part of our opinion planning work and in doing so we:
- consider the risk of material misstatements in your accounts;
 - plan audit procedures to address these risks; and
 - ensure that the audit complies with all relevant auditing standards, including Practice Note 15 - 'The Audit of Occupational Pension Schemes in the United Kingdom'.
- 11 Our risk assessment process starts with the identification of the significant financial and operational risks applying to the Superannuation Fund to understand whether they give rise any risks of material misstatement (whether due to fraud or error) in the financial statements. We do this by a number of means of including:
- identifying the business risks facing the Fund, including assessing its risk management arrangements;
 - considering the financial performance of the Fund;
 - assessing internal controls including reviewing the general control environment, the IT control environment and internal audit.
 - considering technical guidance issued by the Audit Commission;
 - reviewing the results of previous and ongoing audit work; and
 - liaison with internal audit.
- 12 Our initial risk assessment and proposed audit response is set out below.

Table 1 Risk assessment

Potential risk area	Description of potential risk	Proposed audit response
Compliance with the Statement of Recommended Practice relating to the Superannuation Fund's financial statements	The financial statements are compiled incorrectly resulting in the provision of incorrect information to members and contributing bodies. Specifically consideration will be given to the accounting for the cash investments in Icelandic banks.	The format of the statements and the method of compilation will be reviewed to ensure that they are in accordance with the required framework.
Collection of contributions, payment of benefits and transfers in and out of the Superannuation Fund	The systems used might not generate the amounts and other key information contained within the financial statements are unreliable.	Material financial and information systems will be documented and key controls identified. These controls will be tested to ascertain the degree of reliance that can be placed on the systems for collection of contributions, payment of benefits and transfers into and out of the Fund.
Investment portfolio	The ownership and valuation of the portfolio as reported by the investment managers might not be correctly stated in the financial statements. Investment income received might not be completely and accurately recorded in the financial statements.	We will review the controls to ensure that information given by investment managers is accurately reflected in the general ledger. We will validate the total investment income due. Independent reports on investment managers' control arrangements will be reviewed to establish the effectiveness of their processes. Reconciliations between investment managers and custodian records will be reviewed.

Potential risk area	Description of potential risk	Proposed audit response
		The arrangements for formal monitoring of fund performance will be considered.
Investment management fees	Fees might not be paid in accordance with the contracted amounts.	Review the controls over the authorisation and payment of fees to ensure they accord with agreements.
Fraud and error	The Fund's financial statements might contain fraudulent and/or erroneous entries.	We will consider the arrangements adopted by the Superannuation Fund Committee and officers to prevent fraud and error impacting on the Fund's financial statements.
Annual Report	The Annual Report might be inconsistent with the financial statements resulting in the provision of incorrect information to members and contributing bodies.	A detailed check will be undertaken of the Annual Report before publication to check whether it is consistent with the financial statements and this will be reported in our opinion.

Request for information

13 External auditors are required to conduct their audit under the framework of the ISAs. In several instances these standards require auditors to formally seek information from management and the Superannuation Fund Committee as those charged with governance of the Fund. Set out below are those areas where we will seek a formal response from the Committee:

- in planning our audit of the Superannuation Fund financial statements, we are interested to understand the views of the Committee on the nature and extent of any significant internal and external operational, financial, compliance or other risks facing the Fund which might have an effect on the statements. If the Committee think such risks exist then we would ask for details and the likelihood of those risks materialising;
- whether the Committee has any knowledge of any actual, suspected or alleged fraud affecting the Superannuation Fund; and
- has the Committee been put on notice of any such possible instances of non-compliance with laws or regulations?

