

Croydon Council

REPORT TO:	Pension Committee 17 March 2020
SUBJECT:	Funding Strategy Statement
LEAD OFFICER:	Nigel Cook Head of Pensions and Treasury
CABINET MEMBER	Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: Sound Financial Management: the Pensions Committee is responsible to other Scheme Employers for the sound management of the Local Government Pension Scheme.	
FINANCIAL SUMMARY: 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.

2. EXECUTIVE SUMMARY

- 2.1 The Funding Strategy Statement, Appendix A, summarises the Croydon 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 2019 valuation update report and draft version of the revised FSS at its 11th February meeting (following the postponement of the December meeting). That report provided the headline results of the 2019 valuation and highlighted the key changes to the FSS since the last review in 2017. The report also provided context in how the strategy relates to key stakeholders (including how it is used to set employer contribution rates) and the investment strategy for the Fund. The report also highlighted to the Committee, the proposed approach to be adopted for consultation on the review.
- 3.3 The revised FSS was approved in draft form by the Pension Committee on 11th February 2019.
- 3.4 Working alongside the Fund Actuary, Fund Officers have now completed the consultation period with employers around the revised FSS and their individual 2019 valuation results and contribution rates. This consultation included an Employer Forum on 27th January 2020 - which offered a surgery slot with the Fund Actuary, to discuss their own individual results and questions.
- 3.5 The Forum was attended by representatives from:
- Atwood Academy
 - The Harris Federation
 - The Collegiate Trust
 - PACE Academy Trust (Chipstead Valley)
 - Croydon College
 - Oasis Community Learning Academy Trust
 - NMBEC Norbury Manor Business and Enterprise College for Girls (Norbury Manor)
 - Croydon Community Mediation
- 3.6 Following the end of the consultation, the final version of the FSS, is attached to this report as Appendix A. This contains only minor administration updates since the approved draft version (e.g. updating the effective date, consultation dates and officer contact details).
- 3.4 The Committee is asked to note the outcome of the recent consultation on the FSS, represented by the final version of the FSS and to adopt the FSS, appended.
- 3.5 Based on the final FSS, Fund Officers will work alongside the Fund Actuary to finalise the required rate of employers' contributions to the Fund for the period from 1 April 2020 to 31 March 2023 (set out in the Rates and Adjustments certificate). This report must be published no later than by 31 March 2020.

4 FINANCIAL CONSIDERATIONS

- 4.1 There are no further financial considerations flowing from this report.

Approved by: Lisa Taylor, Director of Finance, Investment and Risk, S. 151 Officer.

5. OTHER CONSIDERATIONS

- 5.1 Other than the considerations referred to above, there are no Customer Focus, Equalities, Environment and Design, Crime and Disorder or Human Rights considerations arising from this report

6. COMMENTS OF THE SOLICITOR TO THE COUNCIL

- 6.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance 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 .

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Law and Governance and Deputy Monitoring Officer.)

7. FREEDOM OF INFORMATION

- 7.1 This report contains only information that can be publicly disclosed.

8 DATA PROTECTION IMPLICATIONS

- 8.1 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: Lisa Taylor, Director of Finance, Investment and Risk, S151 Officer

9. HUMAN RESOURCES CONSIDERATIONS

- 9.1 There are no immediate workforce implications arising from the recommendations within this report. The pension scheme is an important benefit for the LBC workforce both for recruitment and retention.

Approved by: Sue Moorman, Director of Human Resources

CONTACT OFFICER:

PEN 17032020

Nigel Cook, Head of Pensions and Treasury,
Resources Department, ext. 62552.

BACKGROUND DOCUMENTS:

None.

Appendices

Appendix A: Draft Funding Strategy Statement