

To: Kent Pension Fund Committee – 8 December 2022

From: Chairman Pension Fund Committee
Corporate Director of Finance

Subject: Fund Employer and Governance Matters

Classification: Unrestricted

Summary:

This report provides information on Fund employers, Deep Beat Entertainment Ltd and admission matters.

Recommendations:

The Committee are asked to note the report and to resolve to agree:

- a) that a Deed of novation be entered into with Southern Housing, conditional on the receipt of any outstanding information and completion of due diligence by Invicta Law;
- b) to the admission to the Kent Pension Fund of Skanska Construction UK Ltd;
- c) that recommendations a) and b) be added to a Record of Decision at the end of today's meeting; and
- d) that once legal agreements have been prepared for matters a) to b) the Kent County Council seal can be affixed to the legal documents.
- e) The Committee is advised that the Record of Decision for recommendations a) to b) is to be completed at the end of today's meeting to facilitate completion on the desired dates.

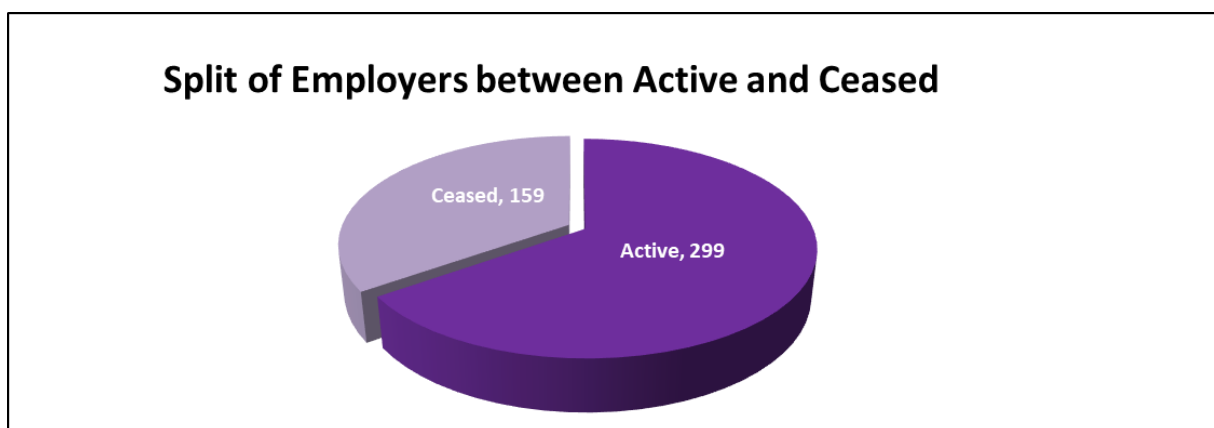
FOR DECISION

1. Introduction

- 1.1. This report provides information on Fund employers, Deep Beat Entertainment Ltd and admission matters.

2. Employers Update

- 2.1. This report sets out information on employer related matters for the 6 months ended 30 September 2022.
- 2.2. There were 458 employers in the Kent Pension Fund on 30 September 2022. During the 3 months, 4 new employers joined, and 5 Academies merged into multi academy trusts.
- 2.3. The ceased employers include both those employers that have ceased to have active members but for whom the termination process is incomplete, and those that no longer have active contributing members in the LGPS and for whom the Fund has an existing or future liability to pay any pensions.



- 2.4. The following table lists employers who joined the Fund as well as those who ceased to have active members in the Fund during the 6 months to 30 September 2022.

