

By: Chairman Superannuation Fund Committee
Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 23 June 2017

Subject: **Fund Employer Matters**

Classification: Unrestricted

Summary: To report on employer related matters, applications to join the Superannuation Fund and a number of admission matters.

FOR DECISION

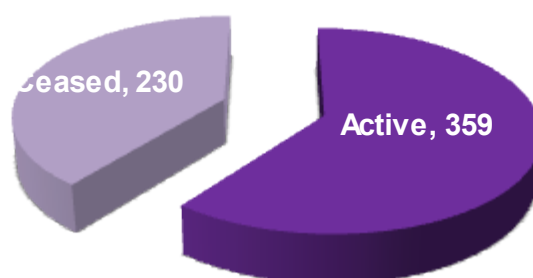
INTRODUCTION

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 two contract extensions and a termination. The Committee's approval is sought to enter into these agreements.
2. The Committee is advised that the minutes of the 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 31 MARCH 2017

3. There are currently a total of 589 employers in the Kent Pension Fund.

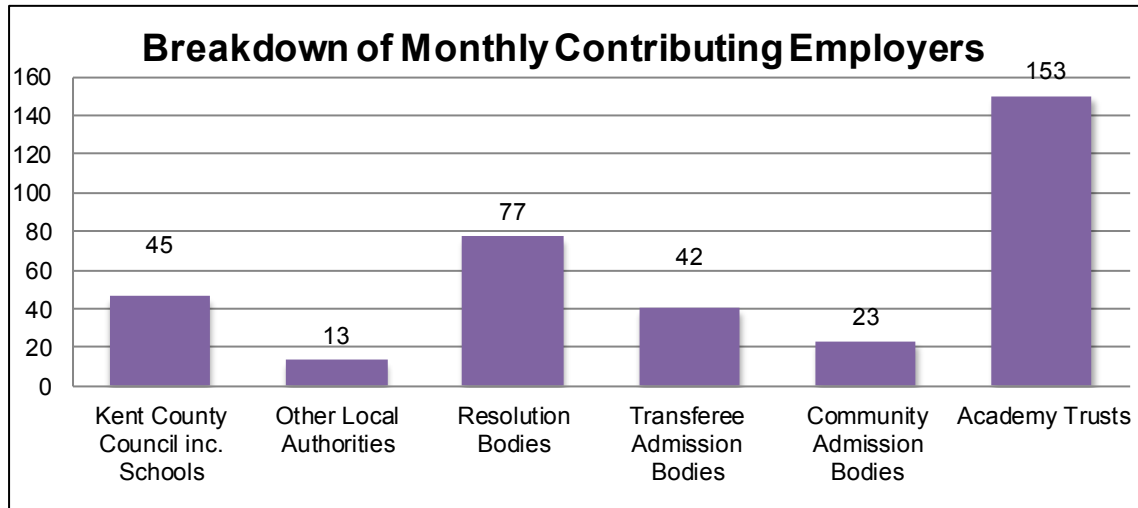
Split of Employers between Active and Ceased



4. During the 3 months to the end of March 2017 the number of Active employers who are regularly paying contributions has increased from 355 to 359 as the result of 8 new employers joining the Fund, being 1 parish council, 2 admitted bodies, 1 Kent school and 4 new academy trusts. The number of Ceased employers has increased from 226 to 230.

These no longer have active contributing members in the LGPS and 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 / Ceased employers in the Kent Pension Fund

Active Employers	Effective date
Scheduled Bodies	
Platt Parish Council	1 February
Kent County Council Incl Schools	
The Beacon School, Folkestone	1 February
Admitted Bodies	
Churchill Contract Services Limited (Burnt Oak)	1 February
Kier Limited	1 February
Academy Trusts	
The Turner Schools	1 January
The Woodland Academy Trust	1 January
The Barton Court Academy Trust	1 March
Balfour Junior	1 March

