

From: Chairman Pension Fund Committee  
Acting Corporate Director of Finance

To: Kent Pension Fund Committee – 26 March 2024

Subject: Funding and Employer Governance

Classification: Unrestricted

---

**Summary:**

This report provides information on Fund employers; proposes four admission applications and provides an update on the actuarial procurement project.

**Recommendations:**

The Committee is asked to note the report and agree:

- a) to the admission to the Kent Pension Fund of Compass Contract Services UK Ltd (re The Thinking Schools Academy Trust);
- b) to the admission to the Kent Pension Fund of Kent Gurkha Company Ltd (re Valley Invicta Academies Trust);
- c) to the admission to the Kent Pension Fund of Principal Catering Consultants Ltd (re KCC schools);
- d) to the continued admission to the Kent Pension Fund of Fusion Lifestyle on the basis of a guarantee from Tunbridge Wells Borough Council;
- e) that once legal agreements have been prepared for matters a) to d) the Kent County Council seal can be affixed to the legal documents.

**FOR DECISION**

---

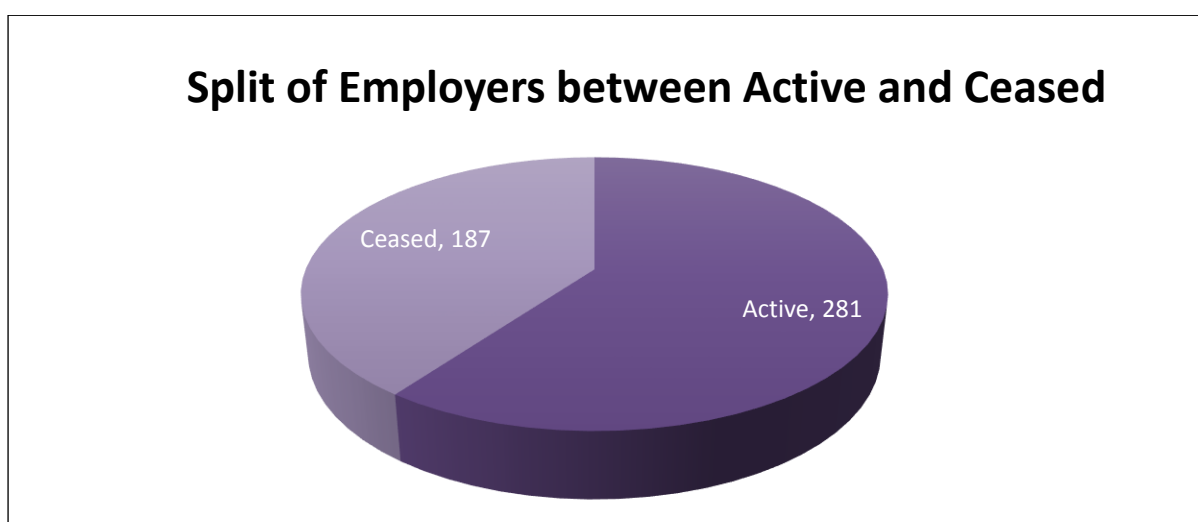
**Summary:**

**1. Introduction**

This report provides information on Fund employers for the 3 months ending 31 December 2023; proposes four employer admissions and provides an update on the actuarial procurement project.

## 2. Employer update for the 3 months to 31 December 2023

- 2.1 At its last meeting the Committee received an update on employer numbers as at 30 September 2023, when there were 465 employers in the Fund. This number increased by 3 over the final quarter of 2023 and therefore there were 468 employers in the Fund on 31 December 2023.
- 2.2 During this quarter, 1 new academy and 2 new admitted body employers joined the Fund.
- 2.3 Also during this quarter, 2 scheduled body employers, 1 community admission body and 2 transferee admitted bodies became ceased employers who still have liabilities in the Fund, although this does not affect the overall number of employers in the Fund.



- 2.4 The following table lists employers who joined the Fund as well as those who ceased to have active members in the Fund during the 3 months to 31 December 2023:

