

# Croydon Council

<b>REPORT TO:</b>	<b>Pension Committee</b> <b>14 March 2023</b>
<b>SUBJECT:</b>	<b>Funding Strategy Statement and Satellite Policies</b>
<b>LEAD OFFICER:</b>	<b>Matthew Hallett – Acting Head of Pensions and Treasury</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> <b>Sound Financial Management:</b> The Pensions Committee is responsible to all Scheme Employers for the sound management of the Local Government Pension Scheme.	
<b>FINANCIAL SUMMARY:</b> The Strategy determines the underlying principles for the triennial valuation. The valuation sets the contribution rate for the Council and for all other Scheme employers.	

## 1. RECOMMENDATION

The Committee is recommended to:

- 1.1 Note the outcome of the recent consultation on the Funding Strategy Statement.
- 1.2 Adopt the Funding Strategy Statement, included as Appendix A.
- 1.3 Adopt the Policy on Contribution Reviews included as Appendix B
- 1.4 Adopt the Policy on Academies Funding, included as Appendix C
- 1.5 Adopt the Policy on Bulk Transfers, included as Appendix D
- 1.6 Adopt the Cessation Policy, included as Appendix E
- 1.7 Adopt the Prepayments Policy, included as Appendix F

## 2. EXECUTIVE SUMMARY

- 2.1 The Funding Strategy Statement, Appendix A, along with the satellite policies on Contribution Reviews; Appendix B, Academies Funding, Appendix C, Bulk Transfers, Appendix D, Cessation, Appendix E, and Prepayments, Appendix F, summarise Croydon Pension Fund's approach to funding its liabilities.

## 3. DETAIL

- 3.1 It is the responsibility of Croydon Council, acting in its capacity as Administering Authority to the Croydon Pension Fund, to prepare, publish and maintain the Fund's Funding Strategy Statement (FSS). The Fund reviews the FSS at least every three years alongside the valuation but also from time-to-time when required.

- 3.2 The Pension Committee considered a 2022 valuation update report and draft version of the revised FSS and associated satellite policies at the Committee meeting on 11 October 2022. That report provided the initial whole Fund results of the 2022 valuation and highlighted the key changes to the FSS since the last review in May 2021.
- 3.3 The revised FSS and satellite policies were approved in draft form by the Pension Committee on 11<sup>th</sup> October 2022. These documents were published on the Fund website for consultation with the Fund employers who were advised of this via email. All the Fund's academies were invited to attend a live webinar in January 2023 which was delivered by the Fund's Actuary from Hymans Robertson. A recording of the webinar was sent to all academies. Academies were given the opportunity to follow up with Officers if they had any queries regarding their individual contribution rates. The Fund's admitted bodies were sent a webinar recording specifically for admitted bodies which was again delivered by Hymans Robertson. Hymans Robertson engaged separately with Croydon College on behalf of the Fund, due to its unique status and as it is the second largest employer in the Fund. No comments have been received from the consultation which has now ended.
- 3.4 Following the end of the consultation, the committee is asked to adopt the draft FSS and satellite policies appended to this report (Appendices A to F) as the final versions. This will allow the Fund Actuary to sign off the final valuation report by the statutory deadline of 31 March 2023.
- 3.5 Officers are working with Hymans to complete the valuation process. It is expected that this work will be completed ahead of 31 March 2023.
- 3.6 There is no requirement for the final report or the rates and adjustments certificate to be agreed by the Committee.

#### **4. CONSULTATION**

- 4.1 The Fund Actuary has been consulted on the content of this report and the valuation process. Fund employers have been consulted on the FSS and satellite policies and have been provided with the opportunity to engage with the Fund Actuary on their own valuations.

#### **5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 5.1 There are no further financial or risk assessment considerations arising from this report.

**Approved by:** Alan Layton on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

## **6. LEGAL CONSIDERATIONS – COMMENTS OF BURGESS SALMON LLP**

- 6.1 Burges Salmon LLP ( a legal advisor appointed to the Pension Fund) comments that an administering authority has a duty to prepare, maintain and review their Funding Strategy Statement under Regulation 58 of the Local Government Pension Scheme Regulations 2013 (“the 2013 Regulations”). Regulation 58 of the 2013 Regulations require the Administering Authority to have regard to the “Guidance on Preparing and Maintaining a Funding Strategy Statement” published by CIPFA and the current version of its Investment Strategy Statement which is required to be prepared and published under Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 .

## **7. HUMAN RESOURCES IMPACT**

- 7.1 There are no immediate workforce impacts arising from this report but the pension scheme is an important staff benefit for recruitment and retention.

**Approved by:** Gillian Bevan, Head of Human Resources on behalf of Dean Shoesmith, Chief People Officer

## **8. EQUALITIES IMPACT**

- 8.1 There are no equalities impacts arising from this report.

**Approved by:** Denise McCausland Equality Programme Manager

## **9. ENVIRONMENTAL IMPACT**

- 9.1 There are no environmental impacts arising from this report.

## **10. CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 There are no crime and disorder impacts arising from this report.

## **11. DATA PROTECTION IMPLICATIONS**

- 11.1 Will the subject of the report involve the processing of ‘personal data’?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

**Approved by:** Alan Layton on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

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**CONTACT OFFICER:**

**Matthew Hallett – Acting Head of Pensions and Treasury**

**BACKGROUND DOCUMENTS:**

None.

**APPENDICES**

Appendix A: The Funding Strategy Statement.

Appendix B: Contribution Reviews Policy

Appendix C: Academies Funding Policy

Appendix D: Cessation Policy

Appendix E: Bulk Transfers Policy

Appendix F: Prepayments Policy