The audit fee

- 14 The broad details of the structure of scale fees are set out in the *Audit Commission's work programme and fee scales 2008/09*. Scale fees are based on a number of variables, including the type, size and location of the audited body.
- 15 The total indicative fee for the audit work on the Superannuation Fund included in this audit plan for 2008/09 is £55,600. The fee (plus VAT) will be charged in 4 equal instalments from March 2009 to June 2009.
- 16 The audit fee includes all work identified in this plan unless specifically excluded. In determining the fee we have made the following assumptions:
- the level of risk in relation to the Superannuation Fund audit is not significantly different from that last year;
 - you will inform us of significant developments impacting on our audit;
 - internal audit meets appropriate professional standards;
 - internal audit undertakes appropriate work on all systems that provide material figures in the financial statements sufficient that we can place reliance for the purposes of our audit;
 - the draft accounts are produced to the timetable set;
 - good quality working papers and records will be provided to support the financial statements at the same time as the statements are presented to us for audit;
 - requested information will be provided within agreed timescales; and
 - prompt responses will be provided to draft reports.
- 17 Where these assumptions are not met, we might be required to undertake additional work which is likely to result in an increased audit fee.
- 18 We are also required to review the fee as part of our detailed planning of the financial statements audit and will determine if:
- any new audit risks have emerged;
 - additional work is required of us by the Audit Commission; and
 - new work is required as a result of changes in legislation, professional standards or as a result of changes in financial reporting.

Process for agreeing any changes in audit fees

- 19 If we need to make any amendments to the audit fee during the course of this plan, we will firstly discuss this with the Director of Finance. We will then prepare a report outlining the reasons why the fee needs to change for discussion with the Superannuation Fund Committee.

Other information

The audit team

20 The key members of the team for the 2008/09 audit are shown in the table below.

Table 2 The audit team

Name	Contact details	Responsibilities
Darren Wells District Auditor	d-wells@audit-commission.gov.uk 08447986110	Responsible for the overall delivery of the audit including the quality of outputs, signing the opinion and conclusion, and liaison with the Chief Executive, the Governance and Audit Committee and the Superannuation Fund Committee.
Grahame Brown Audit Manager	g-brown@audit-commission.gov.uk 08447986107	Manages and co-ordinates the different elements of the audit work. Key point of contact for the Director of Finance and Head of Financial Services.
Jeremy Jacobs Team Leader	j-jacobs@audit-commission.gov.uk 01732 591350	Responsible for day-to-day of the audit of the Superannuation Fund and key point of liaison for the officers.

Independence and objectivity

21 We are not aware of any relationships that may affect the independence and objectivity of the District Auditor and the audit staff, which we are required by auditing and ethical standards to communicate to you. We comply with the ethical standards issued by the APB and with the Commission's requirements in respect of independence and objectivity as summarised at Appendix 1.

Planned outputs

- 22 Our reports will be discussed and agreed with the appropriate officers before being issued to the Governance & Audit Committee.
-

Table 3

Planned output	Indicative date
Superannuation Fund audit plan	February 2009
Opinion audit plan	April 2009
Annual governance report	July 2009
Opinion on the financial statements	July 2009
Superannuation Fund annual report audit	November 2009

Quality of service

- 23 We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact Neil Childs, Head of Operations.
- 24 If we are unable to satisfy your concerns, you have the right to make a formal complaint to the Audit Commission. The complaints procedure is set out in the leaflet *Something to complain about* which is available from the Commission's website or on request.

Appendix 1 – Independence and objectivity

Auditors appointed by the Audit Commission are required to comply with the Commission's Code of Audit Practice and Standing Guidance for Auditors, which defines the terms of my appointment. When auditing the financial statements auditors are also required to comply with auditing standards and ethical standards issued by the Auditing Practices Board (APB).

The main requirements of the Code of Audit Practice, Standing Guidance for Auditors and the standards are summarised below:

International Standard on Auditing (UK and Ireland) 260 (Communication of audit matters with those charged with governance) requires that the appointed auditor:

- discloses in writing all relationships that may bear on the auditor's objectivity and independence, the related safeguards put in place to protect against these threats and the total amount of fee that the auditor has charged the client; and
- confirms in writing that the APB's ethical standards are complied with and that, in the auditor's professional judgement, they are independent and their objectivity is not compromised.

The standard defines 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case, the appropriate addressee of communications from the auditor to those charged with governance is the Governance and Audit Committee.

The Commission's Code of Audit Practice has an overriding general requirement that appointed auditors carry out their work independently and objectively, and ensure that they do not act in any way that might give rise to, or could reasonably be perceived to give rise to, a conflict of interest. In particular, appointed auditors and their staff should avoid entering into any official, professional or personal relationships which may, or could reasonably be perceived to, cause them inappropriately or unjustifiably to limit the scope, extent or rigour of their work or impair the objectivity of their judgement.