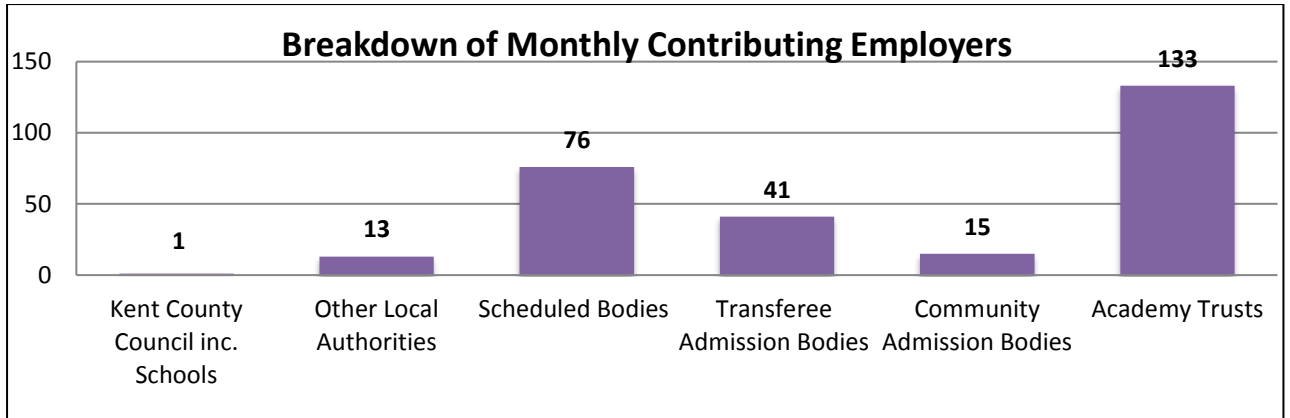
Type	New Employers	Effective Date
Admission Body	The PCS Group Ltd (re The Primary First Trust)	1 June 2021 (backdated admission)
Admission Body	Purgo Supply Services Ltd (re Leigh Academies Trust)	1 August 2023 (backdated admission)
Academy Trust	Royal Harbour Academy	1 April 2023 (backdated)

Type	Ceased Employers	Cessation Date
Admission Body	Town & Country Cleaners Ltd	9 October 2023
Admission Body	Mytime Active	30 September 2023
Schedule Body	Leybourne Parish Council	30 September 2023
Schedule Body	The Mayor and Charter Trustees of Margate	31 March 2023
Community Admission Body	Clarion Housing Association Ltd	30 November 2023

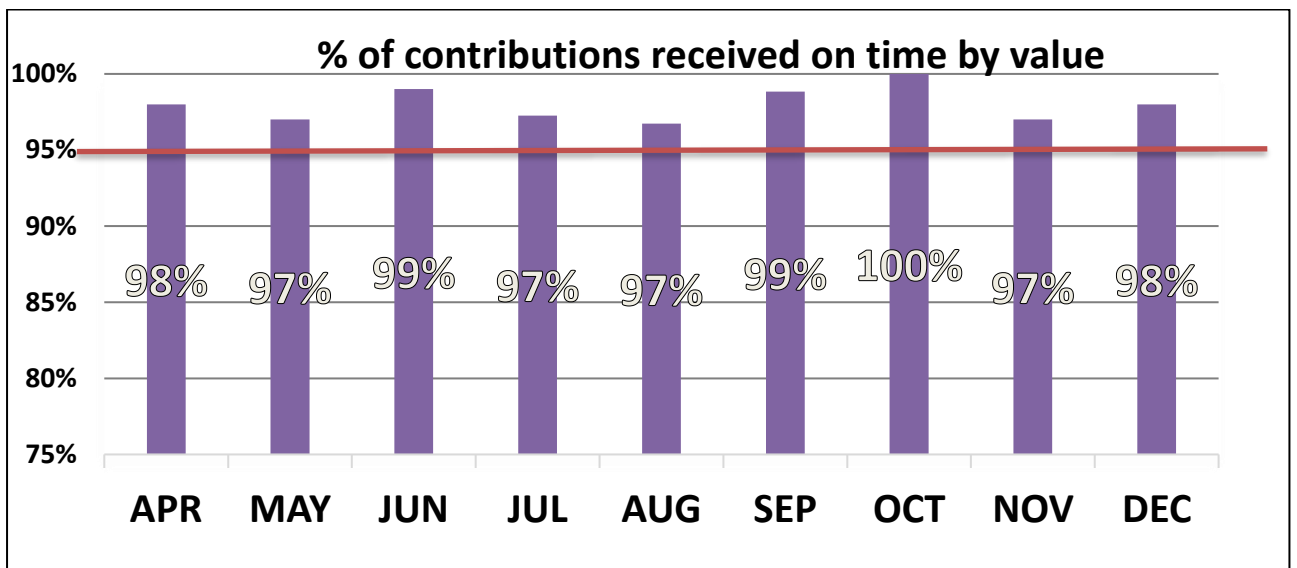
2.5 In the 9 months to 31 December 2023 the Fund received £232.0m from employers in respect of their monthly contributions (employer and employee) as follows:

