

By: Chairman Superannuation Fund Committee
Corporate Director of Finance

To: Superannuation Fund Committee – 22 June 2018

Subject: **FUND EMPLOYER MATTERS**

Classification: Unrestricted

Summary: To report on employer related matters, applications to join the Fund and a change in the Local Government Pension Scheme (LGPS) regulations.

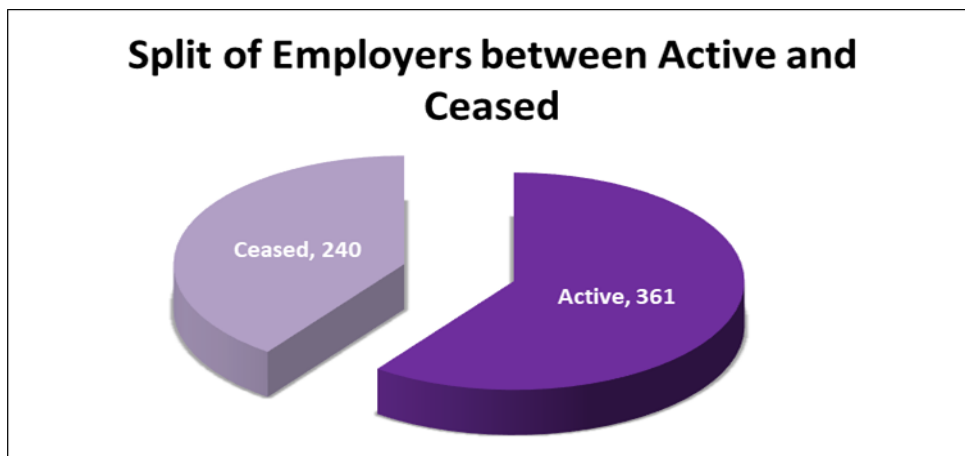
FOR DECISION

INTRODUCTION

1. This report sets out information on employer related matters, applications to join the Fund and a change in the LGPS regulations.
2. The Committee are advised that the 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 31 MARCH 2018

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



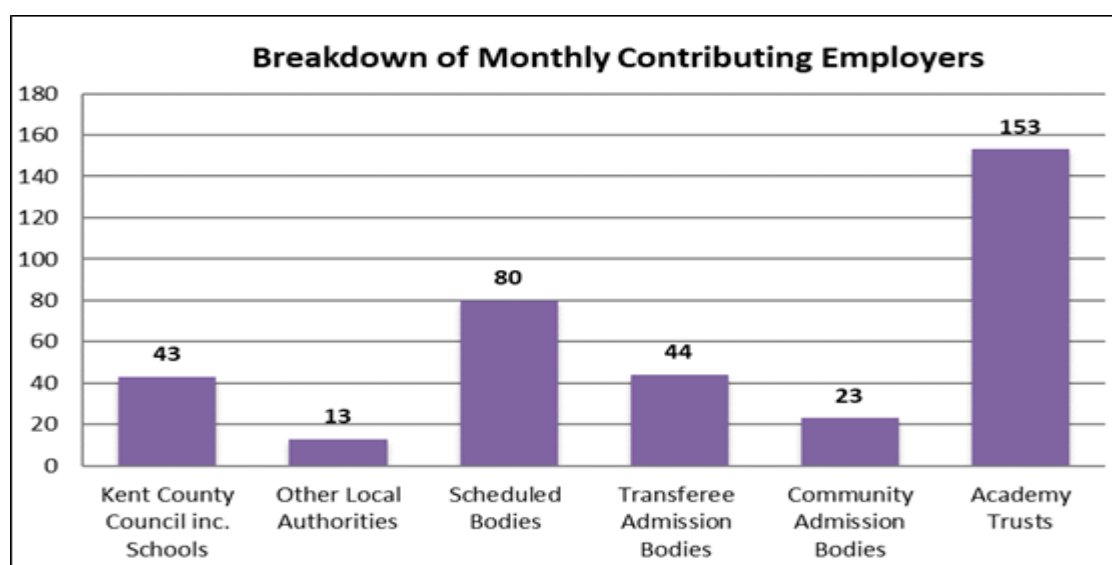
4. The number of Active employers regularly paying contributions fell in the 3 months to 31 March 2018 to 361 as a result of 2 KCC schools changing payroll provider, 1 college merging with another, 4 single Academy Trust joining existing Multi-Academy Trusts and 4 new employers joining the Fund. The number of Ceased employers has increased to 240. 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 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
Community Admission Body	
Kent College Pembury	1 April 2017
Scheduled Bodies	
Canterbury College (Merged with East Kent College)	1 February 2018

6. 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.



