

LOCAL PENSIONS BOARD

14 October 2025

Subject Heading:

Funding Strategy Engagement Plan

SLT Lead:

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Policy context:

Scheme Advisory Board Guidance

Financial summary:

None directly

SUMMARY

This report is presented to the Local Pension Board (LPB) for consideration of the proposed Engagement Plan and is seeking input on the most effective methods of engagement and communication during the consultation process for the Funding Strategy Statement (FSS).

The consultation engagement plan outlines how the Fund will involve stakeholders in the decision-making process. It sets out the scope of engagement, identifies stakeholders, and establishes communication and feedback mechanisms and timelines for responses.

RECOMMENDATIONS

The LPB to consider the proposed draft Engagement Plan as per Appendix A and provide input on how best to communicate and engage with stakeholders.

REPORT DETAIL

1. Background

- a) The Local Government Pension Scheme regulations set out the requirement for an administering authority (the fund) to publish a FSS. In preparing the FSS, the fund may seek input from their actuary, or take other professional advice, to prepare the document.
- b) The FSS is currently being developed in collaboration with Hymans Robertson, the Fund's Actuary.
- c) The FSS is mainly for employers participating in the Fund, because it sets out how money will be collected from them to meet the Fund's obligations to pay members' benefits.
- d) The purpose of a FSS is to:
 - establish a clear and transparent fund-specific strategy that will identify how employers' pension liabilities will be met going forward.
 - support the desirability of maintaining as constant and stable primary contribution rate as possible, as defined in Regulation 62(5) of the Local Government Pension Scheme (England and Wales) Regulations 2013 and Regulation 60 of the Local Government Pension Scheme (Scotland) Regulations 2018
 - ensure that the regulatory requirements to set contributions to ensure the solvency and long-term cost efficiency of the fund.
 - explain how the fund balances the interests of different employers.
 - explain how the fund deals with conflicts of interest and references other policies/strategies.
- e) A key activity when reviewing and developing the FSS is the communication and engagement activities with the appropriate persons during the consultation period and allowing suitable timescales for all employers and any other relevant stakeholders (e.g., guarantors) to participate.
- f) The Scheme Advisory Board (SAB), the Chartered Institute of Public Finance and Accountancy (CIPFA) and Ministry of Housing, Communities and Local Government (MHCLG) jointly produced the updated guidance "*Guidance for*

Preparing and maintaining a Funding Strategy Statement” published in January 2025.

- g) In line with the above guidance, a draft engagement plan has been developed setting out how the fund plans to engage with employers and other parties as appropriate. The Draft Engagement Plan can be found attached as Appendix A.
- h) As set out in the guidance, process oversight is a key role for the Local Pensions Board in the creation of the FSS and is in line with the duty to assist in the oversight of governance and administration. Practically, this could mean sharing the consultation engagement plan with the Board, so they can input their understanding of how best to engage with the groups they represent.
- i) The LPB to consider the proposed Engagement Plan as per Appendix A and provide input on how best to communicate and engage with stakeholders.
- j) The pensions committee will be presented with the DRAFT FSS on the 11 November 2025 and will be asked to approve the draft be issued for consultation.
- k) On the 9 December 2025, prior to the completion of the actuarial valuation, the Pensions Committee will approve the final version of the FSS.
- l) When seeking approval of the FSS it will be explained how the consultation responses received have been taken account of in the final draft.

IMPLICATIONS AND RISKS

Financial implications and risks:

No direct financial implications for the development of an Engagement Plan and its production meets the requirement of guidance to seek the LPB's input on how best to communicate and engage with stakeholders.

Legal implications and risks:

In line with the LPB's statutory duty to assist in the oversight of governance and administration, it is recommended that the consultation engagement plan for the Funding Strategy Statement (FSS) be shared with the Board. This will enable members to contribute their insights on effective engagement strategies with the stakeholder groups they represent, thereby strengthening the consultation process and ensuring broader understanding and support.

Human Resources implications and risks:

There are no immediate HR implications.

Equalities implications and risks:

An EHIA (Equality and Health Impact Assessment) has not been completed and is not required for this decision. The Council seeks to ensure equality, inclusion, and dignity for all. There are no equalities and social inclusion implications and risks associated with this decision.

BACKGROUND PAPERS

Background Papers List

None