

By: Corporate Director of Finance
To: Pensions Board – 15 June 2018
Subject: **Fund Employer Matters**
Classification: Unrestricted

Summary: To report on information on employers for the twelve months to 31 March 2018, employer related matters, an appeal to the Pensions Ombudsman and a change to the LGPS regulations.

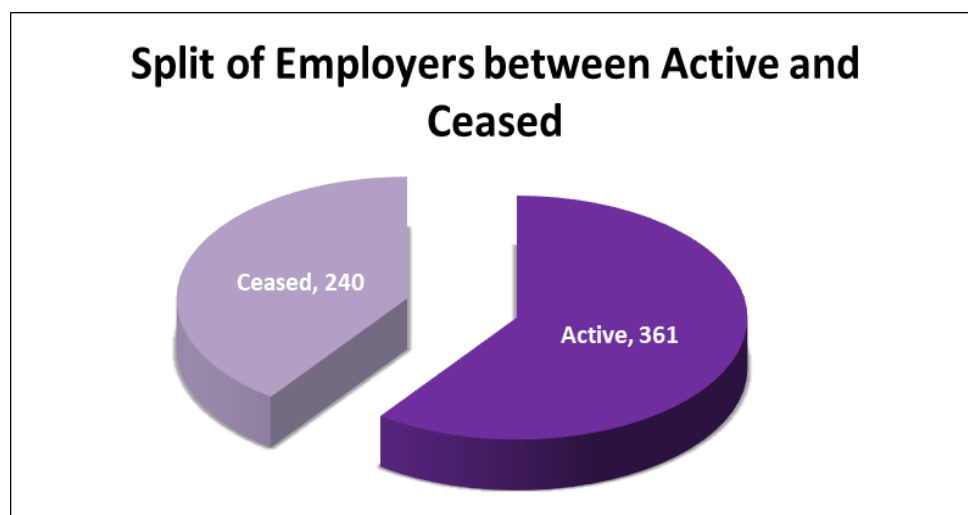
**FOR
INFORMATION**

INTRODUCTION

1. This report sets out information on employer related matters for the twelve months to 31 March 2018, matters relating to admission bodies since the Board last met on 27 October 2017, the outcome of an appeal to the Pensions Ombudsman and a change in the LGPS regulations

EMPLOYERS IN THE FUND AT 31 MARCH 2018

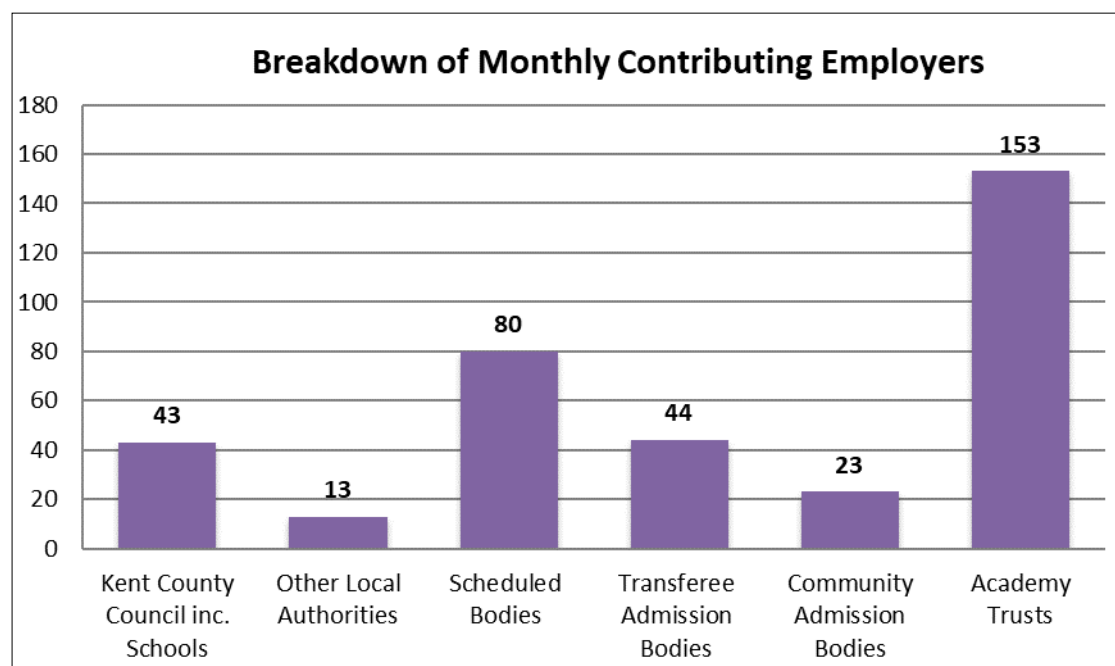
2. There were a total of 601 employers in the Kent Pension Fund, an increase of 12 overall during 2017-18.



