

**Decision Maker:** Pensions Investment Sub-Committee

**Date:** 19<sup>th</sup> August 2014

**Decision Type:** Non-Urgent                      Non-Executive                      Non-Key

**Title:** FUNDING STRATEGY STATEMENT

**Contact Officer:** Martin Reeves, Principal Accountant (Technical & Control)  
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**Chief Officer:** Director of Finance

**Ward:** All

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1. Reason for report

Following a detailed review in conjunction with the Pension Fund's actuary, Mercer, this report submits a revised and updated Funding Strategy Statement.

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**RECOMMENDATION(S)**

**The Sub-Committee is asked to:**

**2.1 Note the report and agree the revised Funding Strategy Statement set out in Appendix 1.**

## Corporate Policy

1. Policy Status: Existing policy. The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations 2013, for the purpose of providing pension benefits for its employees. These regulations allow local authorities to use all the established categories of investments, e.g. equities, bonds, property etc, and to appoint external investment managers who are required to use a wide variety of investments and to comply with certain specific limits.
  2. BBB Priority: Excellent Council.
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## Financial

1. Cost of proposal: No cost
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: Pension Fund
  4. Total current budget for this head: £33.3m expenditure in 2013/14 (pensions, lump sums, admin, etc); £45.5m income (contributions, investment income, etc); £626m total fund value at 31st March 2014)
  5. Source of funding: Contributions to Pension Fund
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## Staff

1. Number of staff (current and additional): 0.4 fte (current)
  2. If from existing staff resources, number of staff hours: c14 hours per week
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## Legal

1. Legal Requirement: Statutory requirement. Local Government Pension Scheme (LGPS) Regulations 2013
  2. Call-in: Call-in is not applicable.
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 5,339 current employees; 4,890 pensioners; 4,847 deferred pensioners (as at 30<sup>th</sup> June 2014)
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

3.1 Under Regulation 35 of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended) and the guidance paper issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) Pensions Panel, the Council is required to prepare, publish and maintain a Funding Strategy Statement (FSS) for its Pension Fund. While these regulations have technically been revoked and replaced by the LGPS Regulations 2013, in practice the provisions within those Regulations are still saved for those members to whom they apply. The FSS for the London Borough of Bromley Pension Fund was last updated in 2011 and, following a detailed review, a revised statement, which incorporates the results of the full triennial valuation of the Fund as at 31<sup>st</sup> March 2013, is attached for approval at Appendix 1.

### 4. POLICY IMPLICATIONS

4.1 The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations 2013, for the purpose of providing pension benefits for its employees. These regulations allow local authorities to use all the established categories of investments, e.g. equities, bonds, property etc, and to appoint external investment managers who are required to use a wide variety of investments and to comply with certain specific limits.

### 5. FINANCIAL IMPLICATIONS

5.1 None at this stage.

<b>Non-Applicable Sections:</b>	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	LGPS Regulations 2013. LGPS Regulations 2007 and LGPS (Administration) Regulations 2008. Triennial valuation of the Pension Fund as at 31 <sup>st</sup> March 2013