

SURREY COUNTY COUNCIL

PENSION FUND BOARD

DATE: 31 MAY 2013

LEAD OFFICER: SHEILA LITTLE, CHIEF FINANCE OFFICER

SUBJECT: FUNDING STRATEGY STATEMENT



SUMMARY OF ISSUE:

With the formation of a new Surrey Pension Fund Board, it is proper that the Board should approve the existing Fund Strategy Statement for the Pension Fund.

RECOMMENDATIONS:

It is recommended that:

1. The Pension Fund Board approve the current Funding Strategy Statement shown in Annex 1.

REASON FOR RECOMMENDATIONS:

The Funding Strategy Statement is vital as a working plan for the future funding of the Scheme's pensions liability.

DETAILS:

Background

- 1 The Pensions Fund's future liability funding plan is set out in the Funding Strategy Statement (FSS). Individual employer funding plans and each employer's contribution rates have been determined in accordance with the FSS.
- 2 The FSS was originally prepared by the Council in accordance with section 76A of the Local Government Pension Scheme Regulations 1997. Regulation 35 of the Local Government Pension Scheme (Administration) Regulations 2008 requires an administering authority to keep this statement under review and make any revisions as appropriate.

Current Statement

- 3 The current FSS (drafted and approved after the 2010 actuarial valuation) is shown in Annex 1. Funding plans are usually compiled every three years at the time that the actuarial valuation result becomes known.
- 4 It should be noted that work is currently underway with regard to the 2013 actuarial valuation and the funding strategy and statement supporting the outcome will be rewritten and presented to the Board as soon as practicable.

CONSULTATION:

- 5 The Chairman elect of the Pension Fund has been consulted on the statement and has confirmed support for the current funding strategy.

RISK MANAGEMENT AND IMPLICATIONS:

- 6 Risk related issues are contained within the FSS document.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

- 7 There are no financial and value for money implications.

CHIEF FINANCE OFFICER COMMENTARY

- 8 The Chief Finance Officer is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed, and that the current FSS provides a sound funding strategy for the Pension Fund.

LEGAL IMPLICATIONS – MONITORING OFFICER

- 9 There are no legal implications or legislative requirements associated with this report.

EQUALITIES AND DIVERSITY

- 10 The approval of the current strategy will not require an equality analysis, as the initiative is not a major policy, project or function being created or changed.

OTHER IMPLICATIONS

- 11 There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

- 12 The following next steps are planned:
- Completion of the current actuarial valuation.
 - Work to commence on the future funding strategy.
 - Board to approve next statement when practicable.

Contact Officer:

Phil Triggs, Strategic Finance Manager (Pension Fund and Treasury)

Consulted:

Pension Fund Board Chairman

Annexes:

Funding Strategy Statement (2010 version)

Sources/background papers:

None

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