3. Active employers have at least one member contributing to the LGPS. Ceased employers no longer have active members in the scheme but the Fund has an existing liability to pay pensions.
4. The following table lists employers who either joined or ceased to have active members in the Fund during 2017-18

New Employers	Effective date
<i>Scheduled Bodies</i>	
Walmer Parish Council	1 April 2017
Barham Parish Council	1 April 2017
Invicta Law Ltd	1 June 2017
Hever Parish Council	1 April 2017
<i>Academy Trusts</i>	
The Areté Trust	1 June 2017
Aletheia Anglican Academies Trust	1 April 2017
Barnsole Primary Trust	1 May 2017
The Inspiring Change Multi Academy Trust	1 June 2017
Endeavour Academy Trust	1 April 2017
Potential in Everyone Academy Trust	1 August 2017
Maritime Academy Trust	1 September 2017
University of Kent Academies Trust	1 September 2017
Education for the 21st Century (E21C	1 January 2018
Inspire Partnership Academy Trust	1 January 2018
<i>Admitted Bodies</i>	
Cater Link re Dover Grammar School for Boys	1 October 2017
Pabulum Limited	1 March 2018
Civica UK Limited	2 February 2018
Ceased Employers	Effective date
<i>Academy joined a Multi-Academy Trust</i>	
Brompton Academy	1 September 2017
Chatham Grammar School for Girls (Academy)	1 September 2017
West Malling CEP School (Academy)	1 September 2017
Folkstone Academy Merged into The Turner Trust	1 November 2017
Wilmington Boys School Academy	1 April 2017
Wilmington Girls School Academy	1 April 2017
Shorne CEP School Academy	1 September 2017
St Botolphs CEP School Academy (AAT)	1 September 2017
Saint George's Church of England School (Academy)	1 September 2017
Spires Academy	1 January 2018
<i>Community Admission Body</i>	
Kent College Pembury	1 April 2017
<i>Scheduled Bodies</i>	
Canterbury College (Merged with East Kent College)	1 February 2018

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.

