



PENSIONS COMMITTEE 25 March 2014	REPORT

Subject Heading:	FUNDING STRATEGY STATEMENT
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CMT Lead	Andrew Blake Herbert
Policy context:	Administration Authority must prepare, maintain & publish a statement setting out their Funding Strategy in accordance with regulations
Financial summary:	None directly

The subject matter of this report deals with the following Council Objectives

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input type="checkbox"/>
Value and enhance the life of every individual	<input checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input type="checkbox"/>

SUMMARY

The Funding Strategy Statement (FSS) is a Statement that has been prepared in accordance with Regulation 76A of the Local Government Pension Scheme Regulations 1997.

The Statement sets out the objectives of the London Borough of Havering's strategy, in its capacity as Administering Authority, for the funding of the London Borough of Havering Pension Fund.

RECOMMENDATIONS

That the committee:

1. Agree the Funding Strategy Statement.

REPORT DETAIL

1. The Funding Strategy Statement (FSS) is a Statement that has been prepared in accordance with Regulation 76A of the Local Government Pension Scheme (LGPS) Regulations 1997.
2. The Statement sets out the objectives of the London Borough of Havering's strategy, in its capacity as administering authority, for the funding of the London Borough of Havering Pension Fund.
3. As required by Regulation 35 of the Local Government Pension Scheme (Administration) Regulations 2008 (the Administration Regulations), this Statement is kept under review and revised as appropriate.
4. In preparing the FSS, the administering authority has had regard to:
 - the Fund's Statement of Investment Principles published under Regulation 9A of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998 (the Investment Regulations) and,
 - guidance published by CIPFA updated in 2012. This is the framework within which the Fund's Actuary carries out triennial valuations to set employers' contributions and provides recommendations to the administering authority when other funding decisions are required, such as when employers join or leave the Fund. The FSS applies to all employers participating in the Fund.
5. The FSS is reviewed in detail at least every three years as part of the triennial valuation. This statement was reviewed during the revaluation process which commenced on the 31 March 2013 with the results published by 31 March 2014.
6. In line with LGPS Regulations the Administering Authority is consulting with all its participating employers in the Fund and all responses should be considered by the administering authority. The DRAFT version of the Funding Strategy Statement was distributed to all participating employers in the fund on the 27 February 2014 for comments. Closing date for the consultation is the **25 March 2014**.

7. Any comments received from the other employers in the fund will be reported to members on the night of the meeting.
8. Following the end of the consultation period and the Committee's decision the FSS will be updated where required and published.
9. The DRAFT FSS is attached as **Appendix A** and will be effective from **1 April 2014**.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications arising directly, however the objectives of the Fund's strategy is to ensure the long term solvency of the Fund. This will ensure that sufficient funds are available to meet all members'/dependents' benefits as they fall due for payment.

Legal implications and risks:

None arise from this report.

Human Resources implications and risks:

None arise from this report.

Equalities implications and risks:

None arise from this report.

BACKGROUND PAPERS

Background Papers List

DRAFT Funding Strategy Statement (February 2014)