

From: Chairman – Kent Pension Board
Corporate Director of Finance

To: Kent Pension Board – 18 November 2021

Subject: Fund Employer and Governance Matters

Classification: Unrestricted

Summary:

This report provides an update on Fund employers, the Funding Strategy Statement, a government consultation and admission matters.

Recommendation:

The Board is recommended to note the report.

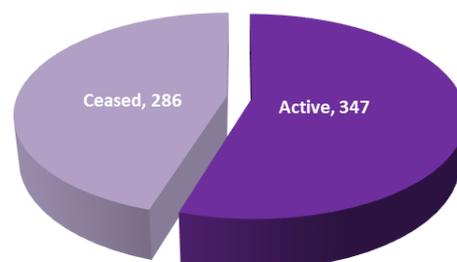
FOR INFORMATION

1 Introduction

1.1 This report sets out information on employer related matters for the 6 months to 30 September 2021. It also provides an update on the Fund's Funding Strategy Statement (FSS), a government consultation and admission matters.

2 Fund Employer update

2.1 There was a total of 633 employers in the Kent Pension Fund on 30 September 2021, an increase of 1 from 30 June 2021.

Split of Employers between Active and Ceased

2.2 The number of active employers regularly paying contributions increased by 7, 4 were new to the Fund, 2 employers changed their payroll provider and 1 ceased employer became active again. 6 employers ceased to have active members in the Local Government Pension Scheme (LGPS). The ceased

employers no longer have active contributing members in the LGPS and the Fund has an existing or future liability to pay any pensions.

- 2.3 The following table lists employers who joined the Fund as well as those who ceased to have active members in the Fund during the 6 months to 30 September 2021.

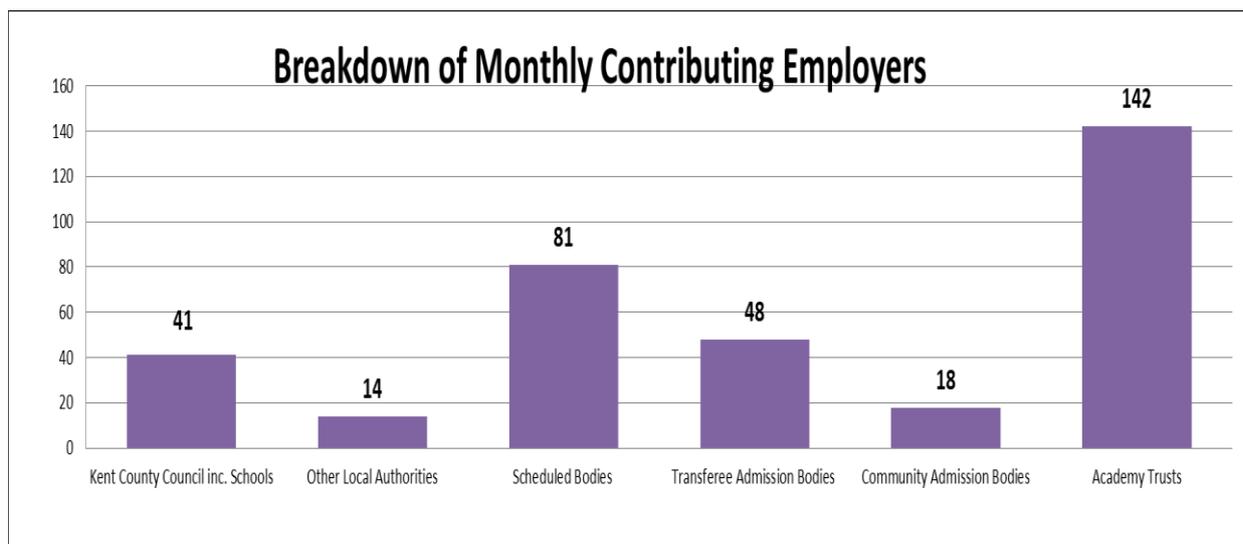
New Employers	Effective date
Admission Bodies	
Churchill Contract Services Ltd (re Thinking Schools Academy Trust)	1 September 2019 (backdated admission)
Scheduled Bodies	
Canterbury Environment Company Ltd	1 February 2021 (backdated admission)
Kite College	1 May 2021
Academy Trusts	
Inspire Trust	1 April 2021
Ceased / Merged to Trust Employers	
Effective Date	
Admission Bodies	
Kent College Canterbury	31 January 2021 (late notification of last active member leaving)
Rochester Care Homes Ltd	31 March 2021
Deep Beat Entertainment Ltd (Medway Park)	18 May 2021
Deep Beat Entertainment Ltd (Strood)	18 May 2021
Busy Bee Cleaning Services Ltd	31 July 2021
Academy Trusts	
Village Academy Trust	31 May 2021
Brook Learning Trust	31 August 2021
Scheduled Bodies	
Kent Magistrates Courts Committee	31 March 2021

