

COUNCIL, 14 JUNE 2017

REPORT OF CABINET

PENSION FUND DEFICIT FROM THE FORMER GREATER LONDON COUNCIL

At its meeting on 13 June 2017, Cabinet will consider proposals to fund the liability of the Council to the London Pension Fund Authority. This is in relation to the former pension fund and associated liabilities of the Greater London Council/London Residuary Body.

As detailed in the attached Cabinet report, the former pension fund liability is the responsibility of all London Borough Councils to meet. It is estimated that the total liability to Havering is a total of £2.132m. Whilst subject to negotiation, it is hoped that a repayment term of up to 30 years can be negotiated which would be advantageous to the Council's financial planning. If such a repayment period can be agreed, annual payments for the Council would be in the region of £0.071m per year.

If agreed for payments to commence in 2017/18 then this will be funded from the corporate risk budget and will be incorporated into the base budget from 2018/19 onwards as part of the 2018/19 budget setting process.

Subject to Cabinet's approval, Council is asked to approve of a payment of £2.132m towards the pension fund deficit of the Greater London Council over a period of up to 30 years.