

To: Kent Pension Board – 8 June 2023

From: Chairman – Kent Pension Board  
Corporate Director of Finance

Subject: Funding Matters

Classification: Unrestricted

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### **Summary:**

This report provides an update on Fund employers for the 3 months ending 31 March 2023, information on Oasis Restore Trust and confirmation of employer matters agreed by the Pension Fund Committee on 29 March 2023.

### **Recommendation:**

The Board is recommended to note the report.

### **FOR INFORMATION**

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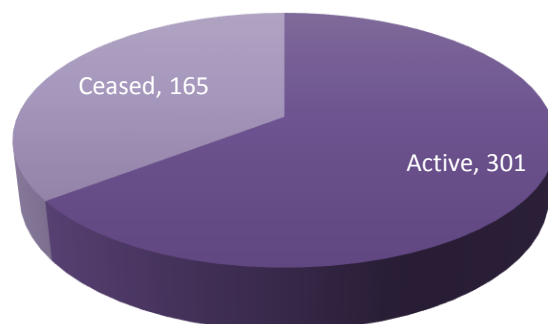
#### **1. Introduction**

This report provides an update on Fund employers for the 3 months ending 31 March 2023, information on Oasis Restore Trust and confirmation of employer matters agreed by the Pension Fund Committee on 29 March 2023.

#### **2. Employer Update for the 3 months to 31 March 2023**

- 2.1 At its last meeting the Board received an update on employer numbers as at 31 December 2022, when there were 459 employers in the Fund. This number increased by 7 over the first quarter of 2023 and therefore there were 466 employers in the Fund on 31 March 2023. During this 3-month period 7 new employers joined the Fund. In addition, 2 employers changed from being active to ceased and two single academy trusts merged to a multi-academy trust although this does not affect the overall number of 466.

## Split of employers between active and ceased



2.2 The following table lists employers who joined the Fund as well as those who ceased to have active members in the Fund during the 3 months to 31 March 2023.

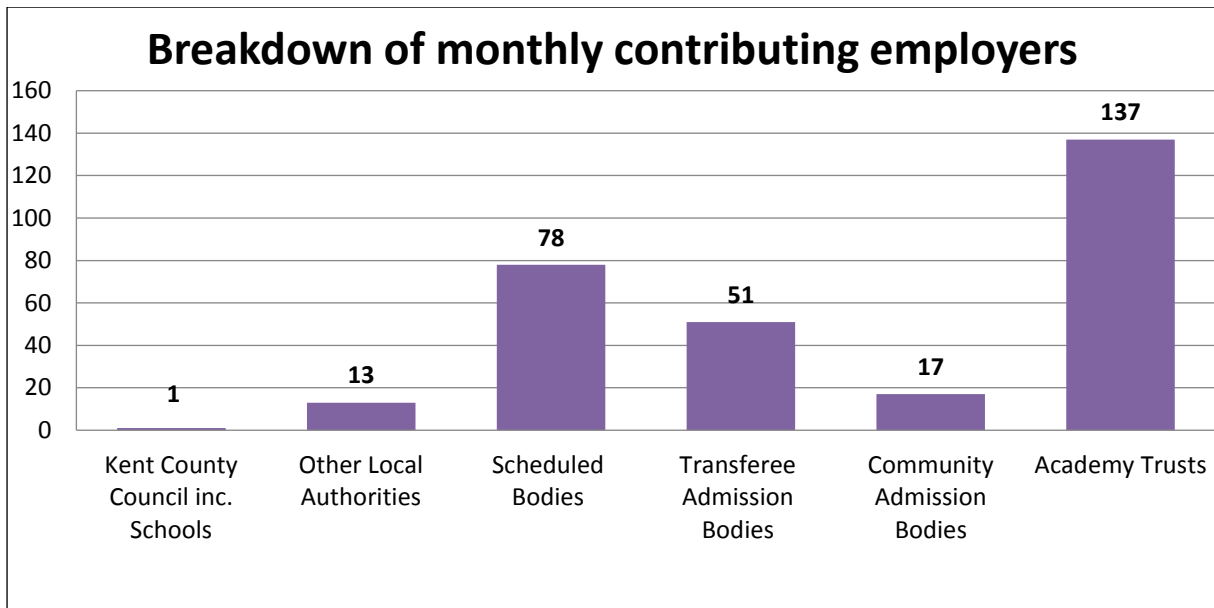
New Employers	Effective Date
<b>Admission Bodies</b>	
Purgo Supply Services Ltd	1 August 2019 (backdated admission)
Oliver Winter t/a Victory Cleaning	1 February 2020 (backdated admission)
Birkin Cleaning Services Ltd (re Maritime Academy Trust)	4 May 2020 (backdated admission)
Town and Country Cleaners Ltd (re Maritime Academy Trust)	1 August 2021 (backdated admission)
Cater Link Ltd (re Sir Roger Manwood Schools)	1 April 2022 (backdated admission)
<b>Academy Trusts</b>	
Oasis Restore Trust	1 February 2023
Nexus Education Schools Trust (NEST)	1 March 2023