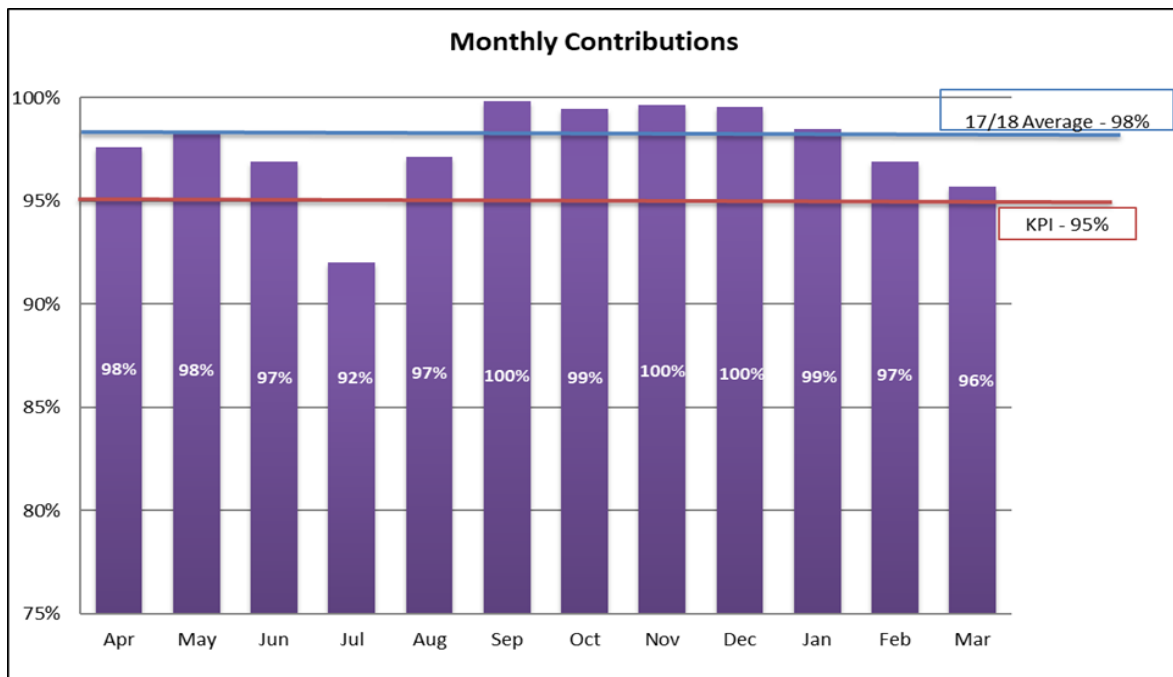
CONTRIBUTIONS FROM EMPLOYERS

7. 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:

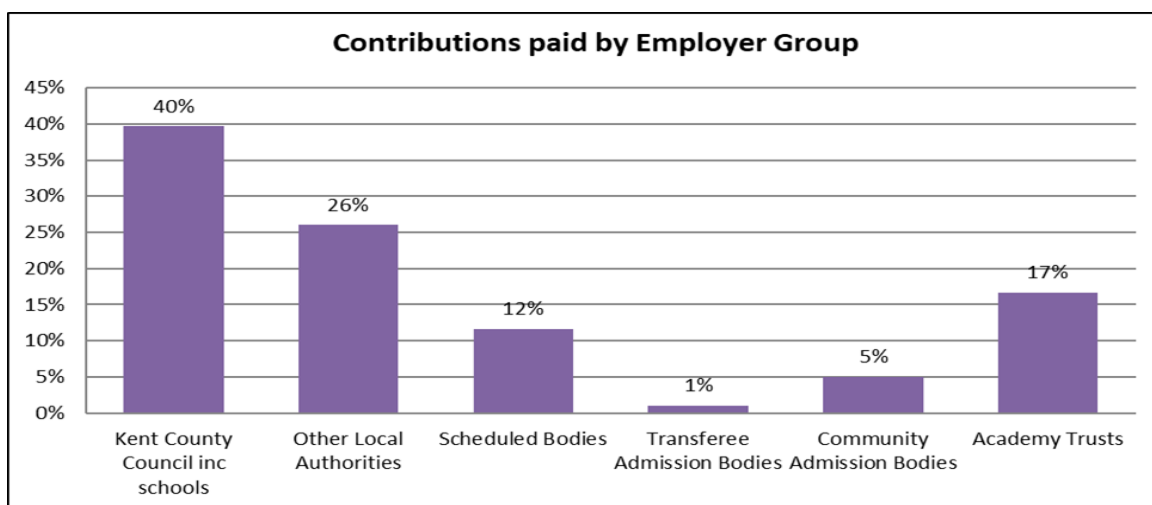
	Received Early	Cash on 19th	Received Late	Total
	£	£	£	£
April	9,229,792	8,995,087	451,570	18,676,449
May	9,567,508	8,485,886	217,665	18,271,059
June	9,329,874	8,456,378	533,514	18,319,766
July	9,763,338	7,131,768	1,461,061	18,356,167
August	9,624,425	8,197,452	524,565	18,346,442
September	9,720,014	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

