

Funding Strategy Statement

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<i>Executive Portfolio Holder:</i>	Not applicable
<i>Division and Local Member:</i>	Not applicable

1. Summary

- 1.1 The Fund is required under section 58 of the LGPS Regulations (2013), as amended, to publish and maintain a Funding Strategy Statement (FSS). The FSS sets out the Somerset Fund's strategy for its funding. The FSS is drafted in consultation with the Fund's actuary (Barnett Waddingham) and is typically refreshed immediately after the triannual valuation exercise to reflect the most recent valuation.
- 1.2 In addition to a general refresh of the FSS for the first time it reflects the Fund's position on exit credits. The draft attached as appendix A incorporates the Fund's proposed position including being in line with the latest amendment regulations laid before parliament on 27th February and coming into force on 20th March 2020.
- 1.3 It is a requirement for us to consult with employers on the FSS and as such this is pre-consultation draft. It is anticipated that the FSS will come back to the June meeting for formal adoption following the consultation exercise.

2. Issues for consideration

- 2.1 The Committee is asked to note the revised Funding Strategy Statement (attached at appendix A) and to consider whether it wishes to make any comments prior to consultation with Fund Employers.

3. Next Steps

- 3.1 The next stage will be to launch a consultation with Fund employers. It is anticipated that the consultation will run through part of April and part of May 2020. Employers will be invited to review and comment on the revised FSS.
- 3.2 Once any comments have been received, a further report will be brought to the Committee, outlining any suggested revisions, and the Committee will be asked to approve the revised FSS.

3.3 It is anticipated that the FSS will be brought back to Committee at the June 2020 meeting.

4. Consultations undertaken

None

5. Financial Implications

5.1 The FSS is a key component of managing the funding level of the Fund and ensuring in the long term sufficient assets are built up to cover the Fund's liabilities.

6. Background Papers

None

Note For sight of individual background papers please contact the report author.