



**LOCAL PENSION COMMITTEE – 15 FEBRUARY 2019**

**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 2019 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 changes from the existing document are:-
  - i) The introduction of Pass-through arrangements for new admission bodies.
  - ii) Changes to the data used when assessing Academy employer rates. Data used will be the latest available data for future assessments.
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 2018, with a request for any comments by 1<sup>st</sup> February 2019. There were no comments received by 31<sup>st</sup> 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.

**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**

None

**Appendix**

Draft Funding Strategy Statement

**Officer to Contact**

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