**KESWICK TOWN COUNCIL**
**SEVEN PRINCIPLES OF PUBLIC LIFE**
**Selflessness – Integrity – Objectivity – Accountability – Openness – Honesty – Leadership**

**KESWICK TOWN COUNCIL**

**Council Offices**
**50 Main Street**
**Keswick**
**CA12 5JS**
**Email: townclerk@keswicktowncouncil.gov.uk**

13th October 2022

A meeting of Keswick Town Council to be held at the Council Chamber, Town Hall, Keswick on Thursday 20th October 2022 at **7.00 pm**.

Yours sincerely

VLittle.

**Vivien Little**
**Town Clerk**

**AGENDA**

1. **Apologies**
To receive apologies for absence.

2. **Minutes**
To authorise the Chairman to sign as a correct record the minutes of the Town Council meetings held on the 29th September 2022 (pages 23-27).

3. **Requests for Dispensations**
The Clerk to report any requests received since the previous meeting for dispensations to speak and/or vote on any matter where a member has a disclosable pecuniary interest.

4. **Declarations of Interests**
To receive declarations by elected and co-opted members of interests in respect of items on this agenda.

Members are reminded that, in accordance with the Code of Conduct, they are required to declare any disclosable pecuniary interests or other registrable interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting). Members may, however, also decide, in the interests of clarity and transparency, to declare at this point in the meeting, any such disclosable pecuniary interests which they have already declared in the Register, as well as any other registrable or other interests.

*If a member requires advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote, he/she is advised to contact the Clerk at least 24 hours in advance of the meeting.*

5. **Police Report**
To receive the report of the Allerdale Rural Neighbourhood Policing Team.

6. **Matters to be received from the Public**
Such matters may be received throughout the meeting, however items raised should not be discussed for longer than ten minutes and the Chairman reserves the right to curtail repetitious matters. Public participation shall not be longer than half an hour throughout the meeting.

7. **Matters to be raised by Councillors**
An opportunity for Councillors to raise any unforeseen matters which are not on the agenda, with the consent of the Chair, and which do not require a decision – items raised should not be discussed for longer than 10 minutes.

8. **Applications for Development**
    i) To examine applications for development and agree observations to be submitted to the Lake District National Park Authority (Planning Group report to be circulated prior to the meeting).
    ii) To receive update on National Park planning decisions.

9. **Licensing Applications**
To receive Planning and Licensing Group report on licensing applications received.

10. **Mayor's Report**
To receive a report from the Mayor covering the period 23rd September 2022 – 13th October 2022.

11. **Clerk's Report**
To consider the Clerk's report.

12. **Reports from Ward Representatives**
To receive reports from the following representatives:
    i) Allerdale Borough Council
    ii) Cumbria County Council
    iii) Cumberland Council
    iv) Lake District National Park Authority North Distinctive Area Parishes' Representative

13. **Reports from Representatives on Outside Bodies**
To receive a report from the following representatives:
    i) Keswick in Bloom

14. **Payment of Accounts**
To confirm the payment of accounts for October 2022 as approved by the Inspection Committee (to be circulated at the meeting):
    i) For the Town Council    ii) For the Trusts.

15. **Quarterly Budgets**
To receive the quarterly budget comparisons.

16. **Neighbourhood Plan Discussion**
To receive an update on a recent meeting with the LDNPA (to follow).

17. **Consultations**
To consider if Keswick Town Council wish to respond to the proposed amendments to the Cumbria LGPS Funding Strategy Statement.

18. **Green Spaces to Grow**
To consider a request from Councillor Lansbury.

19. **Minutes**
To receive for information the minutes of the Keswick Ministries Town Liaison Forum held on 13 September 2022.

To: All Councillors
Police
Press

**KESWICK TOWN COUNCIL**
**SEVEN PRINCIPLES OF PUBLIC LIFE**
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Minutes of the meeting of Keswick Town Council held in the Council Chamber, Town Hall, Keswick on Thursday 29th September 2022 at **7.00 pm**.

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**Present:**

**Chairman**
Councillor Steve Harwood

**Councillors**

| | | |
|---|---|---|
| David Burn | Louise Dunn | Duncan Miller |
| Jean Murray | Adam Paxon | |

Also present were Vivien Little (Town Clerk), 1 member of the press, and seven members of the public.

**94. Apologies**
Apologies for absence were received from Councillors Daniels, A Dunn, Forsyth, Lansbury, Lywood and Titley. Their apologies were noted and accepted by Councillors.

