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**FUNDING STRATEGY STATEMENT**

**Report by Chief Financial Officer**

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**PENSION FUND COMMITTEE**

**12 September 2013**

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**1 PURPOSE AND SUMMARY**

- 1.1 **This report provides the Pension Fund Committee with revised Funding Strategy Statement for the Scottish Borders Council Pension Fund.**

**2 BACKGROUND**

- 2.1 The Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 requires administering authorities to prepare, maintain and publish a Funding Strategy Statement. The current Funding Strategy Statement was last updated and approved in June 2010.
- 2.2 Appendix 1 provides an updated Funding Strategy Statement prepared by Barnett Waddingham the Fund's Actuary.

**3 RECOMMENDATIONS**

- 3.1 **It is recommended that the Pension Fund Committee:-**
- (a) Approves the Funding Strategy contained in Appendix 1;**
  - (b) Notes that the outcome of the review of the Statement of Investment Principles will be presented at the December meeting.**

## **4 FUNDING STRATEGY STATEMENT**

- 4.1 The draft Funding Strategy Statement is prepared independently by Barnett Waddingham the Fund's Actuary using information provided by Payroll and reflects the position at 31 March 2013.
- 4.2 The Funding Strategy Statement, contained in Appendix 1, covers the following sections:
- a) Introduction & Purpose of Funding Strategy Statement
  - b) Funding Objectives
  - c) Key Parties
  - d) Funding Strategy
  - e) Funding Method
  - f) Valuation Assumptions & Funding Model
  - g) Links with the Statement of Investment Principles
  - h) Risk & Counter Measures
  - i) Monitoring & Review
- 4.3 The outcome of the updated Funding Strategy Statement will be considered and incorporated into the current ongoing update of the Statement of Investment Principles and which is due to be completed for the December Pension Fund meeting.

## **5 IMPLICATIONS**

### **5.1 Financial**

There are no direct financial implications of this report. Any substantive changes arising from future funding strategies would have an impact on employers contribution rates. This would have a direct impact on the revenue budget.

### **5.2 Risk and Mitigations**

The purpose of providing this update to Committee is as part of improving the risk management framework for the Pension Fund to demonstrate that members understand the risks faced and how they propose to manage, mitigate or tolerate these risks.

### **5.3 Equalities**

It is anticipated that there are no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals in this report.

### **5.4 Acting Sustainably**

There are no direct economic, social or environmental issues with this report which would affect the Council's sustainability policy.

### **5.5 Carbon Management**

There are no direct carbon emissions impacts as a result of this report.

### **5.6 Rural Proofing**

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

### **5.7 Changes to Scheme of Administration or Scheme of Delegation**

No changes to the Scheme of Administration or Scheme of Delegation are required.

## 6 CONSULTATION

- 6.1 The Head of Corporate Governance, the Head of Strategic Policy, the Head of Audit and Risk, HR Manager and the Clerk to the Council been consulted and any comments have been incorporated into the report.

### Approved by

David Robertson  
**Chief Financial Officer**

**Signature .....**

### Author(s)

Name	Designation and Contact Number
Lynn Mirley	Corporate Finance Manager, 01835 825016
Kirsty Robb	Treasury & Capital Manager, 01835 825249

### Background Papers:

**Previous Minute Reference:** Pension Fund Sub-Committee 23 June 2010

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