

**Report for:** Pensions Committee and Board – 01 December 2025

**Item number:**

**Title:** Haringey Pension Fund Actuarial Valuation 2025

**Report authorised by:** Taryn Eves, Corporate Director of Finance and Resources  
(Section 151 Officer)

**Lead Officer:** Jamie Abbott, Head of Pensions  
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**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Not applicable

## **1. Describe the issue under consideration**

- 1.1. This report provides the Pensions Committee and Board (PCB) with information regarding the 2025 actuarial valuation exercise which is currently underway, and which will be a recurring item for several of the upcoming PCB meetings.
- 1.2. This report also covers initial advice on assumptions from the Pension Fund's actuary, Hymans Robertson, the initial actuarial valuation results for the whole fund, an overview of the Funding Strategy Statement review, as well as a general update on the progress made to date.

## **2. Cabinet Member Introduction**

- 2.1. Not applicable

## **3. Recommendations**

The Pensions Committee and Board is recommended:

- 3.1. To note Hymans Robertson's Advice on Assumptions paper, appended as Confidential Appendix 1, and the advice contained therein.
- 3.2. To agree the methodology and valuation assumptions proposed by the Pension Fund's actuary, Hymans Robertson as outlined in Confidential Appendix 1 to this report.
- 3.3. To note Haringey Pension Fund's draft Actuarial Valuation Results paper, prepared by the Pension Fund's Actuary, Hymans Robertson and appended as Confidential Appendix 2, and the advice contained therein.

- 3.4. To note Asset Liability Management paper appended as Confidential Appendix 3 to this report.
- 3.5. To note the overview of the draft Funding Strategy Statement, appended as Confidential Appendix 4 to this report.

#### **4. Reason for Decision**

- 4.1. Haringey Council, in its role as the Administering Authority for the Haringey Pension Fund, is required by law to undertake an actuarial valuation of the Pension Fund's assets and liabilities, every three years.
- 4.2. The Council has delegated the responsibility to exercise all the Council's functions as the Pension Fund's Administering Authority to the Pensions Committee and Board.

#### **5. Other options considered**

- 5.1. All the relevant options under consideration are detailed in Hymans Robertson's Advice on Assumptions paper, appended as Confidential Appendix 1 to this report.

#### **6. Background information**

- 6.1. The Pension Fund is required to undertake an actuarial valuation of the Pension Fund's assets and liabilities, every three years. This exercise, also referred to as the "triennial valuation", determines the contribution rates payable by the scheme's employers, which include Haringey Council, for the next three years from 1 April 2026. Scheme benefits and contributions payable by employees are determined by the Local Government Pension Scheme (LGPS) regulations.
- 6.2. Employer contribution rates are set such that there are enough assets to meet future benefit payments, within the agreed funding time horizon. Due to the uncertainty regarding the events that may occur over the funding time horizon, assumptions are required.
- 6.3. There are two main types of assumptions, financial assumptions such as inflation and expected investment returns; and demographic assumptions which estimate scheme members life expectancy. The table below summarises the key assumptions which are set out in further detail in Confidential Appendix 1 for the PCB's consideration.
- 6.4. However, it is important to note that the overall funding level does not directly drive individual employer contribution rates. This is done separately using a combination of numerous factors specific to each employer's particular position in the Pension Fund. This work will be undertaken in the coming weeks, and officers will consult with employers on their individual contribution rates prior to them being finalised.

**Table 1 – Summary of Key Assumptions**

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Discount rate</b>                        | A discount rate is required to place a prudent value of benefits due after the funding time horizon. This value determines each employer's funding objective and impacts on the amount of money the Pension Fund is willing to hold to meet future benefit payments as well as the Pension Fund's target for investment returns.                                                                                                            |
| <b>Consumer Price Index (CPI) Inflation</b> | LGPS scheme member benefits are increased by CPI inflation each year to adjust for the changes in the cost of living, the rate from September is used. An increase in the assumed future inflation will increase inflation linked liabilities.                                                                                                                                                                                              |
| <b>Salary increases</b>                     | This is the assumed increase in employee pay which particularly impacts on benefits paid to members for service earned prior to 31 March 2014, when the scheme changed from Final Salary to CARE.                                                                                                                                                                                                                                           |
| <b>Funding Level</b>                        | <p>A key output of the valuation is a measurement of past service liabilities at the valuation date to determine the funding level. An assessment of the likelihood of achieving the assumed future investment return will be required. This is referred to as the prudence level.</p> <p>The prudence level does not affect employer contributions and is mainly applied when reporting and tracking the Pension Fund's funding level.</p> |
| <b>Longevity assumptions</b>                | Longevity assumptions impact on how long the Pension Fund can expect to pay a pension to each member and their dependants. An analysis of longevity is carried out by Club Vita, a firm of longevity experts who have partnered up with Hymans Roberson for this work.                                                                                                                                                                      |

- 6.5. A detailed assessment of the assumptions under consideration is included in Confidential Appendix 1 to this paper.

