

By: Chairman Superannuation Fund Committee
Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 4 November 2016

Subject: **FUND EMPLOYER MATTERS**

Classification: Unrestricted

Summary: To report on Fund employers, applications to join the Superannuation Fund, a contract extension and a new resolution entity joining the Superannuation Fund.

FOR DECISION

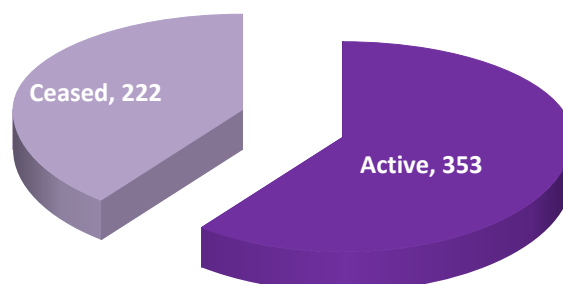
INTRODUCTION

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

EMPLOYERS IN THE FUND AT 30 SEPTEMBER 2016

4. There are currently a total of 575 employers in the Kent Pension Fund.

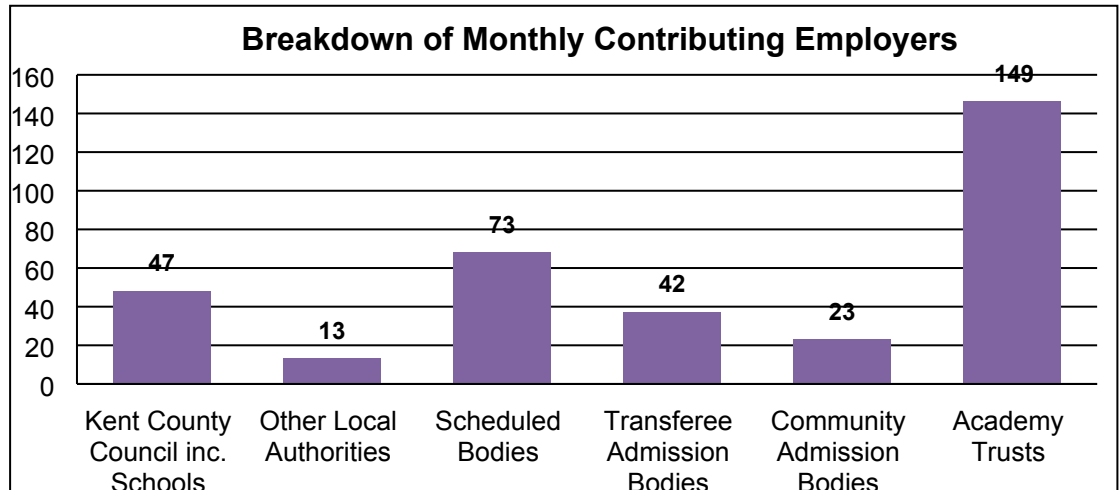
Split of Employers between Active and Ceased



5. During the 3 months to the end of September 2016 the number of Active employers who are regularly paying contributions has increased from 563 to 575 as the result of 7 new admission bodies, 4 parish councils

and 3 new academy trusts joining the Fund. 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.

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



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

Active employer	Effective date
<i>New Scheduled Bodies</i>	
Sholden Parish Council	1 July
Swingfield Parish Council	1 July
Wrotham Parish Council	1 July
New Romney Town Council	1 September
<i>New Academy Trusts</i>	
Orchard Academy Trust	1 July
Schools Company Trust	1 July
Whinless Down Academy Trust	1 August
The Galaxy Trust	1 September
<i>New Admitted Bodies</i>	
TCS (Independent) Limited	1 July
YBC Cleaning Services Limited	1 July
Churchill Contract Services Limited (re Skanska)	4 July
Churchill Contract Services Limited (re High Halstow)	4 July
Cater Link Limited (KCC Schools)	1 August
Principal Catering Consultants (KCC Schools)	1 August
Compass Contract Services (UK) Limited	2 September

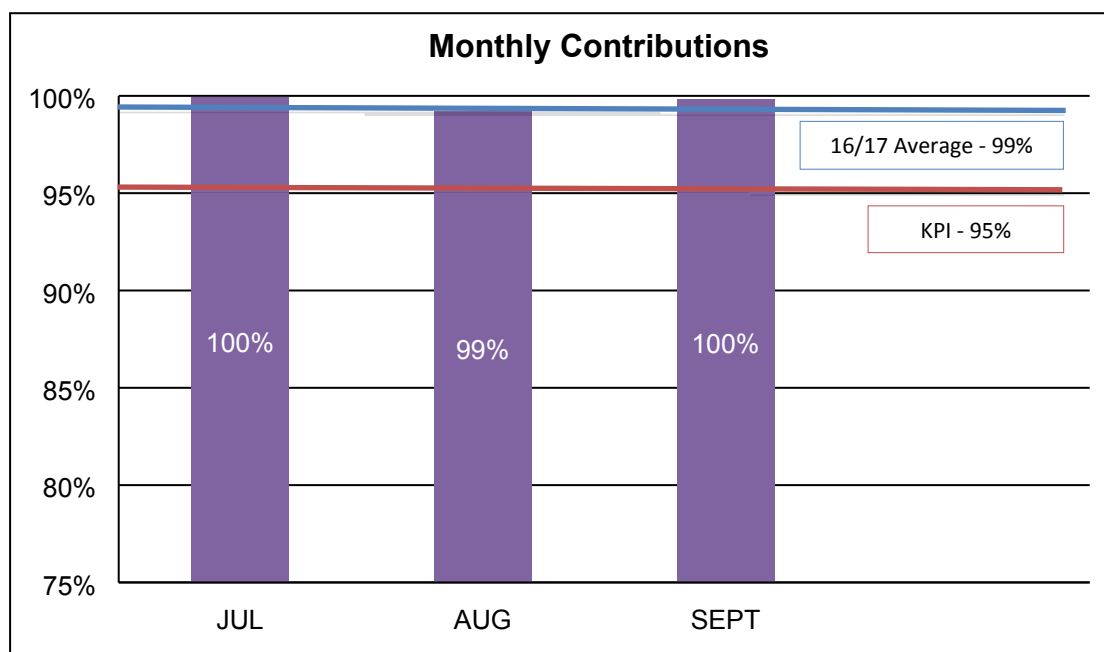
Ceased Employers	Effective date
<i>Kent County Council Inc. Schools</i>	
St Edmund's Catholic School	30 June
<i>Transferee Admission Bodies</i>	
Principal Catering Consultants (Meadowfields)	31 July
Cater Link Limited (Christchurch)	31 July

