

MEETING	<b>PENSIONS COMMITTEE</b>
DATE	<b>16 SEPTEMBER 2024</b>
TITLE	<b>FUNDING RISK UPDATE &amp; 2025 VALUATION PLANNING</b>
PURPOSE	<b>Update from Richard Warden, the fund's actuary on the funding risks and planning for the 2025 valuation.</b>
RECOMMENDATION	<b>For information only</b>
AUTHOR	<b>Meirion Jones, Pensions Manager</b>

---

### **1. Introduction**

To help with the planning for the 2025 valuation, our actuary have prepared a paper that focusses on funding risks in the current environment and what options are available to manage these risks and to capitalise on any opportunities at the 2025 valuation. A copy of this paper can be seen in **Appendix A**.

### **2. Content of the paper**

The paper includes commentary on:

- Funding update - how has the funding position evolved since 2022, what are the key drivers and important messages to take away.
- Current funding environment – how has the economic shift affected expected future returns and inflation and what does this mean for the fund.
- Key funding risks – what is the latest position on key funding risks such as longevity, climate and employer covenant and what should the fund be thinking about over the pre-valuation planning period.
- 2025 valuation planning – with the valuation less than 12 months away, what options should be considered now to create more space for decision-making and remove bottlenecks in the valuation year.

### **3. Presentation**

Richard Warden, the fund's actuary, will present key findings from the paper at the committee meeting.