

**CAMBRIDGESHIRE
PENSION FUND**



Pension Fund Committee

14th January 2020

Report by: Head of Pensions

Subject:	Valuation of the Fund
Purpose of the Report:	To provide the Pension Fund Committee with an update on the Pension Fund valuation.
Recommendations:	The Pension Fund Committee is asked to note the valuation update.
Enquiries to:	Name - Cory Blose – Employer Services and Systems Manager Tel – 07990 560829 E-mail – cblose@northamptonshire.gov.uk

1. Background

- 1.1 Fund officers are currently working on a number of activities with the Fund Actuary to complete the valuation of the Pension Fund. This work will continue throughout the 2019/2020 scheme year, culminating in the publication of the valuation report and the rates and adjustments certificate by 31 March 2020.
- 1.2 The purpose of this paper is to provide an update on these activities.

2. Valuation progress update

2.1 Employer Valuation Results

At the time of publication of this paper, Fund officers were due to meet with the Actuary in mid-November to review and discuss individual employer valuation results. Following this meeting the draft results will be issued to employers. A verbal update will be provided to give the Committee an overview of trends from the employer results.

2.2 Funding Strategy Statement Consultation

Following comment and approval at the last Committee meeting, the Funding Strategy Statement has been updated and, at the time of drafting this report, is planned to be issued to employers for consultation, alongside their individual valuation results. This will allow them to assess the impact of the strategy on their individual circumstances. The consultation will close six weeks after issuing the employer valuation results. This will be confirmed verbally at the Committee meeting.

2.3 **Employer Engagement**

In addition to draft employer results, and the draft Funding Strategy Statement being issued to employers, an employer forum is set to be held on 4 December at Girton College.

2.4 The agenda will be focussed on the valuation with the whole Fund results being presented to employers alongside a summary of the draft Funding Strategy Statement and an overview of the process and main trends from the individual employer valuations.

2.5 Employers will also be provided with the opportunity to book a surgery session with the actuary to discuss their own results more directly.

2.6 **Employer Covenant Monitoring**

Following a high level risk assessment carried out by our actuary, officers identified that charitable employers with no guarantor, housing associations and further education colleges presented the largest risk to employers.

2.7 In the case of each of these types of employers, any shortfall in funding that cannot be collected from these employers at cessation would need to be spread across all employers in the Fund.

2.8 A desktop exercise is now being carried out with employer covenant questionnaires being issued to relevant employers. Depending on the results of these questionnaires, further analysis by a covenant expert may be undertaken.

3. **Relevant Pension Fund Objectives**

To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance. (Objective no 1)
To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. (Objective 2)
To ensure that the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment. (Objective no 3)
To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. (Objective no 5)
To Ensure employer contributions are as stable as possible, recognising the characteristics, circumstances and affordability constraints of each employer. (Objective no 9)
To seek and review regular feedback from all stakeholders and use the feedback appropriately to shape the administration of the Fund. (Objective no 15)

4. Finance and Resources Implications

4.1 None

5. Risk Implications

5.1 None

6. Communication Implications

6.1 Not applicable

7. Legal Implications

7.1 Not applicable

8. Consultation with Key Advisers

8.1 Consultation with the Fund Actuary was undertaken for this report.

9. Equality Screening

Reason that no Equality Assessment is required	✓ as appropriate
The paper is for information only	✓
The proposal/activity/decision has no impact on customers (scheme members) or the service they receive	
The proposal impacts upon staff but the proposed staffing changes will not affect the service that customers receive	
Other (please explain further)	

10. Alternative Options Considered

10.1 Not applicable

Checklist of Key Approvals	
Has this report been cleared by Section 151 Officer?	Sarah Heywood – 17 th December 2019
Has this report been cleared by Head of Pensions?	Mark Whitby – 2 nd December 2019
Has the Chairman of the Pension Fund Committee been consulted?	Councillor Rogers – 17 th December 2019
Has this report been cleared by Legal Services?	Fiona McMillan – 4 th December 2019