

SOUTH YORKSHIRE PENSIONS AUTHORITY

16 February 2012

Report of the Clerk and Treasurer

FUNDING STRATEGY STATEMENT REVIEW

1. Purpose of the Report

To seek adoption of a slightly revised version of the Funding Strategy Statement.

2. Recommendations

Members are recommended to adopt the revised Funding Strategy Statement with effect from March 2012.

3. Information

- 3.1 The 2008 LGPS (Administration) Regulations require the Authority to prepare, maintain and publish a written statement setting out the Fund's funding strategy. In doing so, regard must be had to the guidance published by CIPFA and the Authority's own Statement of Investment Principles.
- 3.2 The Funding Strategy Statement (FSS) was last reviewed in March 2011 as part of the 2010 actuarial valuation process and the implementation of new employers' contribution rates from April 2011.
- 3.3 The FSS requires a full review of the Statement to take place not less frequently than every three years to coincide with the completion of a full actuarial valuation. However, it is appropriate for the Authority to monitor the progress of the funding strategy between valuations in case any significant event has taken place that might impact on or warrant a change in the funding strategy.
- 3.4 The Statement has been reviewed and no changes are considered to be required at this time other than to incorporate the revised customised asset allocation benchmark which became effective in October last year. The revised version is attached as an appendix. The next full review will take into account preparations for the 2013 actuarial valuation. There are likely to be significant changes because it will need to reflect the restructuring of the Scheme from April 2014.

4. Implications

- **Financial** - None
- **Legal** - None
- **Diversity** - None
- **Risk** The Authority is the formal decision-making body for all matters regarding the LGPS and needs to be in a

position to monitor and respond to changes that affect the working of the Scheme. There is an unquantifiable reputational risk associated with failing to do so.

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Background papers used in the preparation of this report are available for inspection in the Pensions Administration Unit.