The Standing Guidance for Auditors includes a number of specific rules. The key rules relevant to this audit appointment are as follows:

- appointed auditors should not perform additional work for an audited body (ie work over and above the minimum required to meet their statutory responsibilities) if it would compromise their independence or might give rise to a reasonable perception that their independence could be compromised. Where the audited body invites the auditor to carry out risk-based work in a particular area that cannot otherwise be justified as necessary to support the

auditor's opinion and conclusions, it should be clearly differentiated within the audit plan as being 'additional work' and charged for separately from the normal audit fee;

- auditors should not accept engagements that involve commenting on the performance of other auditors appointed by the Commission on Commission work without first consulting the Commission;
- the District Auditor responsible for the audit should, in all but the most exceptional circumstances, be changed at least once every five years;
- the District Auditor and senior members of the audit team are prevented from taking part in political activity on behalf of a political party, or special interest group, whose activities relate directly to the functions of local government or NHS bodies in general, or to a particular local government or NHS body; and
- the District Auditor and members of the audit team must abide by the Commission's policy on gifts, hospitality and entertainment.

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By: Chairman Superannuation Fund Committee
Director of Finance

To: Superannuation Fund Committee – 6 March 2009

Subject: **FUND POSITION STATEMENT**

Clarification: Unrestricted

Summary: To provide a summary of the Fund asset allocation and performance.

FOR INFORMATION

INTRODUCTION

1. Attached is the Fund Position Statement report.

RECOMMENDATION

2. Members are asked to note this report.

Katherine Gray
Senior Accountant (Investments)
Ext: 4642

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FUND POSITION STATEMENT

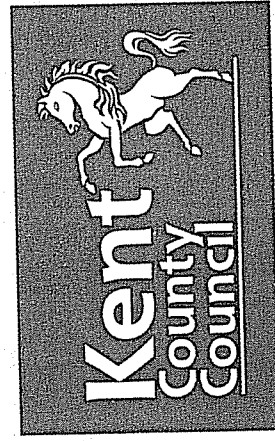
Classification: Unrestricted
Item: DI refers

