

Pension Fund Committee

Meeting to be held on Friday, 7 February 2020

Electoral Division affected: (All Divisions);
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Draft Funding Strategy Statement (Appendix 'A' refers)

Contact for further information: Abigail Leech (01772) 530808, Head of Fund
abigail.leech@lancashire.gov.uk

Executive Summary

This report relates to the draft Funding Strategy Statement which the Lancashire County Pension Fund is required to produce under the terms of the Local Government Pension Scheme Regulations to support the current on-going valuation of the Fund.

Recommendation

The Committee is asked to note the contents of the draft Funding Strategy Statement as set out at Appendix 'A', and invited to provide any comments to the Head of Fund for consideration as part of the on-going consultation process.

Background and Advice

The draft Funding Strategy Statement set out at Appendix 'A' has been prepared by Lancashire County Council (the Administering Authority) to set out the funding strategy for the Lancashire County Pension Fund, as required by legislation.

Ensuring that the Fund has sufficient assets to meet its pension liabilities in the long term is the fiduciary responsibility of the Administering Authority. The long term objective is for the Fund to achieve this 100% solvency level over a reasonable time period and then maintain sufficient assets in order for it to pay all benefits arising as they fall due.

The strategy adopted by the Fund will therefore be critical in achieving this. The purpose of the Funding Strategy Statement is to set out this strategy as it applies to each Fund employer.

The general principle is that the assumptions used, taken as a whole, will be sufficiently prudent for pensions already in payment to continue to be paid, and to reflect the commitments that will arise from members' accrued pension rights.

The draft Funding Strategy Statement has been developed alongside the Fund's investment strategy on an integrated basis taking into account the overall financial and demographic risks inherent in the Fund.

Given this, and in accordance with governing legislation, all interested parties connected with the Fund were consulted with and given the opportunity to comment on this Funding Strategy Statement.

All active scheme employers in the Fund, as well as members of the Lancashire Local Pension Board have been consulted on the draft Statement and asked for views by the 31st January 2020. Responses received have been taken into account when finalising the draft and at the meeting the Head of the Pension Fund will update the Committee on any additional responses received.

The Committee is asked to note the contents of the draft statement and are invited to provide any comments they may have for consideration as part of this on-going consultation.

The final version of the statement will be presented to the committee at its meeting on 6 March for approval.

Consultations

In preparing this draft the Fund's Actuary, Mercer have been consulted on the details of the Funding Strategy Statement.

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
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N/A		
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Reason for inclusion in Part II, if appropriate

N/A
