

Essex Pension Fund Strategy Board	EPB/19/17
date: 13 September 2017	

Colleges Review

Report by the Employer Relationship Manager

Enquiries to Sara Maxey on: 0333 0138496

1. Purpose of the Report

1.1 To provide an update on the colleges review.

2. Recommendations

2.1 That the Board should note the report.

3. Background

- 3.1 At its meeting on 8 March 2017, the Board received a report on the Actuarial Valuation and Funding Strategy. Within this report a response to FEDEC (Federation of Essex Colleges) sent out on 11 January 2017 was attached.
- 3.2 The response to FEDEC following Board approval provided a transitional year for the valuation outcomes whilst Department for Education completed the Further Education and Sixth for college area review.
- 3.3 A final report has now been issued following the conclusion of the area review.

4. Further education and sixth form colleges area review

- 4.1 The Department for Education have concluded the area review and published in August 2017 the recommendations for Essex affected institutions, the outcomes are attached in annex A. The full report is available using the following link: <https://www.gov.uk/government/publications/greater-essex-further-education-area-review>
- 4.2 Pension Fund officers have reviewed the report and are discussing the outcomes with the Funds Actuary.
- 4.3 The Fund will commence discussions with the Further Education institutions and report back to the Board at its December meeting.

5. Risk Implications

- 5.1 A failure to monitor employer's liabilities which could lead to an inappropriate funding strategy and unrecovered debt on cessation of participation in the Fund.

6. Link to Essex Pension Fund Objectives

- 6.1 To manage employers liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives.
- 6.2 Minimise unrecoverable deficit on termination of employer participation.

7. Background Papers

- 7.1 Agenda item 16, PSB 16 September 2016.
- 7.2 Agenda item 11(PT II), PSB 21 December 2016