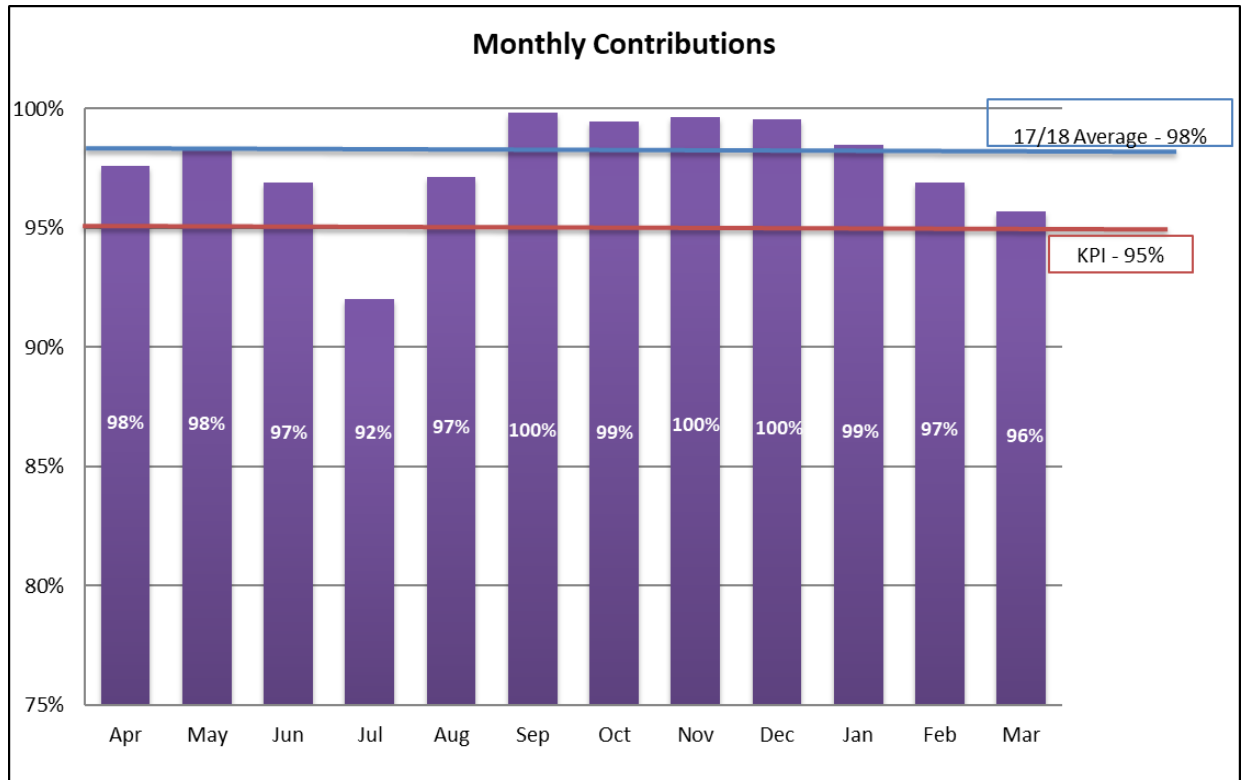


CONTRIBUTIONS FROM EMPLOYERS

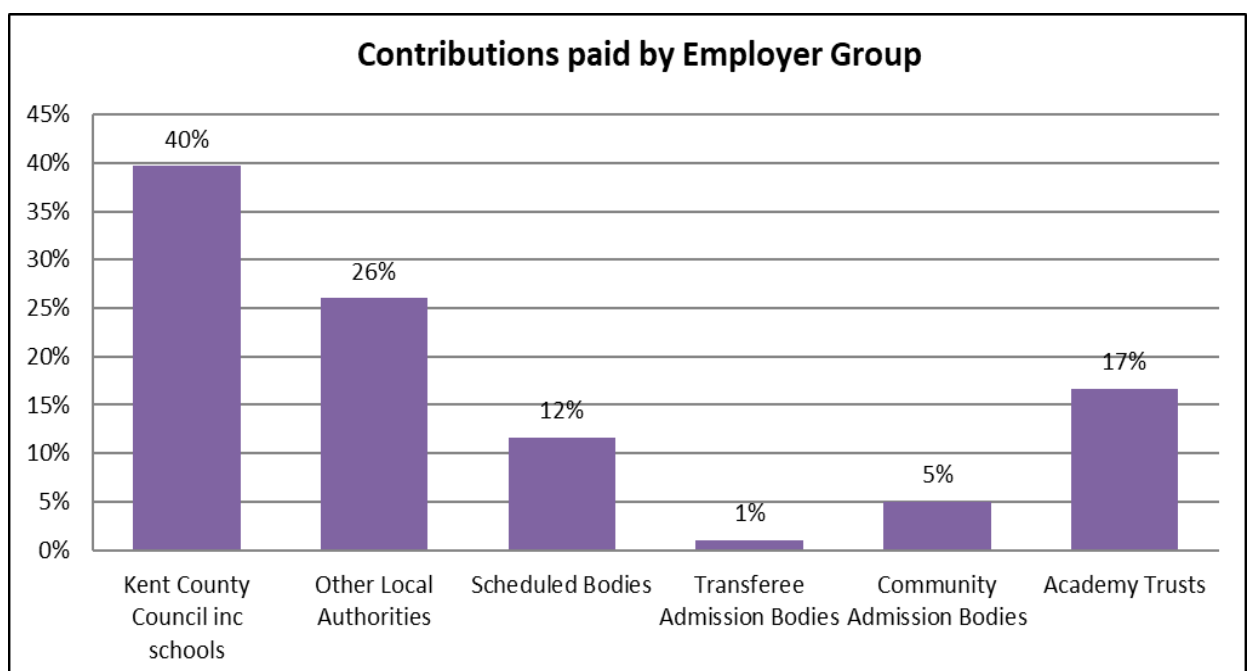
6. In the 12 months to 31 March 2018, the Fund received £222m from Employers in respect of their monthly contributions (employer and employee) as follows:

