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**This bulletin from the Staffordshire Pension Fund, focuses on the current issues that you should be aware of relating to the Local Government Pension Scheme.**

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**Issue December 2022**

## **Actuarial Valuation 2022 and the Funding Strategy Statement (FSS) Consultation**

As part of an Actuarial Valuation, best practice dictates that there should also be a review of a Pension Fund's Funding Strategy Statement (FSS).

A general review has been carried out of Staffordshire Pension Fund's FSS, in line with the 2022 Actuarial Valuation, and the opportunity to make recommended changes has been taken. These include a review of the structure and layout of the FSS and improved accessibility and navigation for stakeholders.

Whilst there have been no significant changes to the funding strategy at the 2022 Actuarial Valuation, the new draft FSS now includes separate policies on:

- Academy funding.
- Passthrough arrangements; and
- Cessations, including a revised "risk based" corridor approach, where applicable.

The main changes to highlight include:

- An increase in the full funding time horizon for Academies to 20 years (previously 15 years).
- Minor changes to the passthrough admissions process; and
- the fact that climate-related risks have been considered and documented when setting the funding strategy.



A link to the new draft FSS can be found below and the Fund is now open for a period of consultation with all stakeholders and interested parties until 31 January 2023. Any comments or questions you might have on the new draft FSS should be submitted to [pensions.comms@staffordshire.gov.uk](mailto:pensions.comms@staffordshire.gov.uk).

Considering all comments received, the final FSS will be approved by the Pensions Committee at their meeting on 31 March 2023.

- [Draft Funding Strategy Statement 2022](#) (1281 KB)

## **Fund's Annual General Meeting (AGM)**

The Staffordshire Pension Fund's latest AGM was held on 15 November 2022 and once again proved to be a highly successful event. Presentations were made by Fund Officers and Hyman's Robertson (the Fund Actuary) and covered the following:

- Presentation of the draft 2021/22 Annual Report and Accounts.
- Investment and LGPS Central Pool update.
- Administration update; and
- 2022 Actuarial Valuation Results update by the Fund's Actuary – Hymans Robertson

To further assist Employers our Actuary also provided the following short videos:

- [how contributions are set](#)
- [understanding your results](#)

Full copies of the AGM presentations are available here:

- [Pensions Forum Presentation November 2022](#)
- [Hyman's Robertson Presentation November 2022](#)

## **Fund's Draft Annual Report and Accounts 2021-2022**

The Fund is required to publish its Annual Report by 1 December each year which includes information on:

- The management and financial performance of the Fund.
- Investment policy and investment performance.
- The administration arrangements during the year.
- A statement by the actuary on the level of funding of the scheme.



- A governance compliance statement.
- A net asset statement and fund account for each fund; and
- Other appropriate material.

A full copy of the draft Annual Report is available here

[Staffordshire Pension Fund - Reports and accounts \(staffspf.org.uk\)](https://staffspf.org.uk)

## LGPS Annual Report

Every year the Department of Levelling Up, Housing and Communities (DLUHC) publishes an annual report for the LGPS for England and Wales.

[Local government pension scheme funds for England and Wales: 2021 to 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Highlights include:

- Total expenditure of £14.4 billion, an increase of 6.6 per cent on 2020/21
- Total income of £15.9 billion, a decrease of 8.1 per cent on 2020/21
- Employer contributions decreased by 24.3 per cent on 2020/21 to £7.8 billion
- Employee contributions of £2.6 billion, an increase of 4.8 per cent
- The market value of LGPS funds on 31 March 2022 was £364 billion, an increase of 8 per cent
- There were 6.3 million scheme members on 31 March 2022: 2.0 million active members, 1.9 million pensioners and 2.3 million deferred members
- There were 94,724 retirements in 2021/22, an increase of 14.2 per cent compared with 2020/21.

The decrease in total income and employer contributions is common in the final year of the three-year valuation cycle. This is due to employers making early payment of contributions in the previous two years.





**Dear Colleagues,**

In the ever-changing pension environment this year has once again been very demanding and challenging for Employers and all of us here at the Staffordshire Pension Fund. However, with your continued support we met the expectations of our pension scheme members, completed the 2022 Triennial Actuarial Valuation of the Fund, and continued to comply with the regulatory requirements of administering the Local Government Pension Scheme.

Therefore, once again we would like to take this opportunity to thank you for all the hard work that you do and for your support. We are confident that as we continue to work closely together, we will meet the new pension challenges we will undoubtedly encounter in 2023.

So, as we enter this festive period, we would like to pass on our best wishes to you and your families for a very Merry Christmas and happy and healthy 2023

**From everyone at the Staffordshire Pension Fund**



**If you require any further information or clarification, please do not hesitate to contact [pensions.comms@staffordshire.gov.uk](mailto:pensions.comms@staffordshire.gov.uk)**