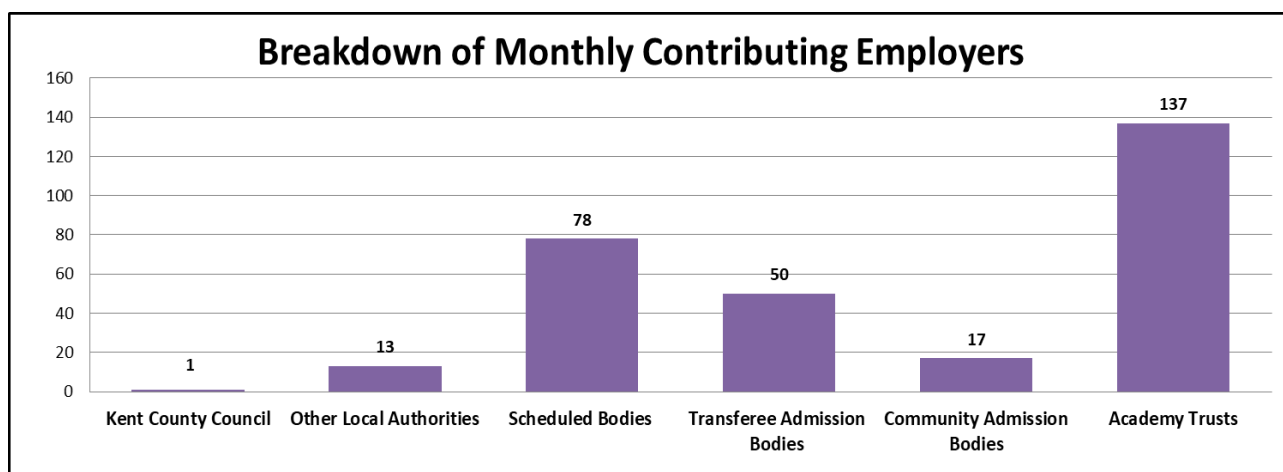
New Employers	Effective Date	New Notification
Admission Bodies		
Independent Catering Management Ltd (re Robert Napier Fort Pitt Thomas Aveling Academies)	1 August 2020 (backdated admission)	
Seeclear Facilities UK Ltd	1 September 2020 (backdated admission)	
Pabulum Limited - Tenterden Schools Trust	1 December 2020 (backdated admission)	X
Town and County Cleaners Ltd (re The Stour Academy Trust)	1 August 2021 (backdated admission)	
Scheduled Bodies		
Leybourne Parish Council	1 September 2021 (backdated resolution)	
Academy Trusts		
Hornchurch Academy Trust	1 July 2022	X
Bourne Alliance Trust	1 September 2022	X
Character Education Trust	1 September 2022	X

Ceased	Effective Date	New Notification
Admission Bodies		
Olive Dining Ltd	31 October 2020 (backdated admission)	
Capita Managed IT Solutions Ltd (St Georges School)	31 March 2022	
Orbit Housing Association Ltd	30 June 2022	
Nourish Contract Catering Limited (re Stour)	31 July 2022	X
Scheduled Bodies		
Higham Parish Council	5 October 2021	

