

By: Chairman Superannuation Fund Committee  
Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 16 September 2016

Subject: **FUND EMPLOYER MATTERS**

Classification: Unrestricted

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Summary: To report on Fund employers, applications to join the Superannuation Fund and other admission matters.

**FOR DECISION**

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**INTRODUCTION**

1. This report sets out information on employer related matters and applications from organisations to become admitted bodies within the Superannuation Fund. It also advises of a contract extension. The Committee’s approval is sought to enter into these agreements.
2. The Committee is advised that the admission minutes relating to the new admission matters are to be signed at the end of today’s meeting to facilitate completion on the desired dates.

**EMPLOYERS IN THE FUND AT 30 JUNE 2016**

3. There are currently a total of 563 employers in the Kent Pension Fund.

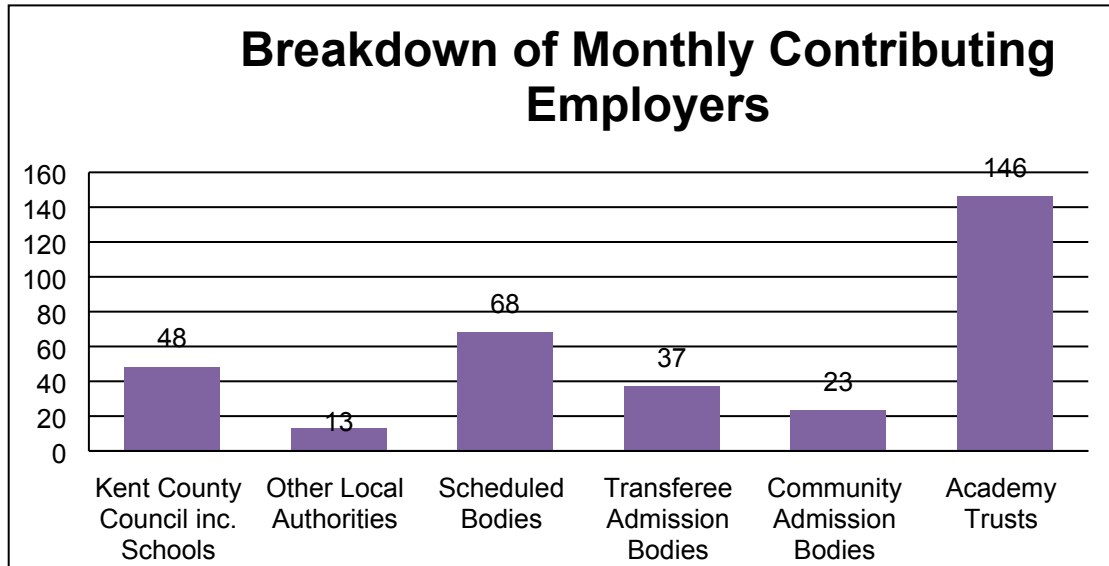
**Split of Employers between Active and Ceased**



During the 3 months to the end of June 2016 the number of Active employers who are regularly paying contributions has reduced to 341 as the result of individual academies being recognised as multi academy trusts while 4 new

scheduled bodies joined the Fund and a school changed its payroll provider. The 222 Ceased employers no longer have active contributing members in the LGPS but the Fund has an existing or future liability to pay pensions.

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



5. The following is a list of new Active / Ceased employers in the Kent Pension Fund

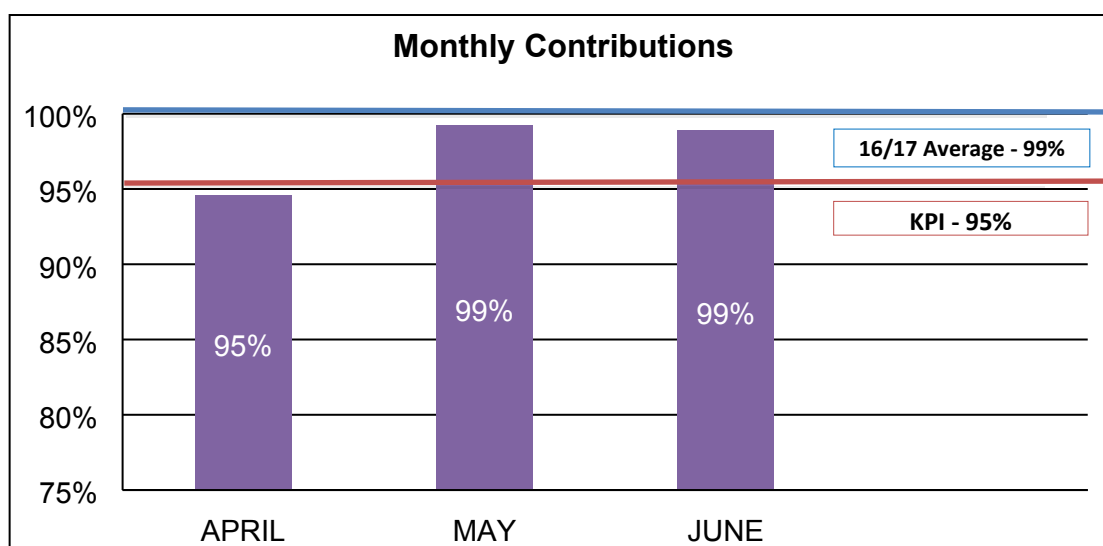
Active employer	Effective date
<b><i>New Scheduled Bodies</i></b>	
Westcourt Primary School	1 April
GEN2 Property Limited	1 May
Medway Commercial Group Limited	1 April
East Peckham Parish Council	1 April
Great Chart with Singleton Parish Council	1 May
<b><i>New Academy Trusts</i></b>	
The Williamson Trust	1 April
The Tenax Schools Trust	1 May
<b><i>Ceased Employers</i></b>	
<b><i>Kent County Council Inc. Schools</i></b>	
Dartford Girls Grammar School for Girls	31 May
<b><i>Community Admission Bodies</i></b>	
Kent University	31 May
<b><i>Transferee Admission Bodies</i></b>	
Principal Catering Consultants (Ursuline College)	31 May