8. KCC monitors the timing of receipt of these contributions compared to a KPI of 95%. 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 contributions received was 98%.



9. The following chart shows the proportion paid by KCC and other employers of contributions received.



CHURCHILL CONTRACT SERVICES LTD

10. The Williamson Trust in relation to the Sir Joseph Williamsons Mathematical School is awarding a three year contract with possible three year extension for cleaning services from 16 July 2018. This involves the transfer of some 9 employees from the Trust to Churchill Contract Services Ltd.
11. To ensure the continuity of pension arrangements for these employees, Churchill Contract Services Ltd has made an application 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 has assessed the employer contribution rate as 22.5% for a closed agreement and the value of the Bond for the three years as £25,000.
14. The completed questionnaire and supporting documents provided by Churchill Contract Services Ltd have been examined by Officers to ensure compliance with the LGPS Regulations, and Invicta Law have given a favourable opinion.

CATER LINK LTD

15. Medway Council is awarding a three year contract with possible two year extension for catering services although the effective date is not yet known. This involves the transfer of a number of employees from Medway Council to Cater Link Ltd.
16. To ensure the continuity of pension arrangements for these employees, Cater Link Ltd has made an application 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 will assess the employer contribution rate and level of bond.
19. 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.

TWO APPLICATIONS FROM COMPASS CONTRACT SERVICES (UK) LTD t/a CHARTWELLS

20. The Kent Catholic Schools Partnership (KCSP) is awarding two three year contracts with possible two year extensions to Compass Contract Services (UK) Ltd t/a Chartwells for the provision of catering services firstly to the

secondary schools and secondly to the primary schools, although the effective dates are not yet known. This involves the transfer of a number of employees from KCSP to Compass Contract Services (UK) Ltd t/a Chartwells.

21. To ensure the continuity of pension arrangements for these employees, Compass Contract Services (UK) Ltd t/a Chartwells has made applications for two admissions to the Superannuation Fund.
22. The 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.
23. The Fund Actuary will assess the employer contribution rate and level of bond in respect of each admission.
24. The completed questionnaires and supporting documents provided by Compass Contract Services (UK) Ltd t/a Chartwells have been examined by Officers to ensure compliance with the LGPS Regulations, and Invicta Law have given a favourable opinion.

CHANGE IN LOCAL GOVERNMENT PENSION SCHEME REGULATIONS

25. 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.
26. 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.
27. It is expected that there will be a further Fair Deal consultation by the end of 2018.

RECOMMENDATION

28. Members are asked to note this report and to agree:
 - a) to the admission to the Kent County Council Superannuation Fund of Churchill Contract Services Ltd;

- b) to the admission to the Kent County Council Superannuation Fund of Cater Link Ltd;
- c) to the admission to the Kent County Council Superannuation Fund of Compass Contract Services (UK) Ltd t/a Chartwells re Kent Catholic Schools Partnership Secondary Schools;
- d) to the admission to the Kent County Council Superannuation Fund of Compass Contract Services (UK) Ltd t/a Chartwells re Kent Catholic Schools Partnership Primary Schools;
- e) that the Chairman may sign the minutes relating to recommendations (a) to (d) at the end of today's meeting; and
- f) 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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