### **Funding Position**

- 6.6. The funding position compares the future projected benefit payments for current members set against the Pension Fund's assets as at the valuation date. The initial results show that the Pension Fund's funding position as at 31 March 2025 has improved significantly since the 2022 valuation exercise .
- 6.7. The main factors driving the funding position improvement has been the strong investment returns over the past 3 years, coupled with higher than expected interest rates for a prolonged period of time.
- 6.8. Further details regarding the draft actuarial valuation results are included in Confidential Appendix 2 to this paper.

### **Funding Strategy Statement (FSS) Review**

- 6.9. Under the LGPS Regulations, all funds have a statutory obligation to produce an FSS. The FSS focuses on how employer liabilities are measured, the pace at which these liabilities are funded, and how employers pay for their own liabilities.
- 6.10. The FSS is therefore an integral part of the actuarial valuation and is prepared by the Pension Fund, in collaboration with the Fund Actuary. The 2025 review undertaken by the Fund Actuary has focused on the adapting the FSS to the changing regulations and environment within which the Fund operates. The outcome of this review is detailed in Confidential Appendix 4 to this report
- 6.11. LGPS Regulations require the FSS to be subject to formal consultation. This is expected to start by December 2025. The PCB will be asked to approve the final version of the FSS at a future meeting.

### High Level Valuation Timetable

- 6.12. The table below outlines the high-level timetable for the valuation process.

**Table 1 – Actuarial Valuation Timetable**

| Activity                                                                                                                                                                      | Key Dates                    | Progress Update |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------|
| <b>Assumptions advice and contribution rate modelling.</b> Hymans Robertson to provide training to the PCB in July 2025 and presented to the PCB on 11 September 2025         | September 2025               | Completed       |
| <b>Pension Fund data provision</b> to Hymans Robertson which includes fund membership, investment, and accounting data.                                                       | August 2025 – September 2025 | Complete        |
| <b>Whole Fund Results and Funding Strategy Statement.</b> Hymans Robertson to present the fund valuation results to the PCB on 01 December 2025                               | December 2025                | Complete        |
| <b>Employer results and consultation.</b> Officers to consult with employers on proposed Funding Strategy Statement and contribution rates for the 3 years from 1 April 2026. | December 2025 – January 2026 | On target       |
| <b>Final valuation report and Funding Strategy Statement.</b> Hymans Robertson to present final reports to the PCB at the March 2026 meeting.                                 | March 2026                   | On target       |

## 7. Contribution to Strategic Outcomes

7.1. Not applicable

**8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

Finance and Procurement

8.1. The advice on assumptions included in Hymans Robertson's report has various financial implications on the Pension Fund and the employers participating in the Haringey Pension Fund Local Government Pension Scheme. Finance comments related to these implications are contained throughout the report.

Comments of the Head of Legal and Governance (Monitoring Officer)

8.2. The Head of Legal and Governance (Monitoring Officer) has been consulted on the contents of this report. The Council, as administering authority must comply with certain obligations contained in the Local Government Pension Scheme Regulations 2013.

8.3. Under Regulation 58 must have a written statement setting out its funding strategy and keep the statement under review and, after consultation with such persons as it considers appropriate, make such revisions as are appropriate following a material change in the policy set out in the statement where there are revisions, publish the statement as revised.

8.4. Regulation 62 requires the administering authority to obtain an actuarial valuation of the assets and liabilities of its pension funds on 31 March in every third year from 31 March 2016. The relevant date for the purpose of this report is the 31 March 2025.

**Equalities**

8.5. Not applicable.

**9. Use of Appendices**

- 9.1. Confidential Appendix 1: Actuarial Valuation Assumptions Summary
- 9.2. Confidential Appendix 2: Draft Actuarial Valuation Results paper
- 9.3. Confidential Appendix 3: Haringey Council Contribution Modelling
- 9.4. Confidential Appendix 4: Draft Funding Strategy Statement

**10. Local Government (Access to Information) Act 1985**

10.1. Not applicable.