

By: Chairman Superannuation Fund Committee  
Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 2 March 2012

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

Classification: Unrestricted

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Summary: To report on applications to join the Pension Fund, the termination of admission agreements and the extension of an admission agreement.

**FOR DECISION**

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## **INTRODUCTION**

1. This report sets out information on applications from organisations to become admitted bodies within the Pension Fund and seeks committee approval to enter into an admission agreement with these organisations. It also advises of the need to terminate two admission agreements and extend an admission agreement. Committee approval is sought to enter into these agreements.

## **NSL LIMITED**

2. Shepway District Council is awarding a contract to NSL Limited for Parking Services, effective from 1 April 2012.
3. This involves the transfer of eight employees from Shepway District Council to NSL Limited. To ensure the continuity of pension arrangements for these employees, NSL Limited have 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 has assessed the level of bond at £85,000 for the first year and set an employer's contribution rate of 18.4%.
5. The completed questionnaire and Memorandum and Articles of Association provided by NSL Limited have been examined by Legal Services to ensure compliance with the Local Government Pension Scheme Regulations. [Legal Services have given a favourable opinion].

## **STERIA LIMITED**

6. Shepway District Council is awarding a contract to Steria Limited for Information Communications Technology (ICT) Services, effective from 1 April 2012.
7. This involves the transfer of sixteen employees from Shepway District Council to Steria Limited. To ensure the continuity of pension arrangements for these employees, Steria Limited have made an application for admission to join the Pension Fund.
8. 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 has assessed the level of bond at £182,000 for the first year and set an employer's contribution rate of 18%.
9. The completed questionnaire and Memorandum and Articles of Association provided by Steria Limited have been examined by Legal Services to ensure compliance with the Local Government Pension Scheme Regulations. [Legal Services have given a favourable opinion].

## **NORTHGATE MANAGED SERVICES**

10. Northgate Managed Services Limited (Northgate) is a Transferee Admission Body who joined the Pension Fund on the 1 November 2008, following the award of a contract by KCC (ICT) services relating to the Wave 3 ICT contract (Building Schools for the Future).
11. This contract will end shortly although the exact date is still unclear. A cessation report has been obtained from the scheme actuary based on cessation as at 31 March 2012 which shows Northgate to be fully funded. As such, no payment is due from Northgate to the Pension Fund. When the exact cessation date is known a revised cessation report will be obtained if necessary.
12. Six of the employees concerned will transfer back to KCC and four of the employees will be the subject of new admission agreements with Northgate.

## **NORTHGATE MANAGED SERVICES (regarding St George's School)**

13. St George's School, which is a KCC School, is awarding a contract to Northgate Managed Services Limited (Northgate) for ICT Services, effective immediately after the Wave 3 ICT contract (Building Schools for the Future) ends.

14. This involves the retention of one employee by Northgate. To ensure the continuity of pension arrangements for this employee, Northgate have made an application for admission to join the Pension Fund.
15. 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 has assessed the level of bond at £38,000 for the first year and set an employer's contribution rate of 20.7%.
16. The completed questionnaire and Memorandum and Articles of Association provided by Northgate have been examined by Legal Services to ensure compliance with the Local Government Pension Scheme Regulations. [Legal Services have given a favourable opinion].

#### **NORTHGATE MANAGED SERVICES (regarding St John's School)**

17. St John's School, which is a KCC School, is awarding a contract to Northgate Managed Services Limited (Northgate) for ICT Services, effective immediately after the Wave 3 ICT contract (Building Schools for the Future) ends.
18. This involves the retention of two employees by Northgate. To ensure the continuity of pension arrangements for these employees, Northgate have made an application for admission to join the Pension Fund.
19. 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 has assessed the level of bond at £9,000 for the first year and set an employer's contribution rate of 15.5%.
20. The completed questionnaire and Memorandum and Articles of Association provided by Northgate have been examined by Legal Services to ensure compliance with the Local Government Pension Scheme Regulations. [Legal Services have given a favourable opinion].

#### **NORTHGATE MANAGED SERVICES (regarding Thamesview School)**

21. Thamesview School, which is a KCC School, is awarding a contract to Northgate Managed Services Limited (Northgate) for ICT Services, effective immediately after the Wave 3 ICT contract (Building Schools for the Future) ends.
22. This involves the retention of one employee by Northgate. To ensure the continuity of pension arrangements for this employee, Northgate have made an application for admission to join the Pension Fund.

23. 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 has assessed the level of bond at £9,000 for the first year and set an employer's contribution rate of 18.6%.
24. The completed questionnaire and Memorandum and Articles of Association provided by Northgate have been examined by Legal Services to ensure compliance with the Local Government Pension Scheme Regulations. [Legal Services have given a favourable opinion].

### **ABM CATERING LIMITED**

25. ABM Catering Limited is a transferee admission body who joined the pension fund on the 1 March 2004 following the award of a contract by Hadlow College.
26. ABM Catering have given notice to terminate their admission agreement and a cessation report has been obtained from the scheme actuary. This shows a termination payment of £4,000 is due from ABM Catering to the Pension Fund.

### **MCCH SOCIETY LIMITED**

27. MCCH Society Limited is a transferee admission body who joined the pension fund on the 1 July 2009 following the award of a three year contract by Kent County Council.
28. MCCH will continue to provide this service beyond 1 July 2012 although the exact contract extension period is currently uncertain. It is therefore necessary to extend the original admission agreement by a Deed of Modification.

### **RECOMMENDATION**

29. Members are asked to:
  - (1) Agree to the admission to the Kent County Council Pension Fund of NSL Limited, and
  - (2) Agree to the admission to the Kent County Council Pension Fund of Steria Limited and,
  - (3) Note the withdrawal of Northgate Managed Services Limited (Building Schools for the Future) as a participating employer in the Pension Fund, and

- (4) Agree to the admission to the Kent County Council Pension Fund of Northgate Managed Services (regarding St George's School) and,
- (5) Agree to the admission to the Kent County Council Pension Fund of Northgate Managed Services (regarding St John's School) and,
- (6) Agree to the admission to the Kent County Council Pension Fund of Northgate Managed Services (regarding Thamesview School) Limited and,
- (7) Note the withdrawal of ABM Catering as a participating employer in the Pension Fund, and
- (8) Agree that a Deed of Modification can be entered into in respect of MCCH Society Limited, and
- (9) Agree that once legal agreements have been prepared for the above matters, the Kent County Council seal can be affixed to the legal documents.

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