

By: Chairman Superannuation Fund Committee
Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 5 February 2016

Subject: **FUND EMPLOYER MATTERS**

Classification: Unrestricted

Summary: To report on applications for admission to the Superannuation Fund, a termination and a contract extension.

FOR DECISION

INTRODUCTION

1. This report sets out information on applications from organisations to become admitted bodies within the Superannuation Fund. It also advises of a termination and a contract extension. The Committee's approval is sought to enter into these agreements.

CHURCHILL CONTRACT SERVICES LTD

2. The Williamson Trust is awarding a 3 year contract for cleaning services at High Halstow Primary School Academy from 3 May 2016.
3. This involves the transfer of 2 employees from the Williamson Trust to Churchill Contract Services Ltd.
4. To ensure the continuity of pension arrangements for these employees, Churchill Contract Services Ltd has made an application for admission to the Superannuation Fund.
5. The admission application has been made under Schedule 2 Part 3 1 (d) (i) of the Local Government Pension Scheme Regulations 2013, 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 £6,000 for the first year and set an employer's contribution rate of 21.1% for a closed agreement.
6. The completed questionnaire and supporting documents provided by Churchill Contract Services Ltd 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.

SERCO ENVIRONMENTAL SERVICES LTD (Grounds Maintenance and Associated Works)

7. Canterbury City Council awarded a Grounds Maintenance contract to Serco Ltd in 1995 and the staff joined their broadly comparable pension scheme.
8. From 1 April 2013 Canterbury City Council has extended the original arrangement by the award of a new contract for a period of 4 years 9 months and proposes to novate the contract from Serco Ltd to Serco Environmental Services Ltd in the autumn of 2016.
9. This involves the transfer of 7 employees from Serco Ltd to Serco Environmental Services Ltd.
10. To ensure the continuity of pension arrangements for these employees, Serco Environmental Services Ltd has made an application for admission to the Superannuation Fund.
11. The admission application has been made under Schedule 2 Part 3 1 (d) (i) of the Local Government Pension Scheme Regulations 2013, 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 £28,000 for the first year and set an employer's contribution rate of 22.8% for a closed agreement.
12. The completed questionnaire and supporting documents provided by Serco Environmental Services Ltd 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.

SERCO ENVIRONMENTAL SERVICES LTD (Waste and Street Cleansing)

13. Canterbury City Council awarded a Waste and Street Cleansing contract to Serco Ltd in 1995 and the staff joined their broadly comparable pension scheme.
14. From 27 March 2014 Canterbury City Council has extended the original arrangement by the award of a new contract for a period of 7 years and proposes to novate the contract from Serco Ltd to Serco Environmental Services Ltd in the autumn of 2016.
15. This involves the transfer of 5 employees from Serco Ltd to Serco Environmental Services Ltd.
16. To ensure the continuity of pension arrangements for these employees, Serco Environmental Services Ltd has made an application for admission to the Superannuation Fund.

17. The admission application has been made under Schedule 2 Part 3 1 (d) (i) of the Local Government Pension Scheme Regulations 2013, 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 £12,000 for the first year and set an employer's contribution rate of 20.5% for a closed agreement.
18. The completed questionnaire and supporting documents provided by Serco Environmental Services Ltd 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

PROJECT SALUS (re Youth Services)

19. At its meeting on 6 November 2015 the Committee agreed that an amended agreement could be entered into with Project Salus re Youth Services following a contract extension to March 2016.
20. It has since transpired that the contract will be extended until 31 August 2016 and this revised date will be reflected in the amended agreement.

ROCHESTER CARE HOME LTD (re Robert Bean Lodge)

21. At its meeting on 6 November 2015 the Committee agreed that a termination agreement may be entered into with Rochester Care Home Ltd (re Robert Bean Lodge), based on a cessation date of 30 June 2015.
22. It has since transpired that the actual cessation date was 11 May 2015.
23. The actuary report has now been received which shows a surplus of £41,000.

RECOMMENDATION

24. Members are asked to agree :
 - (1) To the admission to the Kent County Council Superannuation Fund of Churchill Contract Services Ltd; and
 - (2) To the admission to the Kent County Council Superannuation Fund of Serco Environmental Services Ltd (re Canterbury City Council Grounds Maintenance and Associated Works); and
 - (3) To the admission to the Kent County Council Superannuation Fund of Serco Environmental Services Ltd (re Canterbury City Council Waste and Street Cleansing); and

- (4) That an amended agreement may be entered into with Project Salus re Youth Services; and
- (5) That an amended termination agreement may be entered into with Rochester Care Home Ltd (re Robert Bean Lodge); and
- (6) That once legal agreements have been prepared for (1) to (5) above the Kent County Council seal can be affixed to the legal documents.

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