

URGENT BUSINESS

By: Chairman Superannuation Fund Committee
Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 20 March 2015

Subject: **UPDATE ON OASIS COMMUNITY LEARNING TRUST**

Classification: Unrestricted

INTRODUCTION.

1. At their meeting on 6 February 2015 Committee were advised of a proposal from an academy trust which currently has 3 academies in the Kent Fund, to consolidate all of its academies which are located in different parts of the country and participate in other LGPS funds, into the Kent Superannuation Fund. This change would require a direction from the Secretary of State for Communities and Local Government.
2. The academy trust concerned is Oasis Community Learning Trust (the Trust) which manages 44 academies in the trust participating in 15 funds.
3. Officers have met with representatives of the Trust, DCLG, the Department of Education and Barnett Waddingham and have agreed a way forward but the agreement of the Committee is required before we commence this project.
4. The Committee's agreement is sought for Officers to enter into further dialogue with the Trust and representatives of central government with a view to:
 - i) Oasis Community Learning Trust communicating this proposal to the other administering authorities involved;
 - ii) Oasis Community Learning Trust then requesting DCLG to undertake a formal consultation with all affected parties;
 - iii) Oasis Community Learning Trust to then ask the Secretary of State for Communities and Local Government to make a

Direction to give legal effect to the consolidation of the academies into the Kent Fund.

5. The Committee is advised that they will be kept fully informed as the project progresses and an update will be provided to the meeting on 26 June 2015.

PROPOSAL

6. There are currently 44 academies in the trust and a further 5 are expected to open in September 2015.
7. Membership includes approximately 2,100 actives, 400 deferred and 100 pensioner members. All members would transfer into the Kent Fund and retain LGPS membership, which will be delivered through participation in the Kent Fund.
8. The effective date for the consolidation of the academies has yet to be agreed though it is likely to be mid 2016 and will particularly take into account resources available to the Kent Fund. The Trust has agreed in principle to fund KCC's costs incurred in relation to this transfer.
9. It is anticipated that members will transfer on a phased basis and for this purpose the Kent Pensions admin team will liaise with the other administering authorities. Note will be taken of the experience of the Probation Trust transfer to the Greater Manchester Pension Fund and it is likely that transfers will be made over a period of several months.
10. All past service liabilities in relation to staff will be transferred from the 14 different LGPS funds to the Kent Fund. (The Kent Fund will retain responsibility for the Trust's service liabilities that it already has.)
11. The assets attributable to the past service liabilities will be transferred from the 14 ceding LGPS funds to the Kent Fund. Barnett Waddingham as actuary to the Kent Fund will agree with the other fund actuaries the values of the transfers into the Fund.
12. The KCC Treasury and Investments team will coordinate the transfer of assets in settlement of the amount due with the other administering authorities.
13. A project plan will be agreed with the Trust, DCLG and Barnett Waddingham and will identify a project manager, key milestones, risks and measures to mitigate these risks, as well as the resources required.
14. Discussions are continuing regarding the establishment of the Trust as a single employer in the Kent Fund as opposed to an academy pool.

The single employer solution is more cost effective and efficient but gives less flexibility.

RISKS

15. A number of risks relating to the consolidation and the Trust's membership of the Kent Fund have been identified:
- i) Likely impact on the Fund were the Trust to become insolvent. We plan to seek legal advice on this situation.
 - ii) The potential increased workload for the Pensions Administration team. This move could see a large increase in workloads and pressures placed upon the team.
 - iii) The potential impact on the Kent Fund of an expansion of the Trust. Any direction made would allow all future academies in the trust to join the Kent Pension Fund.

RECOMMENDATION

16. Members are asked to agree:
- i) That KCC Officers may enter into further dialogue with the Trust, representatives of central government and other administering authorities involved including a formal consultation;
 - ii) That the proposal from the Trust for the consolidation of their academies into the Kent Fund then be brought back to the Committee for final decision.

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