

By: Chairman Superannuation Fund Committee  
Head of Financial Services

To: Superannuation Fund Committee – 19 November 2010

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

Classification: Unrestricted

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Summary: To report on an application to join the Pension Fund and Kent Music School changes to basis of admission

**FOR DECISION**

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### **INTRODUCTION**

1. This report sets out information on an application from an organisation to become an admitted body within the Pension Fund and also changes to an existing admission agreement and seeks committee approval to enter into legal agreements with these organisations.

### **SUPERCLEAN SERVICES WOTHORPE LIMITED**

2. Tonbridge & Malling Borough Council awarded a contract for cleaning of their leisure centre on 1 April 2010 to Superclean Services Wothorpe Limited (Superclean).
3. This involves the transfer of one employee to Superclean. To ensure the continuity of pension arrangements for this employee, Superclean has made an application for admission to join the Pension Fund.
4. The application has been made under Regulation 6(2)(a)(i) of the Local Government Pension Scheme (Administration) Regulations 2008, as amended and under this regulation the admitted body is required to provide a form of bond or indemnity. The Fund Actuary will be asked to assess the level of bond.
5. The completed questionnaire and Memorandum and Articles of Association provided by Superclean have been examined by Legal Services to ensure compliance with the Local Government Pension Scheme Regulations. Legal Services have given a favourable opinion.

### **KENT MUSIC SCHOOL**

6. Kent Music School, an existing employer in the Pension Fund, closed the Pension scheme to both future and existing employees as at 16 April 2010 and the Fund Actuary has prepared a cessation valuation which discloses the pensions liability attributable to Kent Music School.

7. The most likely scenario for Kent Music School is the Accrual Cessation, where although Kent Music School will not have any active members in the Fund, it is still a going concern and the deficit can be recovered over an agreed period.
8. On this basis the Fund Actuary has assessed that the projected deficit is £395,000. Kent Music School would need to make payment to the Pension Fund until all liabilities are extinguished. As the assets & liabilities are reviewed at each triennial actuarial valuation, this could potentially be in fifty years time.
9. The Head of Financial Services is liaising with Kent Music School with regard to setting the amount and frequency of the deficit payment to the Pension Fund.
10. As there has been a change to the original Admission Agreement a new agreement will be drafted for agreement between the parties.

### **RECOMMENDATION**

11. Members are asked to agree:
  - (1) to the admission to the Kent County Council Pension Fund of Superclean Services Wothorpe Limited; and
  - (2) that a legal agreement can be entered into in respect of Kent Music School; and
  - (3) that once legal agreements have been prepared for all of the above matters, the Kent County Council seal can be affixed to the legal documents.

**Jane Gibbons**  
**Principal Accountant (Investments)**  
**Ext. 4625**