	Received Early	Cash on 19th	Received Late	Total
	£	£	£	£
April	15,168,449.07	9,528,643.02	549,123.33	25,246,215
May	14,999,534.67	9,562,699.78	783,050.06	25,345,285
June	15,435,765.43	10,006,609.06	201,590.82	25,643,965
July	13,949,474.52	10,874,794.53	703,727.70	25,527,997
August	15,683,358.94	8,906,384.41	842,779.31	25,432,523
September	15,555,923.91	9,629,553.00	308,294.16	25,493,771
October	15,211,575.15	10,574,083.14	41,322.55	25,826,981
November	15,953,106.31	9,707,319.94	849,984.40	26,510,411
December	15,487,752.66	10,969,050.57	478,381.35	26,935,185
<b>Total</b>	<b>137,444,940.66</b>	<b>89,759,137.45</b>	<b>4,758,253.68</b>	<b>231,962,332</b>

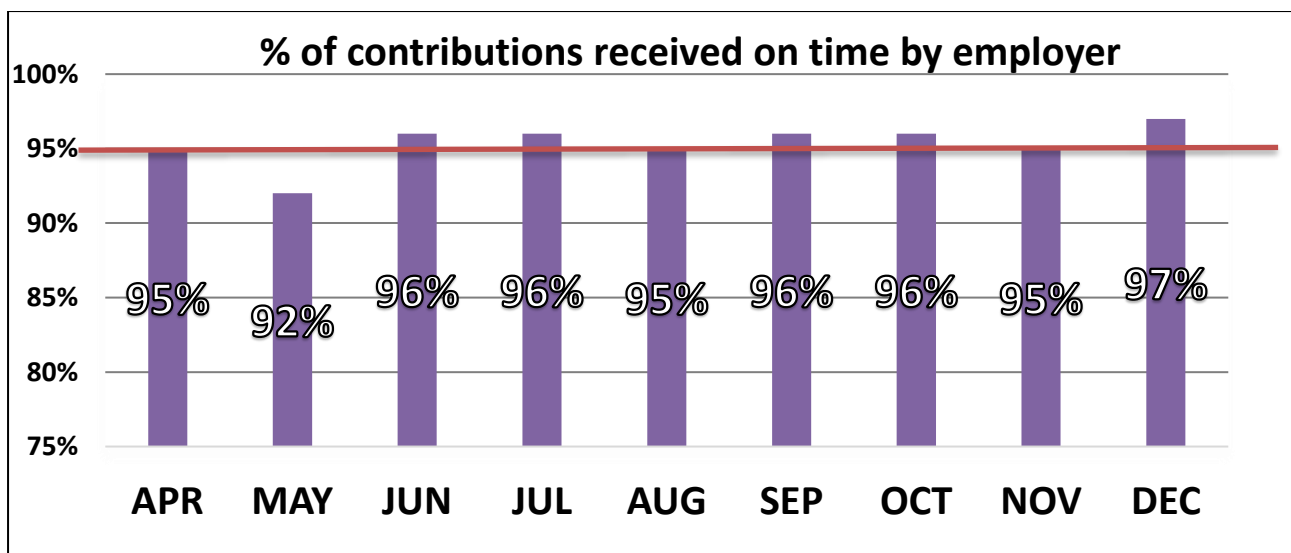
2.6 The following table shows employers from whom the Fund receives monthly contributions by Employer Group:



2.7 The Key Performance Indicator (KPI) of 95% for % of contributions received on time by value was met every month April to December.



2.8 The Key Performance Indicator (KPI) of 95% for % of contributions received on time by employers was met every month April to December 2023 bar May 2023. The full explanation for this was given in the December paper. It related to a single payroll provider (Cintra) who did not make the May payment in time.



### **3. Compass Contract Services UK Ltd (re The Thinking Schools Academy Trust)**

- 3.1 The Thinking Schools Academy Trust has awarded a 5-year catering contract to Compass Contract Services UK Ltd from 1 September 2019. This involved the transfer of 3 eligible LGPS members to Compass Contract Services UK Ltd.
- 3.2 A retrospective admission application has been made under Schedule 2 Part 3 1(d) (i) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide some form of security.
- 3.3 The Fund Actuary has assessed the employer contribution rate as 22.8% for a closed agreement and the bond for the first year as £24,000.
- 3.4 The completed questionnaires and supporting documents provided by Compass Contract Services UK Ltd have been examined by officers to ensure compliance with the LGPS regulations, and Invicta Law has given a favourable opinion.
- 3.5 The Committee is asked to agree that Compass Contract Services UK Ltd be admitted to the Fund.

