

Essex Pension Fund Board	EPB/24/11
date: 28 September 2011	

2011 Interim Funding Review

Joint Report by the Fund Actuary and the Group Manager Investments

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1. Purpose of the Report

- 1.1 To provide the Board with an update on the Interim Funding Review undertaken by Paul Middleman, Fund Actuary as at 31 March 2011.

2. Recommendations

- 2.1 That the 31 March 2011 Interim Funding Review report be noted.
- 2.2 That no changes, at this time, are made to the Essex Pension Funds' Funding Strategy Statement.

3. Background

- 3.1 All Local Government Pension Scheme Funds are required to have a full Actuarial Valuation every three years. The last such Valuation was as at 31 March 2010, and the next is due as at 31 March 2013.
- 3.2 Alongside Actuarial Valuations, Funds are required to produce, consult on, and publish a Funding Strategy Statement (FSS). The Board agreed the FSS at its meeting on 9 March 2011 and a copy of the FSS is attached at Annex B for information.
- 3.3 The objectives of the FSS include “to determine employer contribution requirements recognising the desirability of maintaining as nearly constant employer contributions as possible”.
- 3.4 In the intervening years between Actuarial Valuations, Funds have the discretion to commission Interim Funding Reviews.
- 3.5 Included within the 2011/12 Business Plan are the following two actions:
 - An interim review of the Fund as at 31 March 2011 will be commissioned from the Actuary;
 - In conjunction with the Interim Review, and in discussion with the Actuary, the Funding Strategy Statement will be reviewed to ensure that it remains appropriate.

4. Interim Funding Review 31 March 2011

- 4.1 The Actuary has now completed this Review, and a summary is attached to this report at Annex A.
- 4.2 At the Board meeting, the Actuary will take Members through a presentation on the Interim Funding Review, with the opportunity for questions and discussion.

5. Recommendation

- 5.1 Following discussion of the Actuary’s presentation Members will be asked to consider the recommendation that, at this time, no change is made to the Funding Strategy Statement.

6. Link to Essex Pension Fund Objectives

- 6.1 One of the Fund’s key objectives is “within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined by the FSS”.

7. Risk Implications

- 7.1 Both the Interim Funding Review as at 31 March 2011, and reviewing the FSS in conjunction with the Interim Funding Review are intended to monitor progress towards (including risks to that progress) achieving assets equal to 100% of liabilities.

8. Communication Implications

- 8.1 The next Employer Forum will include a presentation on the results of the 31 March 2011 Interim Funding Review.

9. Finance and Resources Implications

- 9.1 Arrangements will be required for communicating the results of the Interim Review at the next Employer Forum.

10. Background Papers

- 10.1 The 2011 Essex Pension Fund Funding Strategy Statement