## CONTRIBUTIONS FROM EMPLOYERS QUARTER 1 2016/17

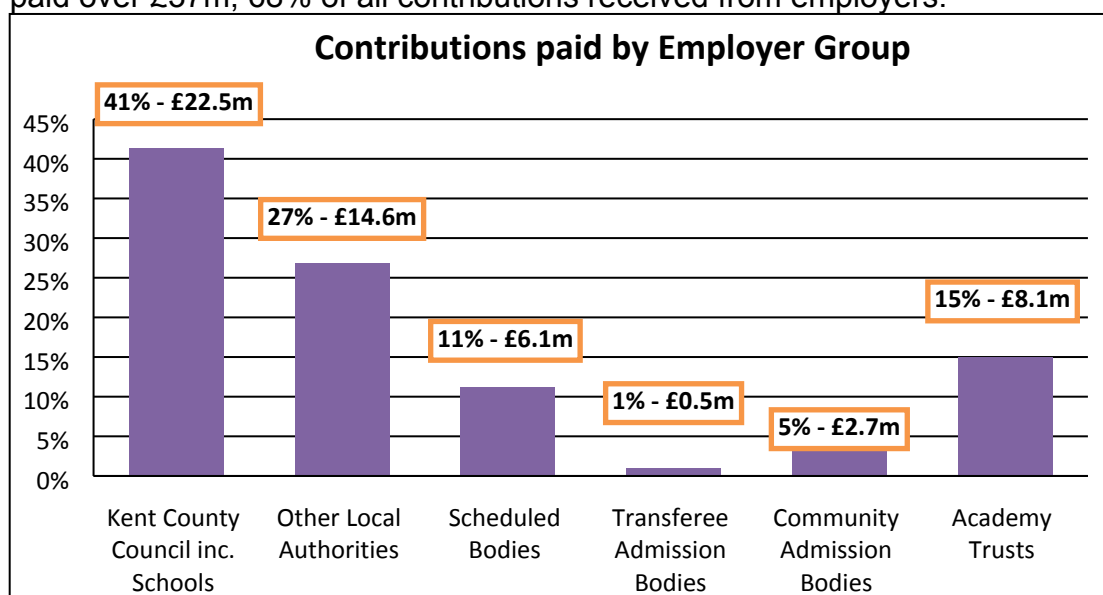
6. In quarter 1 2016/17 the Fund received £54.5m from Employers in respect of their monthly contributions (employer and employee) as follows:

	April (£)	May (£)	June (£)
Received Early	10,743,968	8,608,549	9,121,593
Cash on 19th	6,700,481	9,247,517	8,787,949
Received Late	1,004,409	144,508	204,506
<b>Total</b>	<b>18,448,857</b>	<b>18,000,573</b>	<b>18,114,048</b>

7. KCC monitors the timing of receipt of these contributions compared to a KPI of 95%. During quarter 1 2016-17 the KPI has been exceeded each month with an average 99% of all contributions being received on or before the due date.



8. The following table shows that KCC and other local authorities have paid over £37m, 68% of all contributions received from employers.



## **SOLO SERVICE GROUP LIMITED**

9. St John's CEP School, Sevenoaks is awarding a 3 year contract with a possible 1 year extension for cleaning services effective from 1 November 2016. This involves the transfer of 4 employees from St John's School to Solo Service Group Limited.
10. To ensure the continuity of pension arrangements for these employees, Solo Service Group Limited has made an application for admission to join 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.
12. The Fund Actuary has assessed the level of bond at £8,000 for the first year, £22,000 for the second year and £24,000 for the third year and the employer's contribution rate has been set as 16.8% for an open agreement.
13. The completed questionnaire and supporting documents provided by Solo Service Group Limited have been examined by Officers to ensure compliance with the LGPS Regulations, and Legal Services have given a favourable opinion in principle subject to all the formalities being completed to their satisfaction.