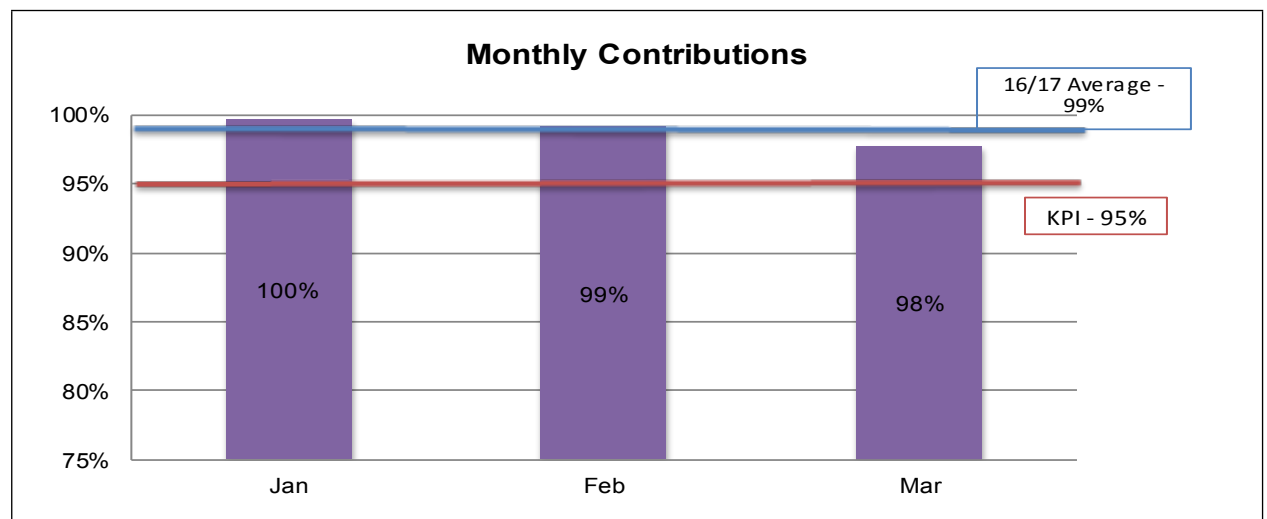
Ceased Employers	Effective date
Kent County Council Incl Schools	
Charles Dickens School	28 February
Westcourt School	31 January
Scheduled Bodies	
Staplehurst Parish Council	28 February
Academy Trusts	
Barton Court School	28 February

CONTRIBUTIONS FROM EMPLOYERS QUARTER 4 2016/17

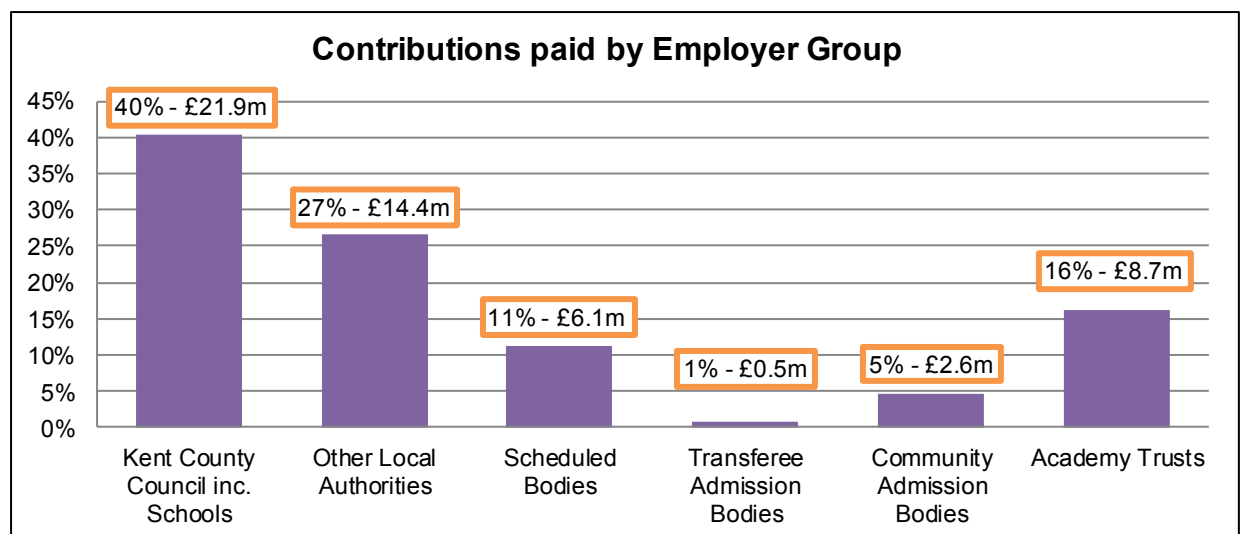
7. In quarter 4 2016-17 the Fund received £54.1m from Employers in respect of their monthly contributions (employer and employee) as follows:

