

## 2022 TRIENNIAL VALUATION UPDATE

### Introduction

1. This paper provides the Committee with a brief update on progress made in delivering the 2022 triennial valuation and a reminder of the high-level timetable and future key decision points for the Committee.

### Recommendation

2. The Committee are asked to note and comment on the update.

### Background

3. The next formal triennial valuation of the Fund will be as at 31 March 2022, in line with all other LGPS funds in England and Wales.
4. Legislation requires that a formal valuation of the Fund be carried out every three years, but the valuation is more than just an exercise to comply with these rules and has several important objectives; to:
  - i. Assess how well the Fund's pension promises are covered.
  - ii. Monitor the Fund's experience versus the assumptions made at the previous valuation in 2019.
  - iii. Consider potential risks to the Fund and its employers and put in place risk management, mitigation, and monitoring plans; and
  - iv. Set credible funding plans for every employer in the Fund or ensure that existing plans are still appropriate.
5. Overall, the valuation should be viewed as an essential risk management tool for the Fund. Its outputs have important implications for employers and ultimately local taxpayers.
6. The journey to deliver the 2022 triennial valuation is well in motion, with the Committee receiving training sessions in July 2021 and November 2021 on "Valuation background, funding and investment strategy overview" and "Assumption overview and training and background for Councils" funding strategies respectively.
7. The Committee have subsequently also endorsed the Fund's approach to setting contribution rates for the four Councils at the December 2021 Committee meeting. At their March meeting the Committee also endorsed the Fund Actuary's recommended assumptions for the 2022 valuation (subject to one minor subsequent change to a mortality assumption via an Electronic Decision Notice).
8. The high-level valuation timetable has been presented to the Committee previously, and is presented below again, for completeness and to summarise key tasks and deliverables in the coming months requiring Committee input.

9. Members are also asked to note that the 15 July 2022 Joint training session has been utilised to support the Committee through the valuation project.
10. At the time of writing the Fund's key priority and next key milestone is to provide the actuary with the Fund's members detail by the end of June.

Table 1 High Level 2022 Triennial Valuation Timetable

Date	Task/Output	Status
16 July 2021	<b>Joint Training</b> Valuation background, funding and investment strategy overview	✓
10 September 2021	<b>Committee Meeting</b> Overview of timetable and key deliverables	✓
19 November 2021	<b>Joint Training</b> Assumption overview and training and background for Councils' funding strategies	✓
3 December 2021	<b>Committee Meeting</b> Considered any proposed changes to Councils' funding strategies and Councils' contribution rate proposals  Considered Academies funding strategies, and contribution rate proposals	✓
11 March 2022	<b>Committee Meeting</b> Approved the 2022 valuation assumptions (with a subsequent minor amendment to the mortality assumption via Electronic Decision Notice)	✓
15 July 2022	<b>Joint Training (in person Ellesmere Port)</b> How the Fund sets contribution and funding strategies for (non Council) employers	
9 September 2022	<b>Committee Meeting</b> Receive whole fund valuation results, overview of employer results, approve Funding Strategy Statement (FSS) policy updates for consultation	
2 December 2022	<b>Committee Meeting</b> Receive an update on Employer consultation	
10 March 2023	<b>Committee Meeting</b> Approve final FSS and valuation report	
1 April 2023	<b>Revised employer contribution rates (where applicable) come into force</b>	

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