## **CHURCHILL CONTRACT SERVICES LIMITED (RE BURNT OAK PRIMARY SCHOOL, GILLINGHAM)**

14. Medway Council is awarding a 3 year contract with a possible 2 year extension for cleaning services effective from 1 January 2017. This involves the transfer of 5 employees from Burnt Oak Primary School to Churchill Contract Services Limited.
15. To ensure the continuity of pension arrangements for these employees, Churchill Contract Services Limited has made an application for admission to join the Superannuation Fund.
16. The admission application has been made under Schedule 2 Part 3 1(d) (i) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide a form of bond or indemnity. The Fund Actuary will assess the level of bond and employer contribution rate.
17. The completed questionnaire and supporting documents provided by Churchill Contract Services Limited have been examined by Officers to ensure compliance with the LGPS Regulations, and Legal Services have given a favourable opinion on the application.

## **CHURCHILL CONTRACT SERVICES LIMITED (ST MICHAELS CATHOLIC PRIMARY SCHOOL, CHATHAM)**

18. Medway Council is awarding a 3 year contract with a possible 2 year extension for cleaning services effective from 1 January 2017. This involves the transfer of 4 employees from St Michaels school to Churchill Contract Services Limited.
19. To ensure the continuity of pension arrangements for these employees, Churchill Contract Services Limited has made an application for admission to join the Superannuation Fund.
20. The admission application has been made under Schedule 2 Part 3 1(d) (i) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide a form of bond or indemnity. The Fund Actuary will assess the bond and employer contribution rate.
21. The completed questionnaire and supporting documents provided by Churchill Contract Services Limited have been examined by Officers to ensure compliance with the LGPS Regulations, and Legal Services have given a favourable opinion on the application.

## **SCHOOLS CLEANING SERVICES**

22. Pension Fund officers have been advised that under the terms of the KCC Total Facilities Management (TFM) contract with Kier Facilities Services Limited (KFSL), KCC schools and academy trusts intend to become partner organisations and contract with KFSL to receive a supply of similar services, in particular cleaning services.
23. It is further understood that KFSL will be providing the cleaning services to schools who choose to join the new framework arrangement either directly or via a sub-contractor, Kier Limited.
24. Officers are working closely with KCC colleagues and representatives of GEN<sup>2</sup> who are facilitating the implementation of the partner contract arrangements on behalf of KCC, in order to clarify the proposed arrangements and to confirm the various parties involved with regard to ensuring staff can continue their membership of the LGPS.
25. In order that KCC / GEN<sup>2</sup> can progress the letting of the contract to Kier Facilities Services Limited and to ensure continuing LGPS membership of the staff both Kier Limited and Kier Facilities Services Limited have applied for admission to the Superannuation Fund in respect of the supply of cleaning services to the schools under the new partner arrangements.
26. The admission applications have been made under Schedule 2 Part 3 1(d) (i) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide a form of bond or indemnity. The Fund Actuary will assess the level of bond and employer contribution rate.

27. The completed questionnaires and supporting documents provided by Kier Limited and Kier Facilities Services Limited will be examined by Officers to ensure compliance with the LGPS Regulations, and a satisfactory Legal Services opinion will be obtained before we proceed.

### **MYTIME ACTIVE**

28. Mytime Active is a Transferee Admission Body which joined the Superannuation Fund on 1 January 2011 following the transfer of staff from Maidstone Borough Council.
29. As this contract has now been extended by 3 months to 31 December 2016, it is necessary to extend the original admission agreement by way of a deed of modification.

### **RECOMMENDATION**

30. Members are asked to note the employer report and to agree:
- a) to the admission to the Kent County Council Superannuation Fund of Solo Service Group Limited subject to approval by KCC Legal Services; and
  - b) to the admission to the Kent County Council Superannuation Fund of Churchill Contract Services Limited re Burnt Oak Primary School, Gillingham; and
  - c) to the admission to the Kent County Council Superannuation Fund of Churchill Contract Services Limited re St Michaels Catholic Primary School, Chatham; and
  - d) to the admission to the Kent County Council Superannuation Fund of Kier Limited and Kier Facilities Services Limited in relation to the KCC Schools Support Services contracts, subject to approval by Legal Services; and
  - e) that a deed of Modification may be entered into with Mytime Active; and
  - f) that the Chairman may sign the minutes relating to recommendations (a) to (d) at the end of today's meeting; and
  - g) that once legal agreements have been prepared for (a) to (e) above the Kent County Council seal can be affixed to the legal documents.

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**03000 416747**

**Background documents -none**