- 2.4 In the 6 months to September 2021 the Fund received £133.6m from employers in respect of their monthly contributions (employer and employee) as follows:

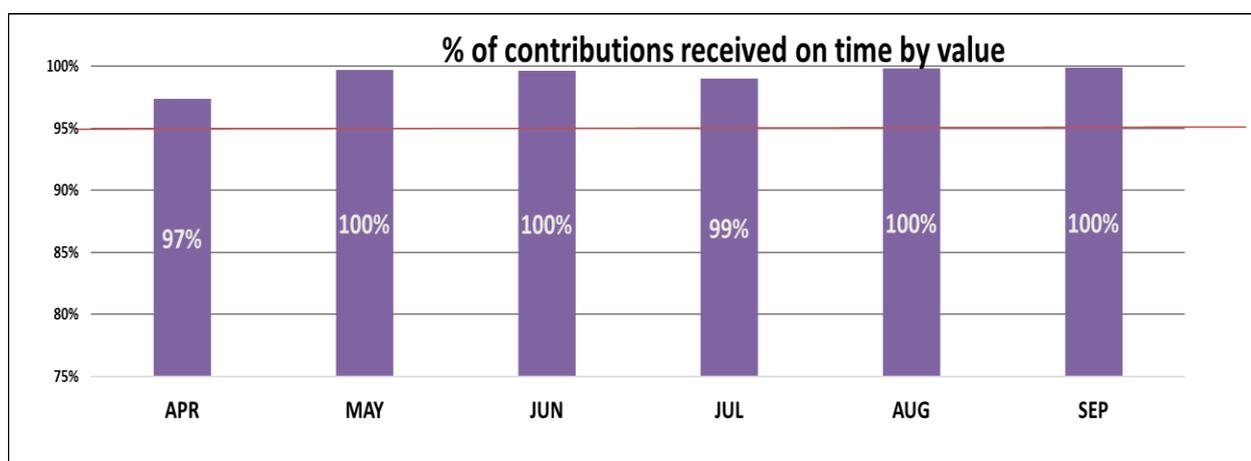
	Received Early	Cash on 19th	Received Late	Total
	£	£	£	£
April	12,840,115	8,765,012	587,525	22,192,651
May	12,279,932	9,762,932	60,322	22,103,186