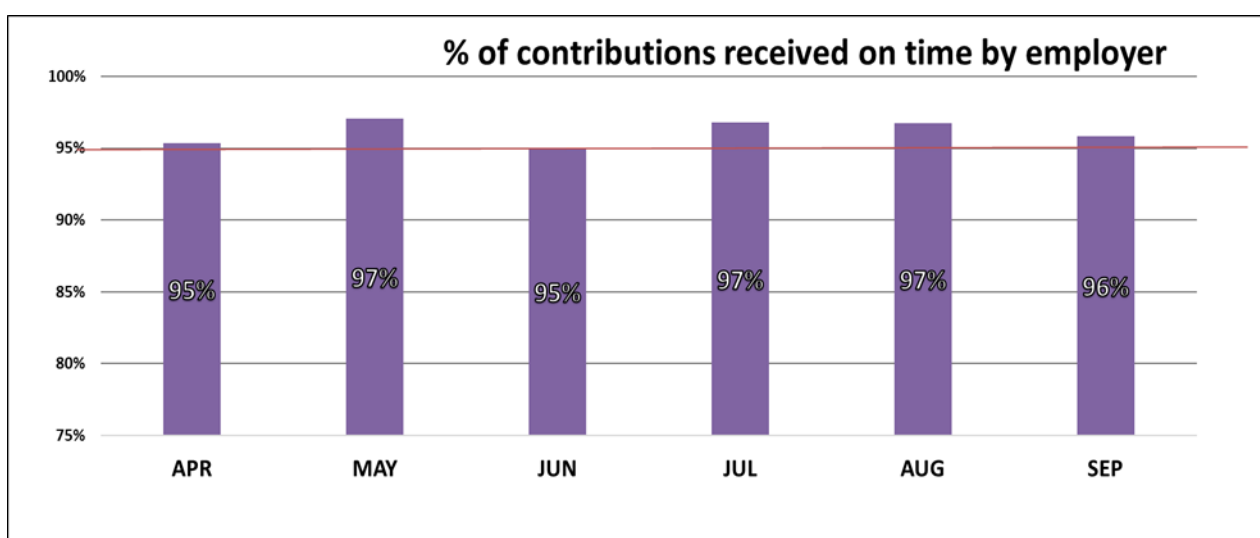
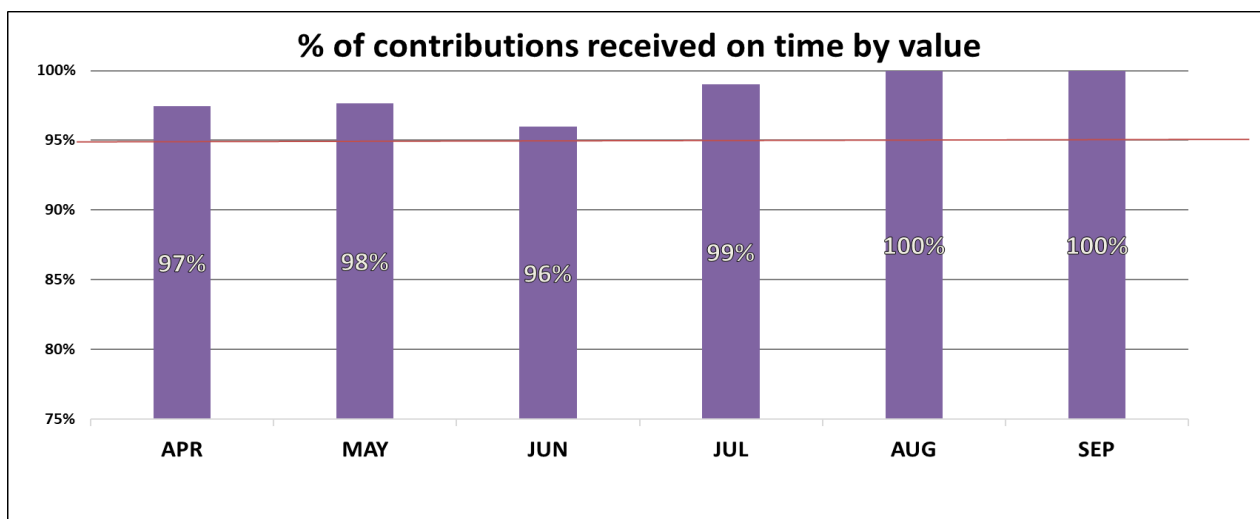
- 2.5. In the 6 months to 30 September 2022 the Fund received £141.9m from employers in respect of their monthly contributions (employer and employee) as follows:

	Received Early	Cash on 19th	Received Late	Total
	£	£	£	£
April	14,004,162	9,506,182	611,160	24,121,504
May	13,993,237	9,213,109	553,545	23,759,891
June	14,127,647	9,108,759	973,870	24,210,276
July	13,893,535	9,661,203	200,076	23,754,814
August	21,594,033	1,868,263	50,122	23,512,418
September	13,797,417	8,615,670	87,925	22,501,012
Total	91,410,031	47,973,186	2,476,698	141,859,915

2.6. The following table shows employers from whom the Fund receives monthly contributions by Employer Group.



2.7. The Key Performance Indicator (KPI) of 95% for % of contributions and employers was met every month April to September 2022.