Summary of Fund Asset Allocation and Performance

Superannuation Fund Committee

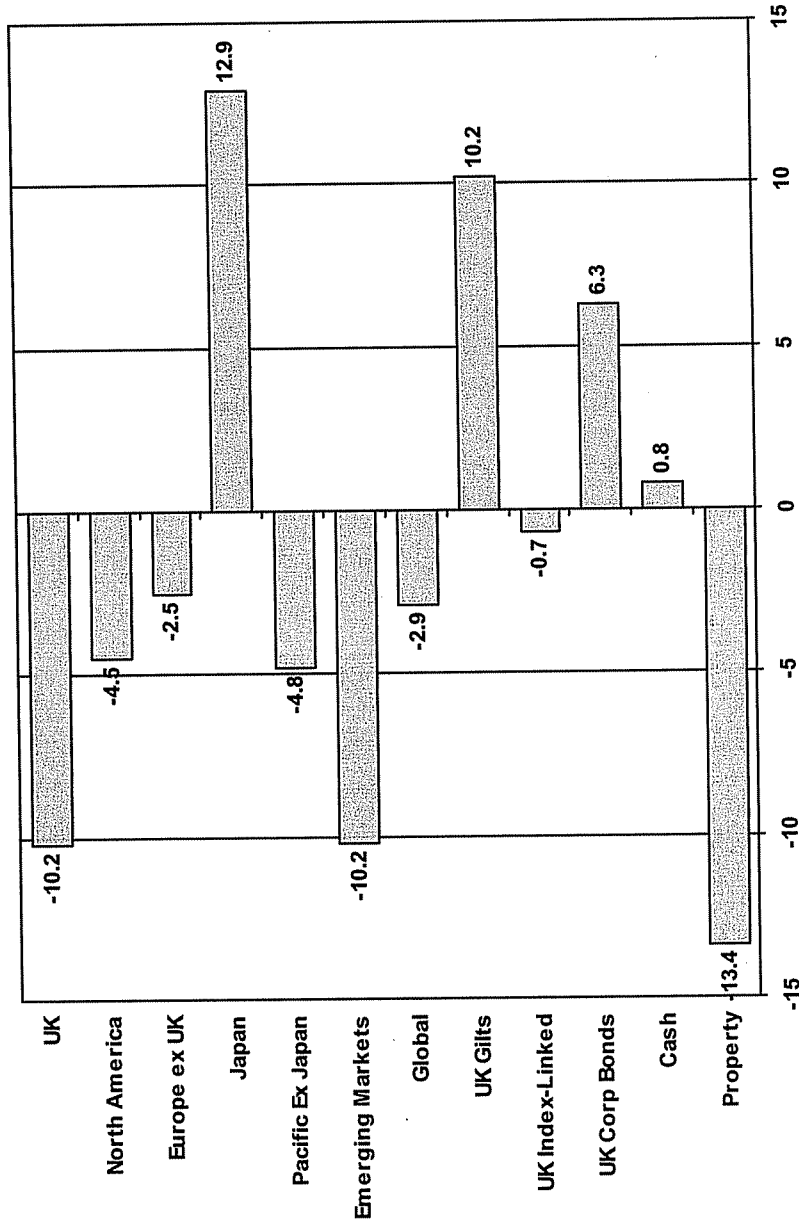
6th March 2009

By: Chairman Superannuation Fund Committee
Director of Finance



Kent County Council
Superannuation Fund 2009
Nick Vickers— Head of Financial Services

Market Returns-3 months to 31 December 2008



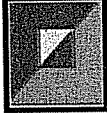
- This has been another difficult trading period where unprecedented market conditions have made for negative returns in most markets.

- The equity markets continued to be weak over the quarter. This has led to the US, UK and European authorities continuing to work hard to stimulate economies across the globe.

- Japan was the only equity market that saw a positive return. The depreciation of sterling helped overseas equity returns. Emerging markets and the UK were the worst performers with negative returns of 10.2%.

- UK Gilts had another good quarter with positive returns of 10.2%. Bonds also produced positive returns of 6.3%

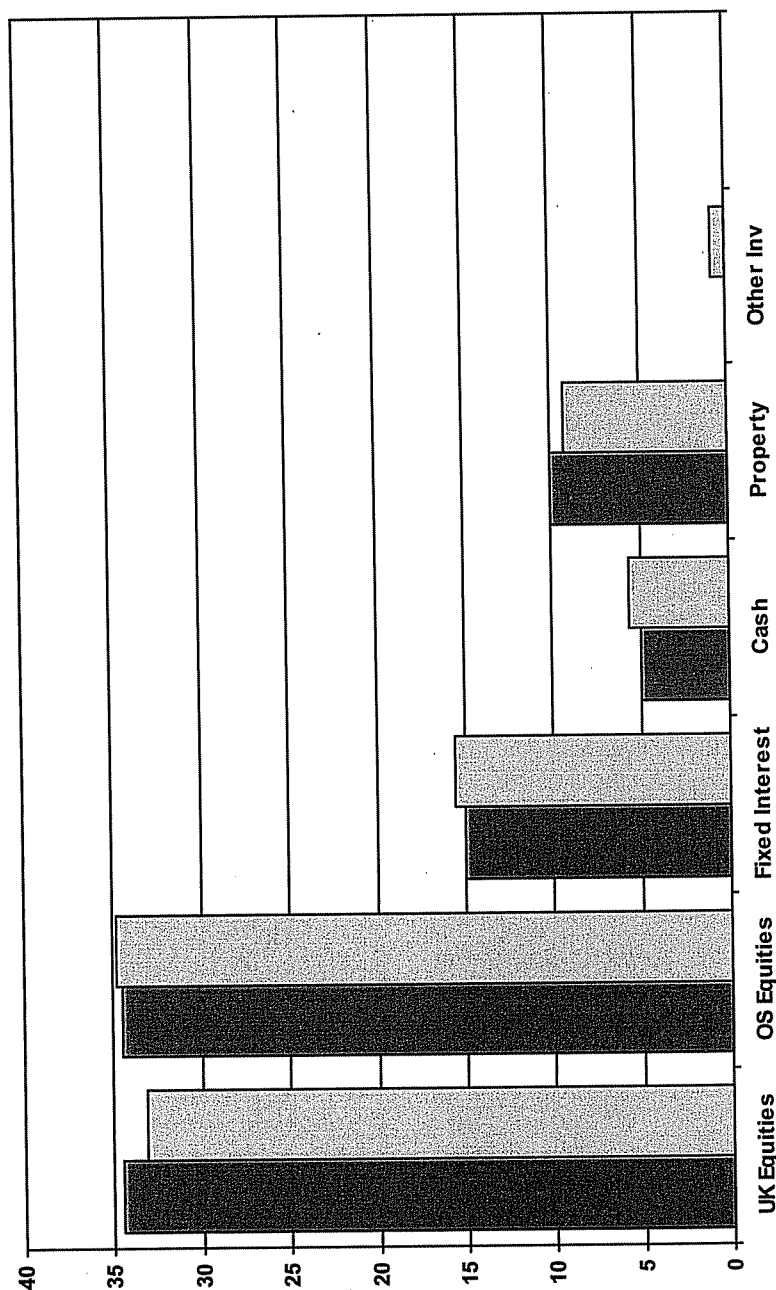
- Property returns on the IPD index were the worst performing asset class this quarter, with negative returns of 13.4%.