**95. Minutes**
**RESOLVED** that the Chairman be authorised to sign as a correct record the minutes of the Town Council meeting held on the 18th August 2022 (pages 18-22).

**96. Requests for Dispensations**
The Clerk reported that no requests for dispensation had been received.

**97. Declarations of Interests**
No declarations of interest were made at this meeting.

**98. Police Attendance**
**RECEIVED** the report of the Allerdale Rural Neighbourhood Policing Team.

**99. Matters to be received from the Public**
A member of the public spoke in relation to planning application number 7/2019/2166 in objection to the application. They raised concerns that while the roof was lowered, it would still overshadow the houses and flats already in situ. Concern was also raised regarding the sewers and potential flooding which the building could bring.

A member of the public spoke in relation to planning application number 7/2019/2166 in support of the application. The Youth Centre had listened to all concerns which were raised, and had done their best to modify the plans in an attempt to alleviate the concerns. The Youth Centre were aware that there would be change on the site, but would do all they could to minimise the impact.

**100. Matters to be raised by Councillors**
Councillor Paxon brought up an ongoing issue in Helvellyn Street which was being discussed by the local Hub team, and would update Councillors when he could.

**101. Applications for Development**
i) **RESOLVED** that the following observations be submitted to the Lake District National Park Authority

| Plan Ref. | Description of Development<br>Location<br>Comments<br>Recommendation |
|---|---|
| T/2022/0122 | Fell 4 x Rowan trees. Re-coppice multi stem Willow tree. Cut back Willow and Laurel from encroaching on to Borrowdale Road<br>Flat 1, The Hollies, High Street, Keswick, CA12 5AH<br>*No comments made*<br>**SUPPORT** |
| T/2022/0133 | Tree(s) and Groups number T1 - T20 within the curtilage of the Central Car Park require formative pruning works to crown raise and prune back from signs and lighting columns<br>Public Conveniences, Central Car Park Road, Keswick, Cumbria, CA12 5DF<br>*No comments made*<br>**SUPPORT** |
| T/2022/0134 | T1 - Beech Tree - Crown lift approx. 20% - limbs marked on photos. T2 - Cherry Tree - Crown lift to highway (5.2 mtr) clearance over car park. T3 - Oak Tree - Remove 1 X lower limb - limb marked on photos<br>Keswick Ministries, Skiddaw Street, Keswick, CA12 4BY<br>*No comments made*<br>**SUPPORT** |
| 7/2022/2136 | Proposed youth centre and residential development following refusal ref 7/2019/2166<br>Keswick Youth Centre, The Old Mill, Main Street, Keswick, CA12 5NJ<br>*Support - following discussions at the request of the applicant we note that an amended proposal ref. drawing no. 5123 – 05M has been submitted. The design now presented is for a 2 storey building with a traditional pitched roof incorporating accommodation instead of the original proposal for a 3 storey building with a non traditional pitched roof. This represents a significant change in the overall scale and visual impact of the development which we now support*<br>**SUPPORT** |
| 7/2022/2190 | Alterations to existing garage changing roof from flat to pitched<br>31 Helvelyn Street, Keswick, CA12 4EP<br>*No comments made*<br>**SUPPORT** |
| 7/2022/2209 | Change of use from guest house to self catering holiday letting accommodation<br>Paddock House, Wordsworth Street, Keswick, CA12 4HU<br>*Object – this application indicates that the whole property will be available to book as one unit including the owners accommodation. This removes the on – site management and displaces another family home. This is the 28th application of this type and in the absence of a licensing scheme for holiday accommodation would result in a further erosion of properties with no on site management. We maintain our concern that the significant number of recent approvals granted is changing the balance of holiday accommodation available in a downward spiral which we consider is unacceptable*<br>**OBJECT** |

7/2022/2210 Replacement of the existing windows and door
3, Poplar Street, Keswick, CA12 5BW
*Support – we strongly support the use of traditional materials and detailing to improve the thermal efficiency of these elements within the conservation area*
**SUPPORT**

7/2022/2212 Change of use from guest house to holiday let
21, Bank Street, Keswick, CA12 5JZ
*Support – as the application form indicates that on site management is being retained, we support the proposal subject to a condition on any permission granted that this arrangement is maintained*
**SUPPORT**

