

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CLWYD PENSION FUND COMMITTEE**

DATE: **26th NOVEMBER 2015**

REPORT BY: **CHIEF OFFICER (PEOPLE AND RESOURCES)**

SUBJECT: **2016 ACTUARIAL VALUATION**

1.00 PURPOSE OF REPORT

- 1.01 To update Committee Members on the actuarial valuation project, including key milestones, communications with employers and other events.
- 1.02 This is the first report of what is anticipated to be a series of regular reports for all Committee meetings throughout 2016/17 until the conclusion of the project. Future reports will be updated as progress is made and developments occur.

2.00 BACKGROUND

- 2.01 Legislation requires that every three years, an actuarial valuation is performed by the Fund Actuary in order to assess the overall funding position of the Fund, and to determine the employer contributions for the following three years.
- 2.02 The actuarial valuation represents a major activity in managing the Clwyd Pension Fund and acts as a key Governance tool to shape its direction. It will be the first actuarial valuation completed following the implementation of the new CARE scheme structure, and will also be the first one completed under the new Governance structure of the Clwyd Pension Fund.
- 2.03 This will also be the first actuarial valuation completed under the new Public Service Pensions Act 2013 (PSPA) which requires the Government Actuary's Department (GAD) to undertake its own valuation of the aggregate LGPS (ie all Funds) on behalf of HM Treasury and the DCLG/Scheme Advisory Board at the same date. This will allow analysis of the effects of experience on the overall cost of the scheme and the results will feed into the Cost Management considerations.
- 2.04 Alongside this (although technically a separate exercise), a key change at this valuation is that there will be a further degree of scrutiny for individual Funds carried out under Section 13 of the PSPA. GAD will review the individual Fund valuations to assess the adequacy of the employer contributions set and the robustness of the funding strategy as regards ensuring each Fund's solvency (ie the ability to pay all Fund benefits as they fall due) and "cost efficiency" as set out in the PSPA.

3.05 It is anticipated that an employer meeting/workshop will be held as soon as is practicable after 31 March 2016, in order to provide more information on the strategic direction of the Fund and the results likely to emerge at whole Fund level. Invitations will be extended to further groups of participating employers (eg Colleges and Town and Parish Councils) at this stage.

3.06 Detailed employer results are planned to be provided to all employers around October 2016, alongside an invitation to feed in comments on the draft Funding Strategy Statement.

4.00 RECOMMENDATIONS

4.01 It is recommended that all Committee members note this report and the intention to add it to the regular reports produced until the actuarial valuation is completed.

5.00 FINANCIAL IMPLICATIONS

5.01 None directly as a result of this report.

6.00 ANTIPOVERTY IMPACT

6.01 None directly as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None directly as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None directly as a result of this report

10.00 CONSULTATION REQUIRED

10.01 None directly as a result of this report

11.00 CONSULTATION UNDERTAKEN

11.01 None directly as a result of this report

12.00 APPENDICES

12.01 None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None

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