

By: Chairman Superannuation Fund Committee  
Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 7 February 2014

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

Classification: Unrestricted

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Summary: To report on applications to join the Kent Pension Fund and other admission matters.

**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. It also advises of the need to extend admission agreements, a termination, a name change and the closure of an admission agreement to new members. The Committee's approval is sought to enter into these agreements.

**TOTAL FACILITIES MANAGEMENT (East Kent)**

2. KCC is awarding a 5 year contract for total facilities management in East Kent effective from May 2014.
3. This involves the transfer of approximately 21 employees from KCC to the successful bidder.
4. To ensure the continuity of pension arrangements for these employees, multiple bidders have made an application for admission to join the Pension Fund.
5. The admission applications have 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 £141,000 for the first year and set an employer's contribution rate of 22%.
6. The completed questionnaire and supporting documents provided by the bidders have been examined by Officers to ensure compliance with the Local Government Pension Scheme Regulations, and Legal Services have given a favourable opinion on each application.

### **TOTAL FACILITIES MANAGEMENT (Mid Kent)**

7. KCC is awarding a 5 year contract for total facilities management in Mid Kent effective from May 2014.
8. This involves the transfer of approximately 52 employees from KCC to the successful bidder.
9. To ensure the continuity of pension arrangements for these employees, multiple bidders have made an application for admission to join the Pension Fund. One bidder is proposing sub-contracts whereby sub-contractors carry out part of the outsourced public service or function of the Scheme Employer.
10. There are therefore more admission applications to be considered than bids received.
11. The admission applications have 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 £454,000 for the first year and set an employer's contribution rate of 20%.
12. The completed questionnaires and supporting documents provided by the bidders have been examined by Officers to ensure compliance with the Local Government Pension Scheme Regulations, and Legal Services have given a favourable opinion on each application.

### **TOTAL FACILITIES MANAGEMENT (West Kent)**

13. KCC is awarding a 5 year contract for total facilities management in West Kent effective from May 2014.
14. This involves the transfer of approximately 31 employees from KCC to the successful bidder.
15. To ensure the continuity of pension arrangements for these employees, multiple bidders have made an application for admission to join the Pension Fund.
16. The admission applications have 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 £83,000 for the first year and set an employer's contribution rate of 19.4%.
17. The completed questionnaires and supporting documents provided by the bidders have been examined by Officers to ensure compliance with

the Local Government Pension Scheme Regulations, and Legal Services have given a favourable opinion on each application.

### **MEDWAY COMMUNITY HEALTHCARE CIC (RE DRIVERS/CATERING AT BALFOUR CENTRE)**

18. On 1 April 2013 Medway Community Healthcare CIC took over the running of care services at Balfour Day Centre from Medway Council.
19. This involved the transfer of approximately 31 employees from Medway Council to Medway Community Healthcare CIC who entered into a closed admission agreement. A further 8 staff are now being transferred from Medway Council to Medway Community Healthcare CIC. To ensure the continuity of pension arrangements for these additional employees, Medway Community Healthcare CIC have made a further application for admission to join the Pension Fund.
20. 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 £50,000 for the first year and set an employer's contribution rate of 22.7%.
21. The completed questionnaire and supporting documents provided by Medway Community Healthcare CIC have been examined by Officers to ensure compliance with the Local Government Pension Scheme Regulations, and Legal Services have given a favourable opinion on the application.

### **SUPERCLEAN SERVICES WOTHORPE LIMITED**

22. Superclean Services Wothorpe Limited is a transferee admission body who joined the Pension Fund on the 1 April 2011 following the transfer of staff to them from Tonbridge and Malling Borough Council.
23. The original contract has been extended to 31 March 2015 and it is necessary to extend the original admission agreement by a Deed of Modification.

### **MYTIME ACTIVE**

24. Mytime Active is a transferee admitted body who joined the pension fund on 1 January 2011 following a transfer of staff to them from Maidstone Borough Council.
25. The original contract has been extended by one year and it is necessary to extend the original admission agreement by a Deed of Modification.

### **QUADRON SERVICES LIMITED**

26. Quadron Services Limited is a transferee admission body who joined the pension fund on 29 June 2007 following the award of a contract by Medway Council.
27. Medway Council are not renewing their contract with Quadron Services Limited which will therefore expire on 31 March 2014.
28. The cessation report will be commissioned from the Actuary which will show what, if anything, is payable by Quadron Services Limited to the Pension Fund.

### **HOPE (Kent) Limited**

29. HOPE (Kent) Limited is a Community Admission Body who joined the Pension scheme on 24 January 2005. They have recently changed their name to Pathways to Independence.
30. As the Local Government Pension Scheme Regulations have been amended since the original admission agreement was made, it is proposed that a new admission agreement be entered into which reflects both the name change and the changes to the Regulations.

### **ASHFORD LEISURE TRUST**

31. Ashford Leisure Trust is a Community Admission Body which joined the Kent Fund on 27 September 2007 following a transfer of staff from Ashford Borough Council.
32. Ashford Leisure Trust has given written notice to amend the terms of their admission agreement, so that no more of their employees can join the LGPS. Existing members will be allowed to continue their LGPS membership.
33. As the Local Government Pension Scheme Regulations have also been amended since the original admission agreement was made, it is proposed that a new admission agreement be entered into which reflects both this change and the changes in Regulations. It is therefore necessary to enter into a revised legal agreement with the Ashford Leisure Trust.

### **RECOMMENDATION**

34. Members are asked to:
  - (1) Agree to the admission to the Kent County Council Pension Fund of the successful bidder(s) for the East Kent total facilities management contract, and

- (2) Agree to the admission to the Kent County Council Pension Fund of the successful bidder(s) for the Mid Kent total facilities management contract, and
- (3) Agree to the admission to the Kent County Council Pension Fund of the successful bidder(s) for the West Kent total facilities management contract, and
- (4) Agree to the admission to the Kent County Council Pension Fund of Medway Community Healthcare CIC, and
- (5) Agree that an amended agreement can be entered into with Superclean Services Wothorpe Limited, and
- (6) Agree that an amended agreement can be entered into with Mytime Active, and
- (7) Agree that a termination agreement may be entered into with Quadron Services Limited, and
- (8) Agree that an amended agreement can be entered into with HOPE (Kent) Limited, and
- (9) Agree that an amended legal agreement can be entered into with Ashford Leisure Trust, and
- (11) Agree that once legal agreements have been prepared for (1) to (10) above, the Kent County Council seal can be affixed to the legal documents.

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