

: Chairman Superannuation Fund Committee
Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 18 March 2016

Subject: **FUND EMPLOYER MATTERS**

Classification: Unrestricted

Summary: To report on Fund employers, new resolution entities joining the Superannuation Fund and a number of admission matters.

FOR DECISION

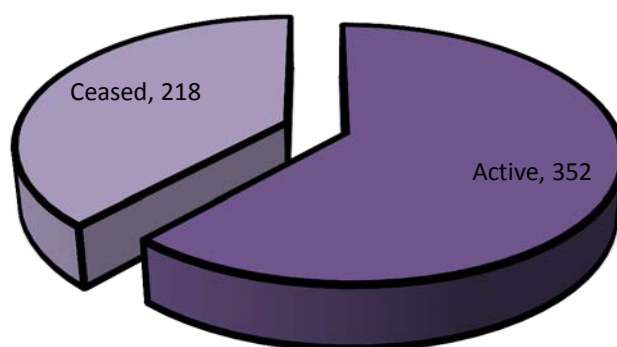
INTRODUCTION

1. This report sets out information on Fund employers. It also sets out details of an application from an organisation to become an admitted body within the Fund as well as a contract extension and a termination, and the Committee's approval is sought to enter into these agreements. The report also provides an update on modifications to a number of existing admission agreements.
2. The report also informs the Committee of two new bodies resolving to become Scheduled bodies and join the Superannuation Fund
3. The Committee is advised that the minutes relating to the new admission matter are to be signed at the end of today's meeting to facilitate completion on the desired date.

EMPLOYERS IN THE FUND AT 31 DECEMBER 2015

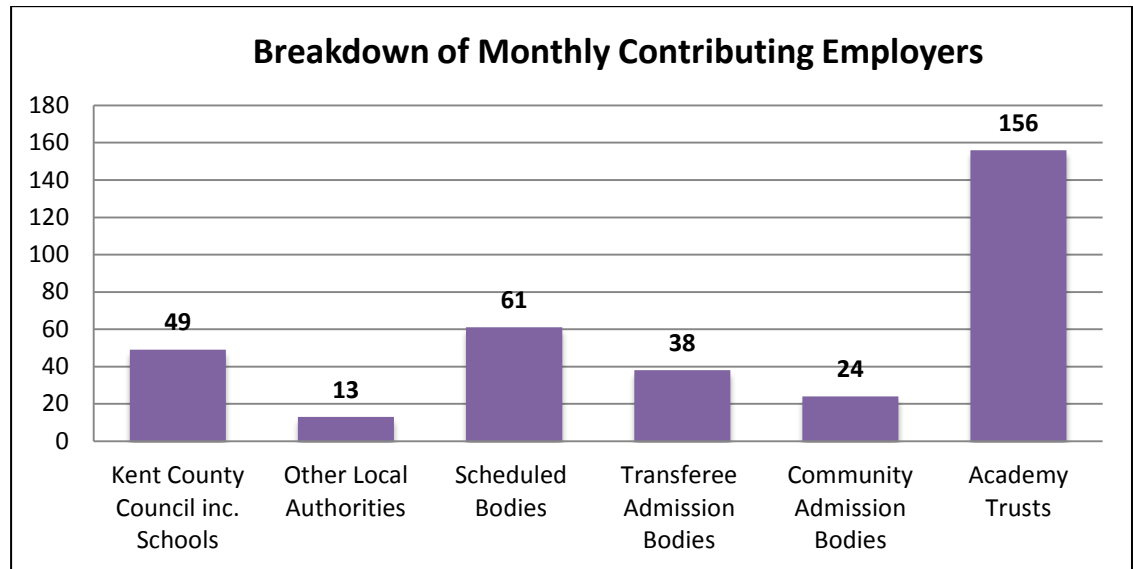
4. There are currently a total of 570 employers in the Kent Pension Fund. During the 3 months to the end of December the number of Active

Split of Employers between Active and Ceased



employers who are regularly paying contributions to the Fund decreased by 73 to 351. In the main this is due to the recognition of multi-academy trusts as employers in the Fund. Of the Active employers 341 pay monthly and 11 pay annual contributions. The 218 Ceased employers no longer have active contributing members in the LGPS but the Fund has an existing or future liability to pay pensions.

