

By: Chairman Superannuation Fund Committee
Acting Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 18 November 2011

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

Classification: Unrestricted

Summary: To report on the cessation report for Turner Contemporary Centre and recommended changes to bond levels.

FOR DECISION

INTRODUCTION

1. At the September 2011 meeting the Committee were concerned that KCC had agreed to act as guarantor for Turner Contemporary Centre.
2. A cessation report has now been provided by Barnett Waddingham for Turner Contemporary Centre, who cease to be a participating employer on 18 November 2011.
3. Attached is a report from Barnett Waddingham concerning bonds levels, provided by admitted bodies, which are reviewed on an annual basis.

TURNER CONTEMPORARY CENTRE

4. A cessation report has now been prepared by Barnett Waddingham, on the basis KCC agreed to act as a guarantor for Turner Contemporary Centre.
5. On this basis, the cessation report shows the Turner Contemporary Centre to be fully funded.
6. As there have been changes to the original Admission Agreement a new agreement will be drafted for agreement between the parties.

BOND LEVELS

7. The attached report from Barnett Waddingham explains why they recommend an increase to bond levels provided by admitted bodies.
8. This approach would broaden the risks the bond is intended to cover, thus further protecting the letting authority and the Pension Fund. However, the bigger the bond, the greater the cost of securing it, which may be of concern to the admitted bodies.
9. By way of examples the recommended level of new bonds for these employers is as follows –

Transfer Admission Body	Current bond level	Recommended level of new bond
Mitie Cleaning	£5,000	£16,000
Quadron	£104,000	£132,000
Compass Group	£11,000	£24,000
Norwest Holst	£36,000	£68,000
Mitie PFI	£34,000	£65,000
Orchard Theatre	£73,000	£81,000
MCCH Limited	£20,000	£47,000
Fusion Lifestyle	£56,000	£151,000
Reliance Task Management	£85,000	£110,000
Northgate Services	£31,000	£64,000

RECOMMENDATION

10. Members are asked to:
 - (1) Note the details of the cessation report for Turner Contemporary Centre, and
 - (2) Determine the approach to be taken concerning the bond levels.

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