



<b>Report for:</b>	Pensions Committee 15 <sup>th</sup> December 2014	<b>Item number</b>	
<b>Title:</b>	Actuarial Valuation 2013 – “Like-for-Like” results		
<b>Report authorised by :</b>	Kevin Bartle, Assistant Director – Finance (CFO)		
<b>Lead Officer:</b>	George Bruce, Head of Finance – Treasury & Pensions george.bruce@haringey.gov.uk 020 8489 3726		
<b>Ward(s) affected:</b> N/A	<b>Report for Non Key Decision</b>		

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

- 1.1 The Actuary will present a comparison of the results of the 2013 actuarial valuation with those reported by other Local Government Pension Schemes (“LGPS”) and comment on the credibility of the Haringey plan to achieve full funding of liabilities.
- 1.2 The information contained in Appendix 1 is not for publication as it contains information classified as exempt under Schedule 12A of the Local Government Act in that it contains information relating to the business or financial affairs of any particular person (including the Authority holding that information).

## **2. Cabinet Member Introduction**

- 2.1 Not applicable.

## **3. Recommendations**

- 3.1 The report is for noting.

## **4. Other options considered**



## **5. Background information**

- 5.1 The Committee has appointed Hymans Robertson as the Scheme Actuary, responsible for assisting the Committee to prepare the Funding Strategy Statement and to determine the level of contributions payable by each employer.
- 5.2 The Actuary performs a tri-annual review of the promised scheme benefits and investments using assumptions agreed with the Committee to determine the funding level and required future contributions. The last actuarial valuation was as at 31<sup>st</sup> March 2013, at which date the Scheme funding level was 70% and the deficit £369 million. Contribution levels were determined for each employer. For the Council, contributions will increase by 2% from 22.9% between 2014 & 2016.
- 5.3 Hymans have identified that a wide range of assumptions were used to determine individual LGPS funding levels in 2013 making comparison of results imprecise. They have recalculated all the results using common assumptions. The attached report highlights the impact of using common assumptions and compares Haringey's funding position with other LGPS. The report concludes that Haringey's like for like ranking improved between valuations and that our funding position is strong relative to other LGPS.
- 5.4 The Actuary will provide training in advance of the meeting on their role, the basis on which contributions are calculated and the linkage between the funding level, actuarial assumptions and investment strategy.

## **6. Comments of the Chief Financial Officer and financial Implications**

- 6.1 The Committee has a difficult role in balancing the need to ensure that investments are sufficient to pay the promised benefits and contributions rates remain affordable. The Hymans report demonstrates that a credible funding plan is in place.

## **7. Assistant Director for Corporate Governance and Legal Implications**

- 7.1 The Assistant Director for Corporate Governance has been consulted on the content of this report. The report raises no legal issues.

## **8. Comments by the Independent Advisor**



**Haringey Council**

8.1 The “Like for Like” study undertaken by the Fund Actuary is clearly positive for the London Borough of Haringey Pension Fund. Most notably this study indicates the robustness of the Fund’s plan to achieve 100% funding over the longer term.

8.2 It is also noteworthy that the Hymans’ analysis shows that on a “like for like” basis Haringey’s position in the funding level league table improves from 81 to 49 as at the 2013 Actuarial Valuation and that on a “like for like basis” Haringey’s funding level was slightly better than the average LGPS Fund. This is reflection of the fact that the Fund and its Actuary, wisely applied, prudent assumptions in undertaking the 2013 Actuarial Valuation.

## **9. Equalities and Community Cohesion Comments**

9.1 There are no equalities issues arising from this report.

## **10. Head of Procurement Comments**

10.1 Not applicable

## **11. Policy Implications**

11.1 None.

## **12. Use of Appendices**

12.1 Appendix 1: Hymans Robertson – 2013 Valuations “Like-for-Like” Results.

12.2 The information contained in Appendix 1 is not for publication as it contains information classified as exempt under Schedule 12A of the Local Government Act in that it contains information relating to the business or financial affairs of any particular person (including the Authority holding that information).

## **13. Local Government (Access to Information) Act 1985**

13.1 Not applicable.