



LOCAL PENSION COMMITTEE – 17 JANUARY 2017

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

DRAFT FUNDING STRATEGY STATEMENT

Purpose of the Report

1. The purpose of this report is to seek the Committee's approval for a revised Funding Strategy Statement.

Background

2. There is a statutory requirement upon the Fund to maintain, and update, a Funding Strategy Statement (FSS). The FSS is a statement of the factors and policies that have been taken into account when calculating individual employers' contribution rates, and also how the findings of the actuarial valuation interact with the setting of the Fund's investment strategy.
3. There is an obligation on the part of the actuary to take account of the contents of the Funding Strategy Statement before he can formally 'sign off' the 2016 actuarial valuation. The actuary is aware of the contents of the FSS and all of the policies included in it have been agreed with him.

Updated Funding Strategy Statement

4. The draft FSS that is attached as the appendix to the report is an updated version of the Fund's existing FSS. By way of summary, the major changes from the existing document are:-
 - (i) Changes to dates etc. to reflect the 2016 actuarial valuation;
 - (ii) Expanded explanations about the Fund's policy in certain areas, in order to reduce the possibility of future confusion.
5. The FSS is a lengthy document but this is necessitated by the increasingly diverse group of employers who make up the scheme, and the resultant inability to have 'one-size-fits-all' policies.
6. A draft copy of the FSS was sent to all of the approximately 200 employing bodies in mid-December 2016, with a request for any comments by 5th January 2017. The period of consultation was relatively short, but this was necessitated by a wish to bring the draft FSS to this meeting for approval. The next meeting of this Committee is on 17th March 2017 and if the FSS is not approved until then, there could be significant practical problems around the sign-off for the actuarial valuation (which is required by 31st March). There were no significant comments received by 5th

January or by the time that this report was written, but if any comments of note are received before the meeting the Committee will be informed verbally.

7. For practical reasons the FSS has been written as if it has already been approved at this meeting. There are still a number of places within the FSS that require updating (mainly links to website addresses). These will be completed in due course, once the Committee has approved the document.

Recommendation

8. The Board is asked to approve the Funding Strategy Statement included as the Appendix to this report.

Equal Opportunities Implications

None specific.

Background Papers

Report to the Local Pension Committee – 21 February 2014 –

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=740&MID=4091>

Appendix

Draft Funding Strategy Statement

Officer to Contact

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