

By: Chairman Superannuation Fund Committee
Corporate Director of Finance

To: Superannuation Fund Committee – 23 March 2018

Subject: **FUND EMPLOYER MATTERS**

Classification: Unrestricted

Summary: To report on employer related matters, a new scheduled body and applications to join the Superannuation Fund.

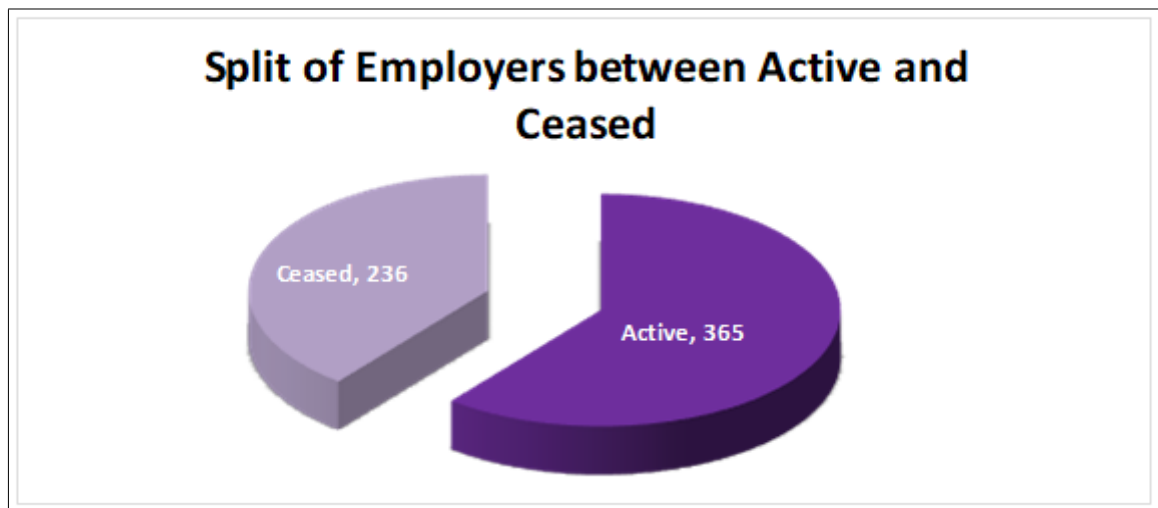
FOR DECISION

INTRODUCTION

1. This report sets out information on employer related matters, a new scheduled body and applications from organisations to become admitted bodies within the Superannuation Fund. The Committee's approval is sought to enter into these agreements.
2. The Committee are 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.

EMPLOYER UPDATE

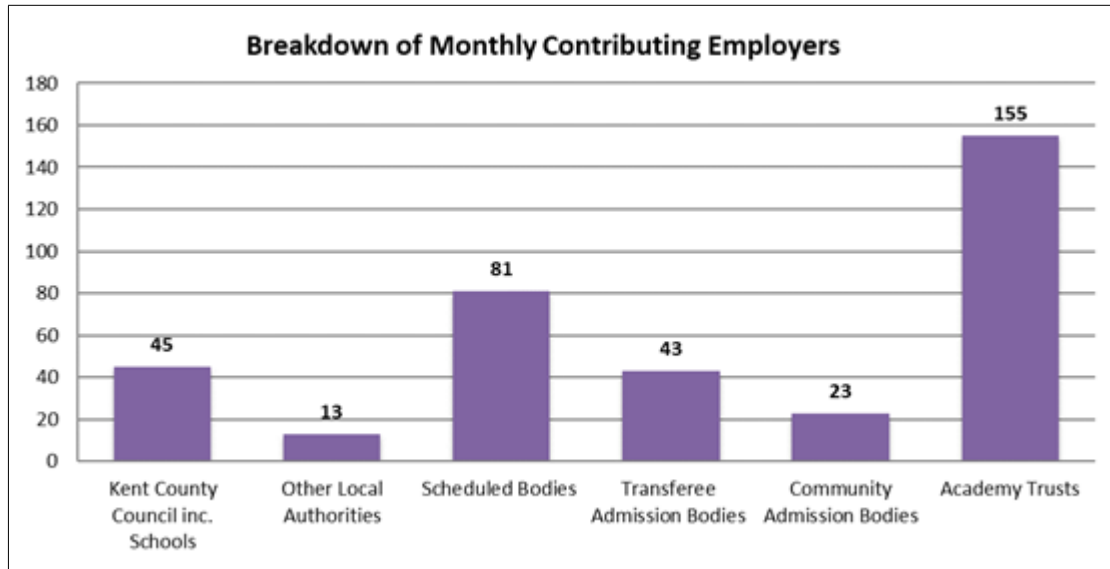
3. There are currently a total of 601 employers in the Kent Pension Fund.