	Received Early	Cash on 19th	Received Late	Total
	£	£	£	£
April	9,229,792	8,995,087	451,570	18,676,449
May	9,567,508	8,485,886	217,665	18,271,059
June	9,329,874	8,456,378	533,514	18,319,766
July	9,763,338	7,131,768	1,461,061	18,356,167
August	9,624,425	8,197,452	524,565	18,346,442
September	9,720,014	8,451,367	31,184	18,202,565
October	9,661,277	8,954,944	102,704	18,718,925
November	9,807,829	8,535,097	60,513	18,403,439
December	10,313,657	8,384,840	81,990	18,780,487
January	9,923,005	8,576,605	127,914	18,627,525
February	9,617,811	8,584,091	465,358	18,667,260
March	9,569,859	8,405,322	607,583	18,582,764
Total	116,128,389	101,158,837	4,665,621	221,952,847

7. KCC monitors the timing of receipt of these contributions compared to a KPI of 95%. As shown in the following table during the period the KPI was exceeded in 11 of the 12 months, the exception being July when contributions received on or before the due date dropped to 92% due to one local authority paying a day late as the 19th fell on the weekend. The average for the year for contributions received was 98%.



8. The following table shows the proportion paid by KCC and other employers of contributions received.



EMPLOYER RELATED MATTERS

9. The following matters relating to admission bodies have been agreed by the Superannuation Fund Committee since the Pensions Board last met on 27 October 2017.

Date of meeting	Matter agreed
17 November 2017	Admission to the Fund of Nourish Contract Catering Ltd (re Swale Academy Trust).
17 November 2017	Admission to the Fund of Compass Care Homes Wayfarers Ltd.
17 November 2017	Admission to the Fund of Civica UK Ltd.
17 November 2017	That a Deed of modification can be entered into with Clarion Housing Association.
9 February 2018	Admission to the Fund of Nourish Contract Catering Ltd (re Stour Academy Trust).
9 February 2018	Admission to the Fund of Kingdom Services Group Ltd.
9 February 2018	That a Deed of modification can be entered into with APCOA UK Parking Ltd.
9 February 2018	That a termination agreement may be entered into with Principal Catering Consultants Ltd (re our Lady of Hartley).
9 February 2018	That a termination agreement may be entered into with Mitie Security Ltd.
23 March 2018	Admission to the Fund of The Marlowe Trust.
23 March 2018	Admission to the Fund of Cater Link Ltd (re Halling Primary School).

PENSIONS OMBUDSMAN APPEAL

10. At their meeting on 4 July 2017 the Board was advised of an LGPS member's complaint to the Pensions Ombudsman as a result of delays and problems arising from the transfer of the member and her colleagues from Fort Pitt Robert Napier Academy on 22 April 2014 to Compass Contract Services (UK) Limited.
11. At their meeting on 27 October 2017 the Board was advised that the final decision on this complaint was still outstanding.
12. KCC was advised of the Ombudsman's decision by way of a letter dated 12 January 2018. The Ombudsman found that the complaint should be upheld against the Academy and that the Academy should pay the complainant £1,000 to recognise the significant distress and inconvenience she suffered as a result of its maladministration.

CHANGES IN LOCAL GOVERNMENT PENSION SCHEME REGULATIONS

13. The LGPS (Amendment) Regulations 2018 [SI2018/493] were laid before Parliament on 19 April 2018 with most of the changes taking effect from 14 May 2018 although some of the changes have retrospective effect to 1 April 2014.
14. The main changes in terms of the employers' membership of the Kent Fund are:
 - The Fund may at its discretion backdate admission agreements. It is no longer required to provide details of agreements to the Secretary of State but is now required to publish a list of existing admission agreements by 14 May 2019.
 - Employers exiting the LGPS with a surplus will be entitled to receive that surplus. This is a significant change and officers will be having discussions with the fund Actuary to understand how employers in the Kent Fund may be affected.
15. It is expected that there will be a further Fair Deal consultation by the end of 2018.

RECOMMENDATION

16. The Board is asked to note this employer report.

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