Ceased Employers	Effective Date
<b>Admission Bodies</b>	
Churchill Contract Services Ltd (re Lordswood School)	31 August 2021 (late notification of leaving)
Compass Contract Services (UK) Ltd t/a Chartwells (KCSP Primary Schools)	30 November 2022 (late notification of leaving)
<b>Academy Trusts</b>	
Joydens Wood Junior School Academy	28 February 2023
Joydens Wood Infant School Academy	28 February 2023

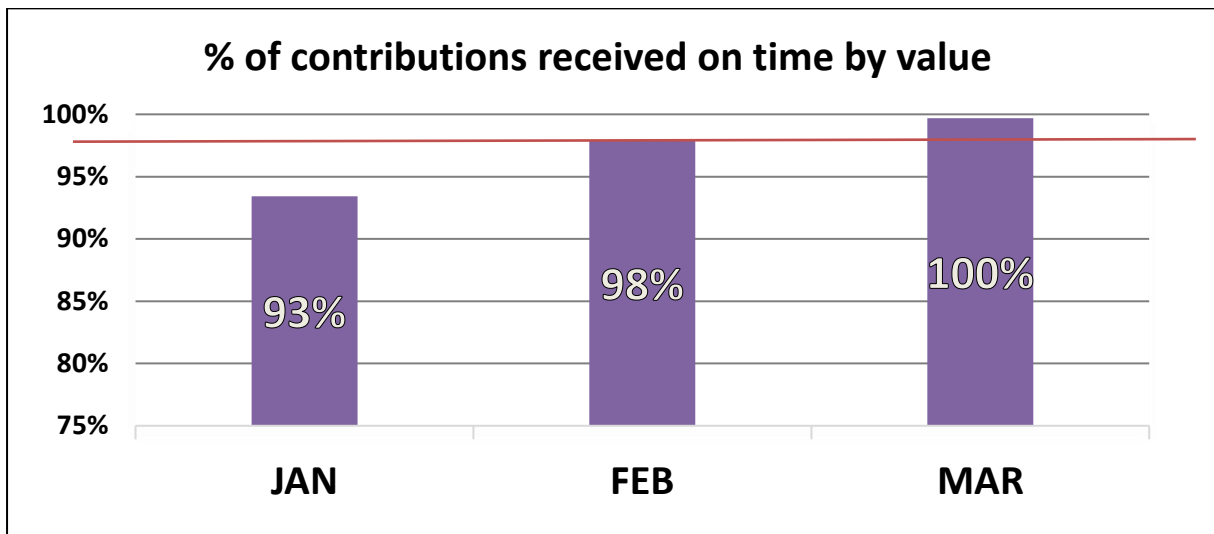
2.3 In the 12 months to 31 March 2023 the Fund received £291.2m from employers in respect of their monthly contributions (employer and employee) as follows:

	<b>Received Early</b>	<b>Cash on 19th</b>	<b>Received Late</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
April	14,006,574	9,504,528	613,517	24,124,619
May	13,980,039	9,223,205	554,842	23,758,086
June	14,084,304	9,108,759	973,332	24,166,395
July	13,957,142	9,645,167	195,484	23,797,793
August	21,781,225	1,860,797	73,542	23,715,563
September	14,931,769	8,690,214	134,700	23,756,683
October	13,975,914	8,752,754	1,500,298	24,228,967
November	15,930,491	8,939,216	140,671	25,010,378
December	16,904,276	8,311,427	10,490	25,226,193
January	14,084,838	8,733,617	1,604,389	24,422,845
February	13,545,272	10,395,849	512,663	24,453,784
March	15,680,111	8,791,674	73,825	24,545,610
<b>Total</b>	<b>182,861,955</b>	<b>101,957,207</b>	<b>6,387,753</b>	<b>291,206,916</b>