CONTRIBUTIONS FROM EMPLOYERS QUARTER 2 2016/17

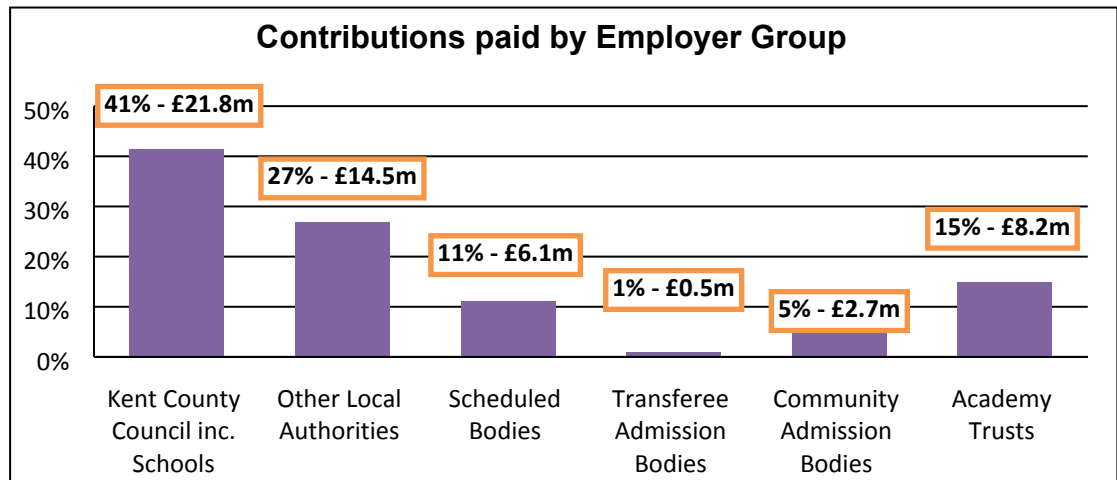
8. In quarter 2 2016/17 the Fund received £54m from Employers in respect of their monthly contributions (employer and employee) as follows:

	July (£)	August (£)	September (£)
Received Early	8,739,922	9,037,304	8,809,023
Cash on 19th	9,086,376	8,744,295	9,142,279
Received Late	11,115	138,409	25,288
Total	17,837,413	17,920,007	17,976,590

9. KCC monitors the timing of receipt of these contributions compared to a KPI of 95%. During quarter 2 2016-17 the KPI has been exceeded each month with an average 99% of all contributions being received on or before the due date.



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



MEDWAY COUNCIL YOUTH SERVICES

11. Medway Council is awarding a 5 year contract with a possible 2 year extension for Integrated Youth Services effective from 1 January 2017. This involves the transfer of approximately 51 employees from Medway Council to the successful bidder.
12. To ensure the continuity of pension arrangements for these employees, two bidders have applied for admission to the Superannuation Fund.
13. The admission applications have 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.
14. The Fund Actuary has assessed the level of bond at £246,000 for the first year and the employer's contribution rate has been set as 11.1% for a closed agreement.
15. 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 the applications.

MYTIME ACTIVE

16. 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.

17. It is understood that as this contract has been extended by 3 months to 31 March 2017, it is necessary to extend the original admission agreement by way of a deed of modification.

INVICTA LAW LIMITED

18. The following information relates to Invicta Law joining the Kent Fund as a scheduled body.
19. Invicta Law was incorporated on 23 March 2016 as a local authority trading company 100% owned by Kent County Council (KCC), for the purpose of providing legal services to KCC and a range of other public sector bodies as well as the voluntary and commercial sectors.
20. 130 full time equivalent staff are expected to transfer from KCC to Invicta Law on or shortly after 1 April 2017. The company therefore intends to make a resolution to join the Superannuation Fund under Schedule 2 Part 2 13 of the LGPS 2013 Regulations and this will entitle the KCC employees transferring to Invicta Law under the TUPE regulations to be eligible for membership of the LGPS. An admission agreement and bond is not required.
21. The Local Government Pension Scheme (LGPS) will be a closed scheme and any staff that join Invicta Law after 1 April 2017 will join an alternative pension scheme provided by Invicta Law.
22. Barnett Waddingham has calculated the minimum employer contribution rate to be 15.7% although KCC and Invicta Law have agreed Invicta Law will pay 16.5% as part of their commercial agreement.

RECOMMENDATION

23. Members are asked to note the update on employers and the new resolution body joining the Superannuation Fund.
24. Members are asked to agree:
 - a) to the admission to the Kent County Council Superannuation Fund of the successful bidder for the Medway Council Youth Services Contract; and
 - b) that a deed of Modification may be entered into with Mytime Active; and
 - c) that once legal agreements have been prepared for (a) and (b) above the Kent County Council seal can be affixed to the legal documents.

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Background documents - none