Kent Fund Asset Allocation vs Fund Benchmark

Classification: Unrestricted
Item: DI refers

Asset Class	Kent Fund		Benchmark
	f.m	%	%
UK Equities	718	32.6	34.5
Overseas Equities	731	33.2	34.5
Fixed Interest	371	16.9	15
UK Property	171	7.8	10
European Property	30	1.4	1
Cash	164	7.4	5
Other Inv	16	0.7	-
Total Value	2,201	100.0	100



Legend: Benchmark Asset Allocation

Asset Distribution Fund Manager

Classification: Unrestricted
Item: DI refers

Values (GBP)'000	Mandate	Value at 30/09/08	Transactions	Capital Gain / loss	Income	Value at 31/12/08	% Fund	Benchmark
Schroders	UK Equity	353,096	2,874	-30,218	2,872	325,752	16	Customised
Invesco	UK Equity	220,300	40,000	1,174	0	261,474	10	Customised
Societe Generale	UK Equity	141,544	1,293	-18,991	1,290	123,846	6	Customised
Alliance Bernstein	Global Equity	217,737	1,347	-22,832	1,313	196,252	10	MSCI World
UBallie Gifford Group	Global Equity	356,985	1,606	-21,280	1,490	337,311	16	Customised
GMO	Global Quantative	151,133		-2,148		148,985	7	MSCI World
Schroders	Global Quantative	100,614		-4,809		95,805	4	MSCI World
Goldman Sachs	Fixed Interest	189,162	3,648	1,843	2,933	194,653	8	ML £ Broad Market
Schroders	Fixed Interest	149,768		11,149		160,918	6	ML £ Broad Market
DTZ	Property UK	206,156	320	-33,077	2,946	173,399	9	IPD All Properties Index
DTZ	Property Europe	26,736	0	3,679	341	30,415	1	IPD All Properties Index
Internally Managed	Cash	159,745	-7,700	-27	1,122	152,017	7	LIBID 7 Day Rate
Black Rock (ML)	Transition	590	-571	-19	0	0	-	-
Total Fund		2,273,566	42,817	-115,556	14,307	2,200,827	100	Kent Combined Fund

Performance Returns to 31 December 2008

Classification:
Unrestricted
Item: D1 refers

	Quarter		1 year		3 years	
	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
Total Fund	-4.5	-4.9	-19.9	-18.7	-2.5	-1.5
UK Equity						
Schroders UK	-7.7	-10.0	-26.4	-29.3	-3.4	-5.5
Societe Generale	-12.4	-10.0	-35.2	-29.3	-9.6	-4.6
Invesco	-0.4	-10.2	-19.5	-29.9	-	-
Overseas Equity						
Alliance Bernstein	-9.9	-2.9	-33.8	-17.4	-	-
Baillie Gifford	-5.5	-2.6	-21.8	-19.9	-0.9	-0.3
GMO	-1.4	-2.9	-15.1	-17.4	-	-
Schroders GAV	-4.8	-2.9	-21.6	-17.4	-	-
Fixed Interest						
Goldmans Fixed Interest	2.5	6.3	-2.2	4.3	0.5	2.7
Schroders Fixed Interest	7.4	6.3	5.1	4.3	-	-
Property						
UK Property	-14.8	-13.5	-28.1	-22.5	-2.1	-4.7
European Property	15.1	n/a	29.4	n/a	-	-