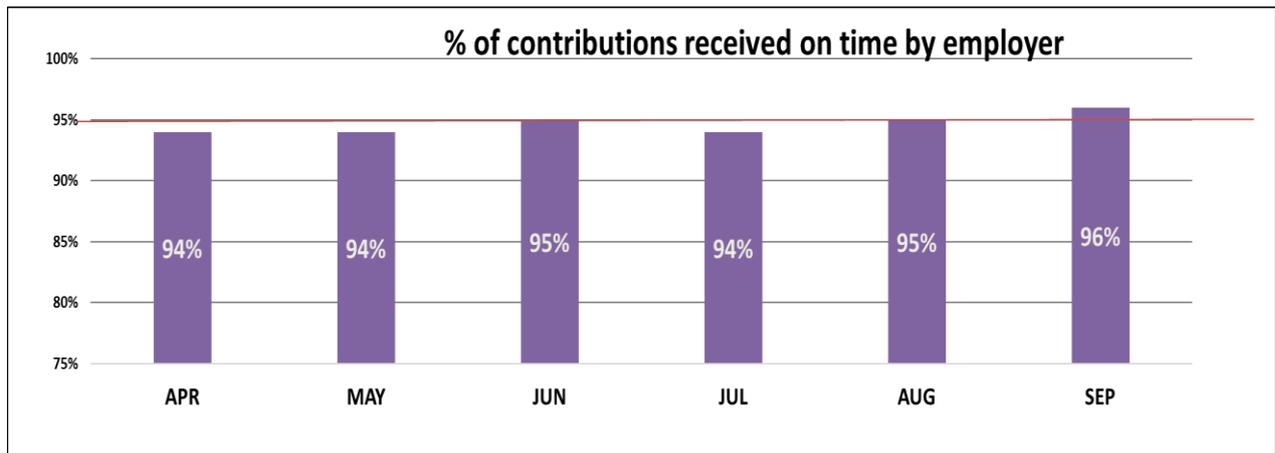
June	12,716,335	9,642,629	76,950	22,435,554
July	13,282,861	8,791,062	224,129	22,298,052
August	12,766,590	9,576,083	40,569	22,383,242
September	13,069,099	9,086,697	30,949	22,186,746
Total	76,954,932	55,624,415	1,020,444	133,599,431

2.5 The following table shows employers from whom the Fund receives monthly contributions by Employer Group. Note the KCC figures reflect the council's and schools' relationships with several payroll providers.



2.6 Officers continue to monitor the receipt of these contributions and the following two charts show the % of employer contributions received on time by two different measures; by value and by number of employers. The Key performance indicator (KPI) of 95% for % of contributions received on time by employer was not achieved in April, May or July due to backdated admissions and some Parish Councils having issues with their bank. Since August we have achieved our KPI of 95% each month.





3 Funding Strategy Statement (FSS) and associated Fund policies

- 3.1 At their meeting on 8 September the Committee agreed the revised FSS and associated policies in light of the results of the consultation run over a 6-week period through July and August and advice from Barnett Waddingham.
- 3.2 Members also agreed to accept alternative forms of security provided by admission bodies irrespective of the tax raising powers of the letting authority subject to the following:
- i) a satisfactory assessment of the financial strength of the letting authority
 - ii) that the detail of any pass-through agreement and / or guarantee is captured in the associated admission agreement.
- 3.3 A copy of the FSS has been published to the Fund's website at: [Funding strategy statement - Kent Pension Fund](#).

4 Government consultation on the cost control mechanism

- 4.1 As previously reported, HM Treasury ran a consultation on proposed changes to the cost control mechanism from June through August 2021. On 4 October the Government published their response to the consultation and a copy of their response is at appendix 1.
- 4.2. The Government has advised that it is pushing ahead with the proposed reforms, and they should be in place for the 2022 LGPS valuation, so
- Removing the allowance in the mechanism for the legacy schemes
 - Widening the current 2% corridor to 3% of pensionable pay

- Adding an economic check, essentially as a sense check of the mechanism's results.

4.3 It is anticipated future legislation changes will follow.

5. Employer admission matters

5.1 At their meeting on 8 September 2021 the Committee agreed to:

- a) the admission to the Fund of Cater link Ltd (re Education for the 21st Century Academy Trust),
- b) that a Deed of Modification be entered into in respect of Enterprise (AOL) Ltd

6. Recommendation

6.1 The Board is recommended to note the report.

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November 2021