5. The following chart shows the Employers from whom the Fund receives monthly contributions, by Employer Group.



6. The following is a list of new Active and Ceased employers in the Kent Pension Fund. 92 individual academies have been consolidated into 22 multi-academy trusts as follows:

Active employer	Effective date
<i>New Multi Academy Trusts</i>	
ACE Learning Trust	1 OCT
Brook Learning Trust	1 OCT
Fulston Manor Academies Trust	1 OCT
Future Schools Trust	1 OCT
Gravesend Grammar School Academy Trust	1 OCT
Greenacre Academy Trust	1 OCT
Kent Catholic Schools Partnership Trust	1 OCT
Leigh Academies Trust	1 OCT
Oasis Community Learning Trust	1 OCT
Pathway Academy Trust	1 OCT
REAch2 Academy Trust	1 OCT
Swale Academies Trust	1 OCT
The Diocese of Canterbury Academies Trust	1 OCT
The Dover Federation for the Arts Trust	1 OCT
The Howard Academy Trust	1 DEC
The Primary First Trust	1 OCT
The Thinking Schools Trust	1 OCT

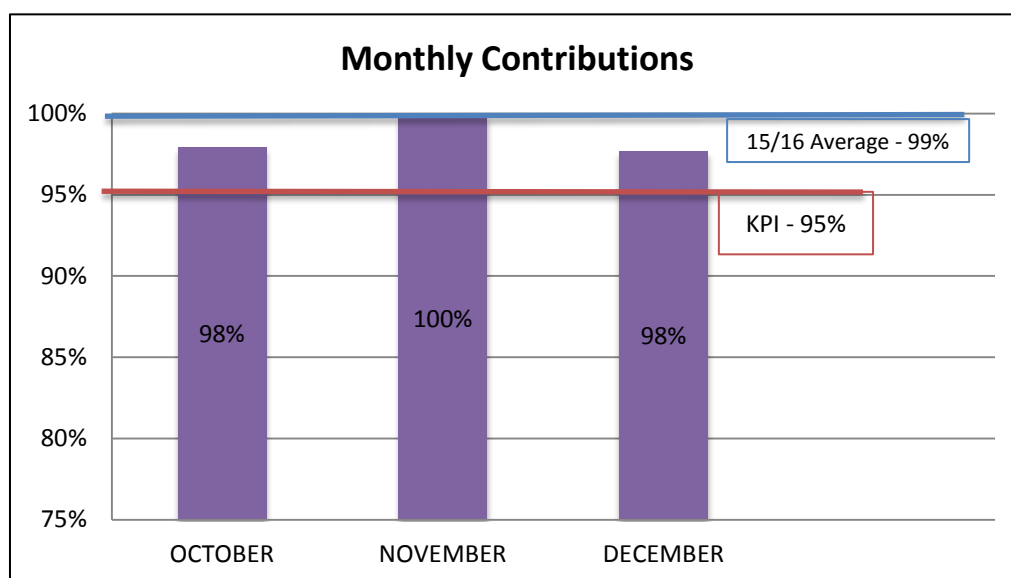
The Lilac Sky School Trust	1 OCT
The Village Academy Trust	1 OCT
The Skinner's Kent Academy Trust	1 OCT
The Stour Academy Trust	1 OCT
Valley Invicta Academies Trust	1 OCT
New Admission Bodies	
Agilisys Ltd	9 DEC
Birkin Cleaning Services Ltd	1 NOV
Invicta Telecare trading as Centra Pulse	1 DEC
Ceased employer	Effective date
Mears Ltd	6 NOV
Locate in Kent	27 AUG
Cater Link Ltd (re Upton Junior School)	30 SEP
Riverview Infant, Gravesend (converted to academy)	31 OCT