### **4. Kent Gurkha Company Ltd (re Valley Invicta Academies Trust)**

- 4.1 Valley Invicta Academies Trust has awarded a 3-year cleaning contract to Kent Gurkha Company Ltd from 1 April 2024. This involved the transfer of 3 eligible LGPS members to Kent Gurkha Company Ltd.
- 4.2 A retrospective admission application has been made under Schedule 2 Part 3 1(d) (i) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide some form of security.
- 4.3 The Fund Actuary has assessed the employer contribution rate as 20.5% for a closed agreement and the bond for the first year as £9,000.

- 4.4 The completed questionnaires and supporting documents provided by Kent Gurka Company Ltd have been examined by officers to ensure compliance with the LGPS regulations, and Invicta Law has given a favourable opinion.
- 4.5 The Committee is asked to agree that Kent Gurka Company Ltd be admitted to the Fund.

## **5. Principal Catering Consultants Ltd (re KCC schools)**

- 5.1 Principal Catering Consultants Ltd is an admission body in the Fund following a transfer of KCC staff on 1 August 2016 related to an associated underlying commercial contract with KCC and Kier Facilities Services Ltd who is scheme employer party to the admission agreement.
- 5.2 It has now transpired that the 2016 underlying commercial contract ended in 2019 and a new 4-year commercial contract with one year extension was awarded by KCC to Principal Catering Consultants Ltd in 2019 that does not include Kier Facilities Services Ltd. KCC will be the scheme employer where the schools involved have not subsequently converted to academy status.

The schools involved in this matter are;

- a) Eastchurch CEP Primary School;
  - b) Chartham Primary School;
  - c) St Stephens Infant School;
  - d) Wingham Primary School; and
  - e) Meadowfield Primary School.
- 5.3 Eastchurch Primary School joined Aquilla Academy Trust on 1 September 2020 and Chartham Primary School and St Stephens Infant School joined Inspira Academy Trust on 1 April 2021.
- 5.4 Further admission applications are in hand in respect of these academies who will be scheme employer from these dates and these admission applications will be presented to Committee at future meetings.
- 5.5 A retrospective admission application has been made under Schedule 2 Part 3 1(d) (i) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide some form of security.
- 5.6 The Fund actuary has assessed the employer contribution rate as 24.7% for a closed agreement and the bond for the first year as £36,000.

- 5.7 The completed questionnaires and supporting documents provided by Principal Catering Consultants Ltd have been examined by officers to ensure compliance with the LGPS regulations and Invicta Law has given a favourable opinion.
- 5.8 The Committee is asked to agree that Principal Catering Consultants Ltd (re KCC schools) be admitted to the Fund.

## **6. Fusion Lifestyle**

- 6.1 Fusion Lifestyle (Fusion) is an admission body who joined the Fund on 29 September 2006 further to a transfer of staff from Tunbridge Wells Borough Council (TWBC) who is scheme employer.
- 6.2 The original admission application was approved by Committee at their meeting on 15 September 2006 on the basis there was a bond as per the LGPS regulations at the time.
- 6.3 Fusion has maintained its bond since 2006 as per the actuary's 3 yearly review although their bond lapsed on 30 September 2021. Officers have been in regular contact with Fusion although it has not been possible for them to renew their Bond which they cite as being due to challenging market conditions.
- 6.4 In September 2021 the Committee agreed a new Funding Strategy Statement (FSS) which allows for a guarantee to be put in place by a scheme employer as an alternative to a bond. This flexibility remains available in the current FSS (approved March 2023).
- 6.5 Officers have been liaising with TWBC who has agreed to give a guarantee which will be at the same level as the bond.
- 6.6 The Committee is asked to agree the Fund may enter into a new admission agreement and a guarantee with Fusion and TWBC.

## **7. Actuary Procurement**

- 7.1 As reported to the Committee at its meetings on 26 September and 12 December 2023, the Fund has carried out a routine re-procurement exercise for the ongoing provision of actuarial advice, using a competitive process under the Actuarial, Benefits and Governance Consultancy Services Framework established by the National LGPS Frameworks.
- 7.2 After a competitive tender process the outcome is the reappointment of the current incumbent Barnett Waddingham who has been the Fund actuary since 2009.
- 7.3 The new contract started on 1 February 2024 and is operative for 6 years with a possible 3-year extension.

---

Steven Tagg, Senior Accountant Employer Governance and  
Compliance – Kent Pension Fund

T: 03000 416747

E: [steve.tagg@kent.gov.uk](mailto:steve.tagg@kent.gov.uk)

**March 2024**

---