3. Deep Beat Entertainment Ltd (re Strood Sports Centre and Medway Park Regional Centre)

3.1. Deep Beat Entertainment Ltd is an admission body who joined the Fund on 14 January 2019 re Strood Sports Centre and on 1 February 2019 re Medway Park Regional Centre, following a transfer of 6 employees from Medway Council who is scheme employer party to both admission agreements.

3.2. Deep Beat Entertainment Ltd operated coffee and snack bar facilities which were affected by COVID as both leisure centres were shut for many months. Deep Beat Entertainment Ltd has repeatedly failed to provide sufficient member information and some employee and employer contributions remain outstanding.

3.3. The Fund reported this matter to the Pensions Regulator on 10 March 2020 and highlighted the issue to Medway Council. Despite extensive attempts by officers, the outstanding issues remained unresolved, and this matter was reported again to tPR on 19 April 2021.

- 3.4. Both commercial contracts ended on 18 May 2021, although some of the employees left Deep Beat Entertainment Ltd prior to this date. Although the commercial contract has ended, a cessation cannot be progressed until the Fund has received all of the outstanding data referenced in paragraph 3.3. above.
- 3.5. Deep Beat Entertainment Ltd appointed a solicitor to act on their behalf and direct contact with the employer has now been re-established so training can be given, and all queries completed. Officers view this as a positive development and are focused on completing the cessation. Once all issues are resolved cessations reports will be commissioned from Barnett Waddingham and a further update will be given to the Committee and Board.

4. **Admission Matters**

5. **Optivo**

- 5.1. Swale Housing Association Ltd joined the Fund on 15 November 1990 as a community admission body following a transfer of staff from Swale Borough Council, although Swale Borough Council were not scheme employer party to the admission agreement nor is there a Bond, as the LGPS regulations at the time did not require either.
- 5.2. Swale Housing Association Ltd closed their admission agreement on 4 December 1998 so no more staff can join, although existing active LGPS members could continue.
- 5.3. Swale Housing Association Ltd amalgamated with Amicus Horizon Group Ltd and others on 12 October 2009 to form a combined entity called Amicus Horizon Ltd.
- 5.4. Amicus Horizon Ltd entered into an admission agreement on 6 April 2010 in place of the admission agreement with Swale Housing Association Ltd.
- 5.5. Amicus Horizon Ltd amalgamated with Viridian Housing on 22 May 2017 to form Optivo who entered into a Deed of Modification on 5 June 2017 to take over the admission agreement with Amicus Horizon Ltd.
- 5.6. On or around 16 December 2022 it is understood Optivo will merge with Southern Housing Group Ltd to form a new entity, Southern Housing, who will take over the admission agreement from Optivo.
- 5.7. All the rights and responsibilities under the admission agreement with Optivo will pass to Southern Housing and it is proposed the Fund enters into a Deed of novation to give effect to the change once any outstanding information is received from Optivo and diligence by Invicta Law completed.
- 5.8. There is no impact on the company's active, deferred, pensioner and survivor pensioner members whose benefits are set out in the LGPS regulations.

6. Skanska Construction UK Ltd

- 6.1. Skanska Construction UK Ltd (Skanska) is an admission body who joined the Fund on 1 November 2014 concerning a transfer of staff from KCC relating to a facilities management contract.
- 6.2. Skanska's commercial contract ended on 31 October 2022 and a cessation report will be commissioned from Barnett Waddingham.
- 6.3. KCC awarded a new 10-year facilities management contract to Skanska from 1 November 2022 and so this is a second-generation transfer.
- 6.4. Skanska has applied retrospectively for admission to the Kent Pension Fund to ensure the continuity of pension arrangements for staff.
- 6.5. The admission application has been made under Schedule 2 Part 3 1(d) (i) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide some form of security.
- 6.6. The completed questionnaire and supporting documents provided by Skanska have been examined by officers to ensure compliance with the LGPS Regulations, and Invicta Law has given a favourable opinion.
- 6.7. The Fund actuary will assess the employer contribution rate and the required Bond.

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December 2022