CONTRIBUTIONS FROM EMPLOYERS QUARTER 3 2015/16

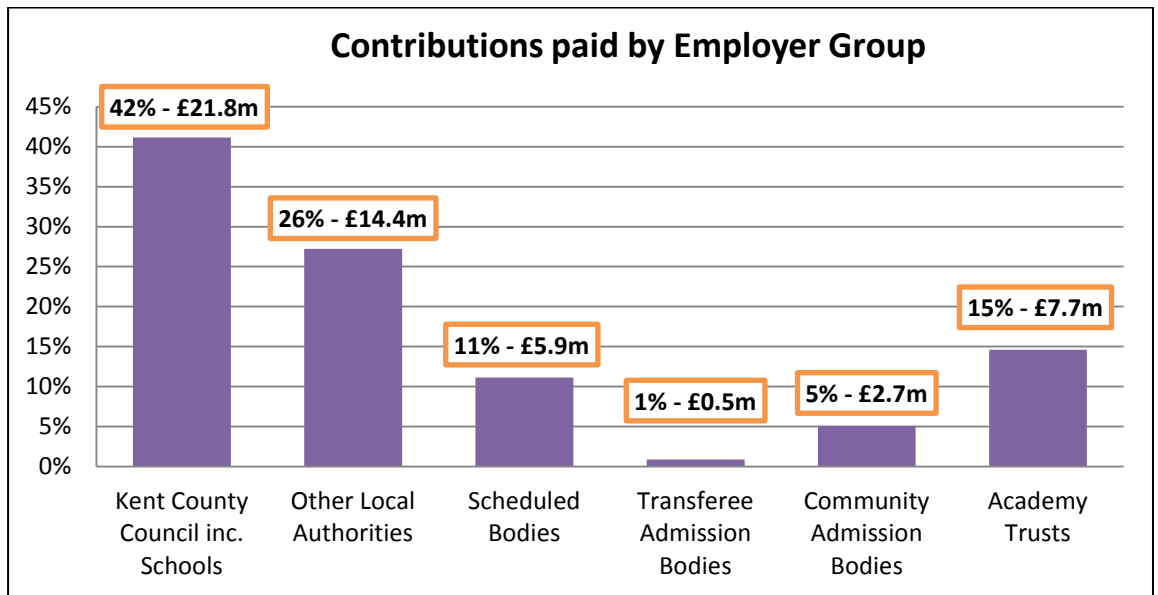
7. In quarter 3 2015/16 the Fund received £53m from Employers in respect of their monthly contributions (employer and employee) as follows:

	OCTOBER	NOVEMBER	DECEMBER
	£	£	£
Received Early	8,979,059	9,110,302	10,582,896
Cash on 19th	8,265,640	8,559,257	6,755,895
Received Late	360,284	27,667	409,065
Total	17,604,983	17,697,227	17,747,857

8. KCC monitors the timing of receipt of these contributions compared to a KPI of 95%. To date the KPI has been exceeded each month with an average 99% of all contributions being received on or before the due date.



9. The following table shows that KCC and other local authorities have paid over £36m, 68% of all contributions received from employers.



CHURCHILL CONTRACT SERVICES LTD

10. Skanska Construction UK Ltd joined the Superannuation Fund on 1 November 2014 following a transfer of staff from KCC under the West Kent Total Facilities Management Contract.
11. On 3 May 2016 seven of those staff will be transferred to Churchill Contract Services Ltd which has made an application to join the Superannuation Fund.
12. The actuary has certified an employer contribution rate of 20.2% for a closed agreement and a three year stepped Bond of £13,000 for the first year, £15,000 for the second year and £15,000 for the third year.
13. 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.

APCOA PARKING (UK) LTD

14. APCOA Parking (UK) Ltd is a transferee admission body in the Kent Superannuation Fund following the transfer of staff from Maidstone Borough Council on 1 July 2011.
15. As this contract has now been extended by 2 years to 31 May 2018, it is necessary to extend the original admission agreement by way of a deed of modification.

MEARS LTD

16. Mears Ltd is a transferee admission body which joined the Kent Superannuation Fund on 1 September 2014 following a transfer of staff from Medway Council.
17. As their last active LGPS member left on 6 November 2015 they are now an exiting employer and we will obtain an actuarial valuation of the payment due to the Superannuation Fund.
18. It is proposed that we enter into a termination agreement with Mears Ltd.