	Jan	Feb	Mar
	£	£	£
Received Early	9,023,079	9,106,104	9,592,713
Cash on 19th	8,921,893	8,739,313	8,046,359
Received Late	63,447	166,562	408,164
Total	18,008,419	18,011,978	18,047,235

8. KCC monitors the timing of receipt of these contributions compared to a KPI of 95%. During quarter 4 2016-17 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 £36.3m, 67% of all contributions received from employers.



PRINCIPAL CATERING CONSULTANTS LTD (re The Williamson Trust)

10. The Williamson Trust is awarding a contract for cleaning services from 1 August 2017. This involves the transfer of approximately 10 employees from the Williamson Trust to Principal Catering Consultants Ltd
11. To ensure the continuity of pension arrangements for these employees, Principal Catering Consultants Ltd has applied for admission to the Superannuation Fund.
12. 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.
13. The Fund Actuary will assess the level of bond and the employer's contribution rate.
14. The completed questionnaires and supporting documents provided by Principal Catering Consultants Ltd has been examined by Officers to ensure compliance with the Local Government Pension Scheme Regulations, and Invicta Law Ltd has given a favourable opinion on the application.

SUPERCLEAN SERVICES WORTHORPE

15. Maidstone Borough Council is awarding a 5 year contract for cleaning services although the effective date is not yet known. This involves the transfer of approximately 2 employees from Maidstone Borough Council to Superclean Services Worthorpe Ltd.
16. To ensure the continuity of pension arrangements for these employees, Superclean Ltd has applied 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.
18. The Fund Actuary has assessed the level of bond at £19,000 for the first year and the employer's contribution rate has been set as 18% for a closed agreement.
19. The completed questionnaires and supporting documents provided by Superclean Services Worthorpe Ltd. has been examined by Officers to ensure compliance with the Local Government Pension Scheme Regulations, and Invicta Law Ltd has given a favourable opinion on the application.

BIRKIN CLEANING SERVICES LTD

20. Birkin Cleaning Services Ltd is a Transferee Admission Body which joined the Superannuation Fund on 2 November 2015 following the transfer of staff from Dartford Grammar School for Girls.
21. As this contract has been extended to 31 August 2018 it is necessary to extend the original admission agreement by way of a Deed of Modification.

PRINCIPAL CATERING CONSULTANTS (re Our Lady of Hartley)

22. Principal Catering Consultants Ltd is a Transferee Admission Body which joined the Superannuation Fund on 1 August 2012 following the transfer of staff from Our Lady of Hartley School.
23. As this contract has been extended to 31 December 2017 it is necessary to extend the original admission agreement by way of a Deed of Modification.

CXK LTD

24. Connexions Partnership Kent and Medway Ltd was a community admission body that joined the Kent Superannuation Fund on 27 May 2002. They subsequently changed their name to CXK Ltd.
25. As the last active member left on 30 June 2015 CXK Ltd became an exiting employer. CXK Ltd has paid their exit liability of £167,000.
26. It is proposed that we enter into a termination agreement with CXK Ltd.

RECOMMENDATION

27. Members are asked to note the employer report and to agree:
 - a) to the admission to the Kent County Council Superannuation Fund of Principal Catering Consultants Ltd (re the Williamson Trust); and
 - b) to the admission to the Kent County Council Superannuation Fund of Superclean Services Worthorpe; and
 - c) that a Deed of Modification be entered into with Birkin Cleaning Services Ltd; and
 - d) that a Deed of Modification be entered into with Principal Catering Consultants Ltd; and

- e) that a termination agreement be entered into with CXK Ltd; and
- f) that the Chairman may sign the minutes relating to recommendations a) to e) at the end of today's meeting; and
- g) that once legal agreements have been prepared for these matters the Kent County Council seal can be affixed to the legal documents.

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