

TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM x

PENSION FUND COMMITTEE REPORT

24 SEPTEMBER 2025

DIRECTOR OF FINANCE AND TRANSFORMATION – ANDREW HUMBLE

Actuarial Valuation Communications

1. PURPOSE OF THE REPORT

- 1.1 To present Members of the Teesside Pension Fund Committee (the Committee) with the plans to communicate the 2025 Actuarial Valuation for the Teesside Pension Fund.

2. RECOMMENDATION

- 2.1 That the Committee note the communication plans for the 2025 Actuarial Valuation and Funding Strategy Statement.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no specific financial implications arising from this report.

4. BACKGROUND

- 4.1 The terms of reference for the Teesside Pension Fund Committee include approving the Fund's Funding Strategy Statement and overseeing the triennial valuation.
- 4.2 This report sets out the approach to communicating and consulting on the Funding Strategy Statement and Triennial Valuation results.

5. REVISED FUNDING STRATEGY STATEMENT

- 5.1 The LGPS regulations set out the requirement for an administering authority (the fund) to publish a Funding Strategy Statement (FSS). In preparing the FSS, the fund may seek input from their actuary, or take other professional advice, to prepare the document. However, the FSS must be owned and adopted by the administering authority ('the fund').
- 5.2 The LGPS Scheme Advisory Board, MHCLG and CIPFA issued revised "Guidance for Preparing and maintaining a Funding Strategy Statement (FSS)" in January 2025. Hymans are reviewing Teesside's draft FSS to ensure compliance with the latest guidance.

- 5.3 The FSS plays an integral role in setting out the fund's approach to managing long-term funding requirements and funding risk in LGPS whilst enabling stability and sustainability for participating scheme employers.
- 5.4 The purpose of a FSS is to:
- establish a clear and transparent fund-specific strategy that will identify how employers' pension liabilities will be met going forward.
 - support the desirability of maintaining as constant and stable primary contribution rate as possible, as defined in Regulation 62(5) of the Local Government Pension Scheme (England and Wales) Regulations 2013 and Regulation 60 of the Local Government Pension Scheme (Scotland) Regulations 2018.
 - ensure that the regulatory requirements to set contributions to ensure the solvency and long-term cost efficiency of the fund.
 - explain how the fund balances the interests of different employers.
 - explain how the fund deals with conflicts of interest and references other policies/strategies.
- 5.5 It is a requirement that employers within the Fund are consulted upon any revisions to the FSS. The intention is to present the FSS to the next Committee on 10th December 2025 with a view to consulting all employers and the Department of Education from 11th December until mid-January 2026. Responses can then be reviewed and discussed with the Actuary before 4th March Pensions Committee and the finalisation of the Actuarial Valuation by 31st March 2026.

6. COMMUNICATION OF INDIVIDUAL EMPLOYER VALUATION RESULTS

- 6.1 The Actuary will provide individual results for each of the employers in the Fund on its portal. Using the Actuary portal will enable monitoring that all employers have accessed their individual employer results. For employers not accessing their results on the portal these can be sent out to the relevant contact via email.
- 6.2 There will be opportunity to discuss individual reports with employers where issues are identified. For many of Teesside Pension Fund employers the pooling arrangements will reduce the potential for issues for individual employers. All of the Academy employers for example are on a pooled stabilised rate.
- 6.3 The Fund will also be sending out contribution spreadsheets to employers and their payroll providers prior to April 2026 which include the relevant contribution rate for that employer for 2026/27.

7. RATES AND ADJUSTMENTS CERTIFICATE

- 7.1 The Actuary will not complete their work on the triennial valuation until late March 2026 to ensure all available information is included in their consideration of the 2025 Fund Valuation. This allows nearly a full year of investment performance information to be available before completion of the valuation process.
- 7.2 Risks which could undermine the assumptions included in the actuarial process are minimised through delaying the certification of the Rates and Adjustments Certificate to as late as possible in the process. In previous valuations the impact of COVID-19 and market corrections in the first quarter of the year have been factored into the final results of triennial valuations.
- 7.3 The Actuary's Valuation Report including the Rates and Adjustment Certificate will be reported to Pensions Committee and published on the Funds website.

8. NEXT STEPS

- 8.1 The Funding Strategy Statement will be presented to Pension Committee on 10th December 2025.
- 8.2 The Fund will put the Funding Strategy Statement out to consultation to employers until mid January 2026. Responses will be considered in formulating the Final Funding Strategy Statement for presentation to 4th March Pensions Committee.

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