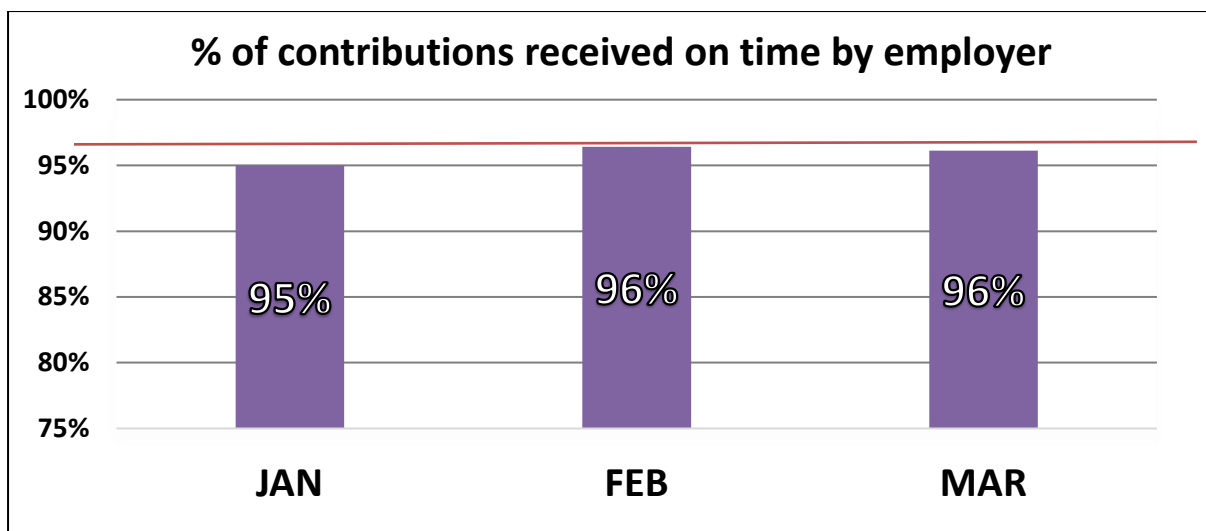
2.5 The following table shows employers from whom the Fund receives monthly contributions by Employer Group.



2.6 The Key Performance Indicator (KPI) of 95% for % of contributions was met every month January to March 2023 bar January 2023, when Medway Council paid late on 20 February 2023.



2.7 The Key Performance Indicator (KPI) of 95% for % employers was met every month January to March 2023.



### 3 Oasis Restore Trust

- 3.1 Oasis Restore Trust is a brand-new academy, based in Medway, that joined the Kent Pension Fund on 1 February 2023 when their first LGPS employee commenced employment.
- 3.2 Oasis Restore Trust applied to join the Kent Pension Fund as a secure 16 -19 Academy. It is defined as an Academy under the terms of the Academies Act 2010.
- 3.3 Secure 16 to 19 academies are a new type of youth custody provision, created as part of the Government's response to Charlie Taylor's Review of the Youth Justice System in England and Wales, published in December 2016, which recommended the creation of 'secure schools'. This is the first of these in Kent Pension Fund and one of only three geographically in the UK.
- 3.4 These types of academies differ from normal academies because they are funded by the Ministry of Justice (MoJ) and its partners and are accountable to them. The Department for Education (DfE) neither funds, nor is accountable for secure 16 to 19 academies however they have agreed to include these types of academies in their Academy guarantee whilst MoJ finalises their own guarantee with relation to the LGPS. This may take around 8 to 12 months. The agreement currently is that any costs incurred under DfE guarantee with respect to a secure 16 to 19 academy is reimbursed by the MoJ.
- 3.5 MoJ have approval from HM Treasury to fund pensions liabilities in this way, in accordance with Managing Public Money, and so are permitted to make a transaction with DfE.
- 3.6 Given that Oasis Restore Trust is a new type of entity, the Fund has taken professional legal and actuarial advice to satisfy itself that admission to the LGPS is appropriate. Whilst Oasis Restore Trust is the first such example of a secure academy institution in Kent, this initiative is something we could see elsewhere in Kent and Medway in the future.

- 3.7 Oasis Restore Trust has not been put into the existing academy pool on advice from Barnett Waddingham, as this academy is not the same as those currently in the academy pool from both a funding source perspective and a membership profile perspective.
- 3.8 The number of LGPS active members at Oasis Restore Trust is expected to increase to some 200 posts during 2023/24 and so a reassessment of their initial employer contribution rate of 13.2% will be undertaken by Barnett Waddingham.

#### **4 Employer Admission Matters**

- 4.1 At their meeting on 29 March 2023 the Committee agreed:
- a) to the admission to the Kent Pension Fund of Cater Link Ltd re Future Schools Trust;
  - b) that the Kier surplus is allocated to KCC's notional share of the Fund;
  - c) that the Sopra Steria surplus is allocated to Folkestone and Hythe District Councils' notional share of the Fund;
  - d) that the Chairman writes to DLUHC asking for an update on the matter of deemed employer status;

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**8 June 2023**

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