

<b>Essex Pension Fund Strategy Board</b>	<b>PSB 12a</b>
<b>Date: 07 July 2021</b>	

## **Amendments to Funding Strategy Statement**

Report by the Employer Manager

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### **1. Purpose of the Report**

- 1.1 To provide the Board with an update in regard to the Out of Committee Decision Making Process on the Fund's Flexibilities Policies.

### **2. Recommendations**

- 2.1 That the Board note the content of the report.

### **3. Background**

- 3.1 This paper provides an update in regard to an Out of Committee decision.

### **4. Out of Committee Process and Consultation on Flexibilities Policies**

- 4.1 At the 16 December 2020 meeting, the Board were updated on the introduction of Employer Flexibilities to help manage Employers when exiting the Fund.
- 4.2 Officers sought approval to use the Out of Committee Process to develop the Policies due to the late issue of Statutory Guidance.
- 4.3 The Chairman and Vice Chairman of the Essex Pension Fund Strategy Board (PSB) were sent the draft Policies for comment and approval to use the Out of Committee Decision Making Process on 06 April 2021.
- 4.4 Board Members and Scheme Employers were sent the Consultation documents on 15 April 2021.
- 4.5 The closing date for comments to be received was 30 April 2021. Following the end of the Consultation, no comments were received and therefore the Policies were subsequently approved, and the Funding Strategy Statement was updated to reflect these Policies.

### **5. Link to Essex Pension Fund Objectives**

- 5.1 Prudently set levels of employer contributions that aim to achieve a fully funded position in the timescales determined in the Funding Strategy Statement.
- 5.2 Recognise in drawing up its Funding Strategy the desirability of employer contribution rates that are as stable as possible.
- 5.3 To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption, where necessary, of employer specific funding objectives.

### **6. Risk Implications**

- 6.1 The Fund maintains a full Risk Register. Risks are reviewed periodically and reported to the Board on a quarterly basis with a full review undertaken annually.

## **7. Background Papers**

7.1 Employer Update, PSB 12a, 16 December 2020.

7.2 The published Funding Strategy can be found at:

<https://www.essexpensionfund.co.uk/media/6333/funding-strategy-statement-v4-updated-6-apr-21.pdf>