

**Pensions Committee****27 July 2022****Funding Strategy Statement****Report by Director of Finance and Support Services**

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**Summary**

Under the Regulations, the Administering Authority must obtain an actuarial valuation of the assets and liabilities of the pension fund. Work has started to obtain an updated position from the Fund Actuary as at 31 March 2022.

As part of this the Funding Strategy Statement has been reviewed with the Fund Actuary. Under the LGPS Regulations the Administering Authority must, after consultation, with such persons as it considers appropriate, prepare, maintain and publish a written statement setting out its Funding Strategy Statement. This should be prepared have regard to guidance set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance.

The Statement sets out the approach to valuing employer liabilities, setting contribution rates and the approach when an employer exits the Scheme. The following are highlighted:

- As with the 2019 Actuarial Valuation, the Strategy has been prepared whilst there remains uncertainty in relation to the LGPS (McCloud, Cost Cap and consultation outcomes).
- The approach to setting the Strategy remains unchanged ie. keep employer contributions affordable and stable, ensuring (as far as possible) each employer covers their liabilities for member / dependent benefits as they fall due and the intention to be transparent and consistent.
- The funding target, time horizon and probability of being fully funded are applied dependent on whether they are a long/shorter term employer, whether they are open to new entrants, the strength of covenant etc.

The Committee will receive a presentation from the Fund Actuary.

Following feedback from the Committee it is proposed that the Fund will consult with employers on the Funding Strategy Statement ahead of the employer results meeting in the autumn.

The final Funding Strategy Statement must be published by 31 March 2023.

**Recommendation**

That feedback is provided by the Committee on the draft Funding Strategy Statement and the matters covered in the Fund Actuary's presentation, ahead of consulting with employers.

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**Appendices**

Appendix A – Draft Funding Strategy Statement

**Background papers**

None