GEN² PROPERTY LIMITED

19. GEN² Property Ltd (GEN²) is a Local Authority Trading Company 100% owned by Kent County Council (KCC). The Council operates a Corporate Landlord model with the property service delivering Strategic Asset Management, involving the active management of the KCC estate (asset reviews, acquisitions, disposals, lease management, etc.); and Asset Agency Services which involves Property acting as a manager or agent of a supply chain to design, build, modify and operate individual assets. GEN² will provide the full range of those existing services for a minimum period of 5 years for KCC.
20. GEN² may also provide some of these and other related services to other public and non-public bodies.
21. GEN² was incorporated on 21 October 2015 and will commence trading from 1 April 2016. The total number of employees expected to transfer from KCC to GEN² is 80 FTEs. The transfer date is expected to be either on or shortly after 1 May 2016.
22. The Local Government Pension Scheme will be a closed scheme for all employees transferring to GEN² under TUPE regulations. Any employees that join GEN² Property Ltd after 1 May 2016 will join an alternative scheme provided by the company.
23. GEN² will have a KCC appointed board of 6-8. The board will include 4-6 non-executive directors (both independent and KCC employees with relevant experience). GEN² has made a resolution to join the Superannuation Fund from 1 May 2016. The resolution is made under Schedule 2 Part 2 13 of the LGPS 2013 Regulations and entitles all their current KCC staff to be eligible for membership of the LGPS. An admission agreement and bond is not required.
24. Barnett Waddingham have calculated the minimum employer contribution rate to be 15.7% although KCC and GEN² have agreed GEN² will pay 16.5% as part of their commercial agreement.

MEDWAY COMMERCIAL GROUP LTD

25. Medway Commercial Group Ltd (MCG) is a Local Authority Trading Company 100% owned by Medway Council. Initially MCG will provide the following services on behalf of Medway Council:
- CCTV
 - Assistive Technology
 - Out-of-Hours Calls handling Service
 - Lone Worker Solutions
26. MCG may also provide these and other related services to other public sector bodies and other organisations.
27. MCG was incorporated on 21 December 2015 and will commence trading from 1 April 2016. The total number of employees expected to transfer from Medway Council to MCG is 42 FTEs. The transfer date is expected to be on 1 April 2016.
28. MCG has made a resolution to join the Superannuation Fund from 1 April 2016. The resolution is made under Schedule 2 Part 2 13 of the LGPS 2013 Regulations and entitles all their current and future staff to be eligible for membership of the LGPS. An admission agreement and bond is not required.
29. Barnett Waddingham has calculated the employer contribution rate to be 13.2% for an open agreement.

UPDATING ADMISSION AGREEMENTS – COMMUNITY ADMISSION BODIES (CAB's)

30. The Committee has previously agreed that following name changes and the closure of open agreements, new admission agreements may be put in place with the bodies concerned reflecting current LGPS regulations.
31. However, Officers have received further legal advice on these matters and are now asking the Committee to agree that these changes are acknowledged by the making of deeds of modification to the original admission agreements. This is a more straightforward and cheaper arrangement than making new admission agreements with the CAB's.
32. The CAB's concerned and the changes made are:

Active Life Ltd	Closure to New Members
Ashford Leisure Trust Ltd	Closure to New Members
Caldecott Community	Closure to New Members

Connexions Kent & Medway Ltd (2)	Name Change
Connexions Partnership Kent & Medway Ltd	Closure to New Members
Gravesham Community Leisure Ltd	Closure to New Members
HOPE (Kent) Ltd	Name Change
Kent Community Housing Trust	Name Change
Maidstone Housing Trust	Closure to New Members and Name Change
Remade South East Ltd	Closure to New Members
Thanet Community Housing Association	Closure to New Members & Name Change
Thanet Leisure Force Ltd	Name Change
West Kent Housing Association	Closure to New Members

33. It is intended to bring a similar recommendation to the 24 June 2016 Committee for Transferee Admission Bodies.

RECOMMENDATION

34. Members are asked to note the update on employers and the two new resolution bodies joining the Superannuation Fund.
35. Members are asked to agree:
- a) to the admission to the Kent County Council Superannuation Fund of Churchill Contract Services Ltd; and
 - b) that a deed of Modification may be entered into with APCOA Parking (UK) Ltd; and
 - c) that a termination agreement may be entered into with Mears Ltd; and
 - d) to the making of deeds of modification to the admission agreements with the CAB's as listed; and
 - e) that the Chairman may sign the minutes relating to recommendation (a) at the end of today's meeting; and
 - f) That once legal agreements have been prepared for (a) to (d) above the Kent County Council seal can be affixed to the legal documents.

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Background documents - none