- The fund decreased in value by over £77m in the quarter.
- The Fund marginally outperformed the benchmark for the quarter posting negative returns of -4.5% compared to a benchmark return of -4.9%, placing us 51st against the WMLA average
- The 1 year performance is -19.9% against the benchmark of -18.7%, placing us 56th against the WMLA average
- Our 3 year performance is -2.5% against a benchmark return of -1.5%. This places us 74th against the WMLA average
- Alliance Bernstein was the worst performer over the quarter, whose returns were significantly less than benchmark.
- Overseas Property, Invesco and Schroders UK were the best relative performers over the quarter.
- Baillie Gifford, Societe Generale, Schroders GAV, DTZ UK Property and Goldman Sachs all underperformed benchmark in the quarter.

Fund Structure

UK Equities

Schroders
+1.5%
£326m

Soc Gen
+2.0%
£124m

Invesco
Unconstrained
£261m

Global Equities

Baillie Gifford
+1.5%
£337m

Alliance
Bernstein
+3.0%
£196m

GMO
+3.0%
£149m

Schroders
+3.0 - +4.0%
£96m

Fixed Interest

Goldman Sachs
+0.75%
£195m

Schroders
+1.0%
£161m

Alternative

DTZ
UK Property
£173m

DTZ
Europe Property
Eur 35m (£30m)
€34.5m invested
as at 30.09.08

Kent Cash
£140m

Henderson
Secondary PFI
£11m

YFM Private
Equity £4m
£1.6m invested
as at 30.09.08

Market Value £2.2bn
as at 31 December 2008.

By: Chairman Superannuation Fund Committee
Director of Finance

To: Superannuation Fund Committee – 6 March 2009

Subject: **APPLICATION FOR ADMISSION TO THE FUND**

Classification: Unrestricted

Summary: To report on the request from Ridge Crest Cleaning Limited to participate in the Superannuation Fund

FOR DECISION

1. Homewood School, Tenterden outsourced their school cleaning to Ridge Crest Cleaning Limited (Ridge Crest) in November 2008. Three employees were TUPE transferred from Homewood School to Ridge Crest at that time. However, the pension arrangements of those employees had not been considered as part of the TUPE transfer i.e either seek admitted body status to the LGPS or provide a broadly comparable pension scheme.
2. Ridge Crest is a private limited company providing commercial cleaning services. Ridge Crest approached the Fund with a view to seeking admitted body status in mid December 2008 and their completed application was received in mid January 2009.
3. As referred to in 1, above, three employees were transferred from Homewood School to Ridge Crest in November 2008. Those employees were therefore no longer eligible to remain in the LGPS as their employment with the school had ended and the new employer (Ridge Crest) was not an employer in the LGPS. If the application for admission to the Fund is approved then it is possible for Ridge Crest to make contributions to the Pension Fund to 'buy' the period of service from the date the employees were transferred from Homewood School to the date Ridge Crest join the LGPS.
4. The application has been made under Regulation 6(2)(a)(i) of the Local Government Pension Scheme (Administration) Regulations 2008, as amended. Under this Regulation, there is a requirement for a form of bond or indemnity to be provided. The bond/indemnity is actuarially assessed to cover the costs of early retirement in the event of redundancy. The weighted average age of the transferring employees is 40.6 years and therefore no one is eligible for early retirement. The actuary has assessed the level of the bond/indemnity to be nil for the first year of the contract.
5. The completed questionnaire and pro forma Memorandum and Articles have been examined by Legal Services to ensure compliance with the

Local Government Pension Scheme Regulations. Legal Services have given a favourable opinion.

RECOMMENDATION

6. Members are asked to agree the admission of Ridge Crest Cleaning Limited.

Jane Gibbons
Principal Accountant (Investments & Treasury)
Ext. 4625