

MEETING: **PENSION BOARD**

DATE: **9 FEBRUARY 2026**

TITLE: **FUNDING STRATEGY STATEMENT**

PURPOSE: **To present and review the Funding Strategy Statement and associated policies**

RECOMMENDATION: **REVIEW THE FUNDING STRATEGY STATEMENT AND ASSOCIATED POLICIES**

AUTHOR: **DELYTH JONES-THOMAS, INVESTMENT MANAGER**

1. INTRODUCTION

- 1.1 The Fund is required to review and publish its Funding Strategy Statement (FSS) by 31 March 2026 following the triennial valuation.
- 1.2 The draft has been presented to the Pensions Committee in its meeting on the morning of the 9th February 2026.
- 1.2 The administering authority is required to consult with the scheme employers, the fund actuary and adviser, and any other persons we consider appropriate.
- 1.3 The consultation will take place between the 10th February 2026 and 9th March 2026.

2. ACTUARIAL VALUATION

- 2.1 The triennial actuarial valuation has been prepared using assumptions agreed with the actuary. These assumptions were presented to and approved by the Pensions Committee on 15th September 2025.
- 2.2 The valuation of the Fund is currently being finalised. An employers' meeting was held on 24th October 2025 when the preliminary actuarial results were presented and discussed. Final reports are currently being prepared for each employer.
- 2.3 The preliminary results show that all employers are now in surplus and therefore do not have any deficit payments to make over the next three years.

3. DRAFT FUNDING STRATEGY STATEMENT (FSS)

- 3.1 A draft FSS is attached in Appendix A.
- 3.2 The funding strategy objectives are to:
 - take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants

- use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

3.3 The Funding Strategy Statement has been prepared with assistance from the Fund's actuary, Hymans Robertson.

4. ASSOCIATED POLICIES

4.1 In addition to the information presented in the Funding Strategy Statement, there are additional policies that also need to be approved that feed into the Funding Strategy Statement.

Appendix F – Policy on prepayment of contributions

Appendix G – Policy on pass-through

Appendix H – Policy on contribution reviews

Appendix I – Policy on ill-health risk management

Appendix J – Policy on cessations

5. RECOMMENDATION

The Board is asked to confirm the Funding Strategy Statement and associated policies.

Following the consultation process the Committee will receive the final version of the Funding Strategy Statement for adoption by 31st March 2026.