4. During the 3 months to the end of December 2017, the number of Active employers who are regularly paying contributions has reduced by 1 to 365. This is due to 2 KCC schools and a single Academy Trust joining

existing Multi-Academy Trusts and 2 new employers joining the fund. The number of Ceased employers has increased from 234 to 236.

5. The following chart shows the Employers from whom the Fund receives monthly contributions, by Employer Group. Note the KCC figures reflect the County's and schools' relationships with a number of payroll providers.



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

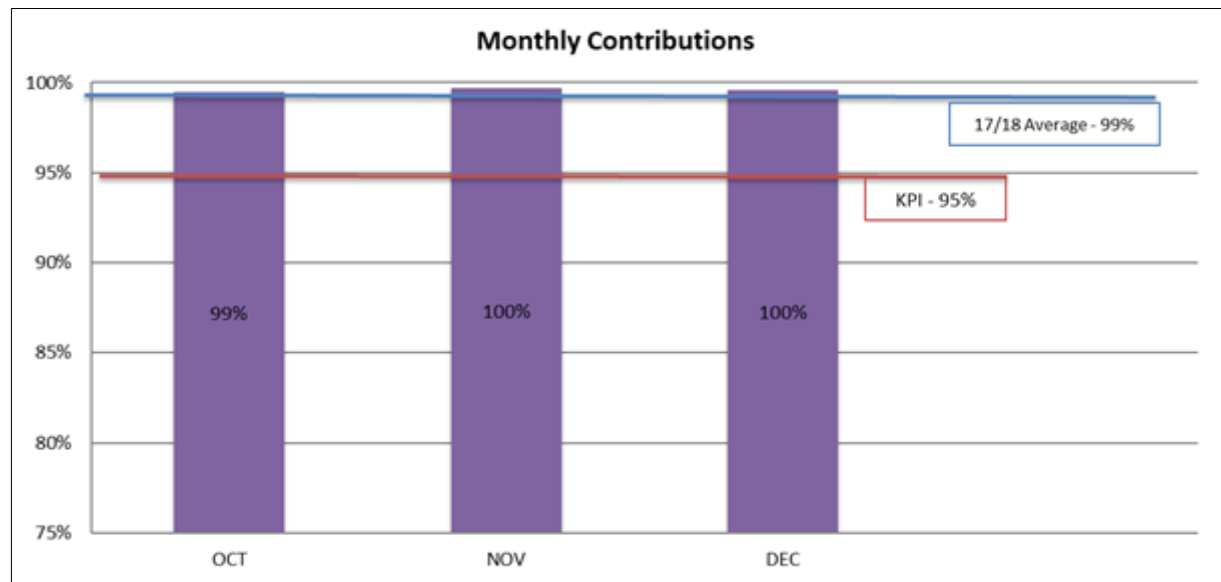
Active Employers	Effective date
Hever Parish Council	Backdated to 01/04/2017
Cater Link re Dover Grammar School for Boys)	01/10/2017
Single Academies Merging into Multi Academy Trusts	Effective date
Folkstone Academy Merged into The Turner Trust	01/11/2017
Ceased (Converted) Employers	Effective date
Leybourne C of E Primary School	Backdated to 01/03/2017
Riverview Junior School	01/10/2017

CONTRIBUTIONS FROM EMPLOYERS QUARTER 3 2017-18

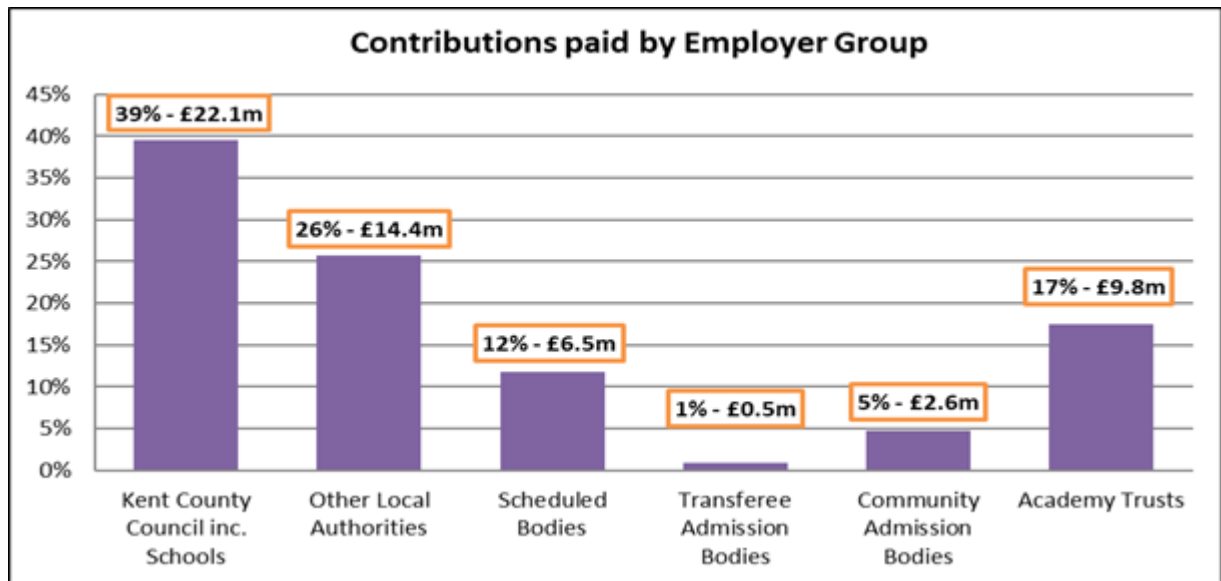
7. In quarter 3 2017-18 the Fund received £55.9m from Employers in respect of their monthly contributions (employer and employee) as follows:

	OCTOBER	NOVEMBER	DECEMBER
	£	£	£
Received Early	9,661,277	9,807,829	10,313,657
Cash on 19th	8,954,944	8,535,097	8,384,840
Received Late	102,704	60,513	81,990
Total	18,718,925	18,403,439	18,780,487

8. KCC monitors the timing of receipt of these contributions compared to a KPI of 95%. During quarter 3 2017-18 the KPI has been exceeded for the three months in the quarter and the average performance for the three months was 99%.



9. The following table shows that KCC and other local authorities have paid £36.5m, 65% of all contributions received from employers.



KCC BUSINESS SERVICES CENTRE (BSC Kent Ltd)

10. KCC is establishing BSC Kent Ltd as a local authority trading company 100% owned by the County Council, to provide back office services to KCC and a range of other public-sector bodies as well as the voluntary and commercial sectors.
11. Some 455 full time equivalent staff are expected to transfer from KCC to BSC Kent Ltd on or shortly after 1 July 2018. The company therefore intends to make a resolution to join the Superannuation Fund under Schedule 2 Part 2 (5) of the LGPS 2013 Regulations, as amended, and this will entitle the KCC employees transferring to the company under the TUPE regulations to be eligible for membership of the LGPS.
12. The LGPS will be a closed scheme and any staff that join BSC Kent Ltd after 1 July 2018 will join an alternative pension scheme provided by the company.
13. Barnett Waddingham has calculated the minimum employer contribution rate to be 19.1% although KCC and BSC Kent Ltd have agreed the company will pay 20% as part of their commercial agreement as the LGPS risk remains with KCC.

THE MARLOWE TRUST

14. Canterbury City Council is transferring the management of the Marlowe Theatre to the Marlowe Trust on 1 July 2018 on a 25-year lease. This involves the transfer of approximately 210 employees from Canterbury City Council to the Marlowe Trust.
15. To ensure the continuity of pension arrangements for these employees the Marlowe Trust has made an application for admission to the Superannuation Fund.

16. The admission application has been made under Schedule 2 Part 3 1(d) (i) option 2 of the LGPS Regulations 2013, as amended, and it is proposed that Canterbury City Council as the scheme employer party to the admission agreement provides a guarantee.
17. The Fund Actuary has assessed the employer contribution rate as 19.9% for a closed agreement.
18. The completed questionnaire and supporting documents provided by the Marlowe Trust have been examined by Officers to ensure compliance with the LGPS Regulations and Invicta Law have given a favourable opinion.

CATER LINK LTD (re Halling Primary School)

19. Medway Council is awarding a three-year contract with a possible one-year extension for catering services although the effective date is not yet known. This involves the transfer of approximately 3 employees from Medway Council to Cater Link Ltd.
20. To ensure the continuity of pension arrangements for these employees, Cater Link Ltd has made an application for admission to join the Superannuation Fund.
21. 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.
22. The Fund Actuary has assessed the level of bond at £19,000 for the first year, £24,000 for the second year and £26,000 for the third year and the employer's contribution rate has been set as 28.2% for a closed agreement.
23. The completed questionnaire and supporting documents provided by Cater Link Ltd have been examined by Officers to ensure compliance with the LGPS Regulations, and Invicta Law have given a favourable opinion.

RECOMMENDATION

24. Members are asked to note BSC Kent Ltd as a new scheduled employer in the Superannuation Fund.
25. Members are asked to agree:
 - a) to the admission to the Kent County Council Superannuation Fund of The Marlowe Trust;

- b) to the admission to the Kent County Council Superannuation Fund of Cater Link Ltd (re Halling Primary School);
- c) that the Chairman may sign the minutes relating to recommendations (a) and (b) at the end of today's meeting; and
- d) 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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