7/2022/2214 Alterations & extension
Borrowdale View, Keswick, CA12 5PW
*Object – we do not approve of the introduction of flat roof elements and non traditional details to achieve the gains in accommodation space proposed*
**OBJECT**

7/2022/2217 Operation of a temporary self catering campsite for 3 weeks, to run in conjunction with the Keswick Convention in 2023
Crosthwaite Conference Centre, Church Lane, Keswick, CA12 5QG
*No comments made*
**SUPPORT**

7/2022/2221 Extension to dormer window over bathroom
11, Heads Mount, Keswick, CA12 5EY
*No comments made*
**SUPPORT**

7/2022/2224 Amendment to design, condition no. 2 (plans) on planning permission ref 7/2021/2209 for amendment to design, condition no. 2 (plans) on planning permission ref. 7/2015/2271 for the construction of a single storey bedroom extension, conservatory, front porch and a first floor extension to accommodate a new stair with access to a first floor seating area
Riverside, Keswick, CA12 5PG
*No comments made*
**SUPPORT**

7/2022/2227 Installation of replacement illuminated and non-illuminated signs to the exterior of the building
Golden Lion Inn, 20, Main Street, Keswick, CA12 5JD
*No comments made*
**SUPPORT**

ii) **RECEIVED** update on National Park planning decisions .

**102. Mayor's Report**
**RECEIVED** details of the Mayor's engagements and meeting attendance for the period 12 August 2022 – 22 September 2022.

**103. Reports from Ward Representatives**

**RECEIVED** reports from the following representatives:

i) Allerdale Borough Council – Councillor Campbell-Savours gave an update on the work of Allerdale Borough Council, which was now obviously beginning to wind down in preparation for the Vesting of Cumberland Council. He stated that if there were any questions or concerns raised by any member of the Town Council, please send him a letter and he will do is best to pursue matters.
ii) Cumbria County Council – No update was given
iii) Cumberland Council – Councillor Campbell-Savours updated members stating that the announcement of the new S151 officer and new Monitoring Officer was imminent.
iv) LDNPA North Distinctive Area Parishes Representative (enclosed) - **RECEIVED** the report from Dr Geoff Davies, Lake District National Park Authority North Distinctive Area Parishes Representative.

**104. Payment of Accounts**

**RESOLVED** that the payment of accounts for September 2022 as approved by the Inspection Committee be authorised for payments for

i) For the Town Council, vouchers 114 -124, amounting to £25,057.20 (twenty five thousand fifty seven pounds and twenty pence)
ii) For the Trusts, vouchers HP83 – FP108, amounting to £11,434.07 (eleven thousand four hundred and thirty four pounds and seven pence)

**105. Audit for the year ending 31 March 2022**

Consideration was given to the Annual Governance and Accountability Return for the year ended 31 March 2022 including the certificate of conclusion of the External Audit and to report that there are no matters arising.

**RESOLVED** that the Annual Governance and Accountability Return for the year ended 31 March 2022 be approved and accepted.

**106. Consultation Response**

Consideration was given to the Town Council's response to the Government's Call for Evidence about developing a tourism accommodation registration scheme in England, which had been submitted prior to the meeting.

**RESOLVED** that the consultation response be accepted.

**107. Keswick to Threlkeld Trail – Call for Lighting Between Keswick Leisure Centre and Spar Garage on Penrith Road**

Consideration was given to a report by Councillor Burn.

**RESOLVED** that the Clerk be instructed to write a letter to the Lake District National Park, requesting that they reconsider their decision not to put lighting on this short stretch of the trail.

**108. Clerk's Report**

**RECEIVED** the Clerk's report.

**RESOLVED** that:

i) A grant of £800 be given to the Winter Warmth Plan to support the programme through this winter, to be taken from the underspend in the grants fund; and
ii) Keswick Town Council agree to the request from Keswick Reminder to become the main sponsor for the Christmas Card competition, with the money to be taken from the contingency budget.

**109. Reports from representatives on Outside Bodies**

**RECEIVED** the Battersby Hall Charity report.

**110. Policy Adoptions**

**RESOLVED** that the Communications Policy be adopted.

**111. Events Committee**

**RECEIVED** for information the minutes of the Events Committee minutes dated 6 July 2022 and 16 August 2022.

**Prior to the following business the Chairman moved the following resolution:**

*'That under the Public Bodies (Admission to Meetings) Act 1960, the public and representatives of the press and broadcast media be excluded from the meeting during the consideration of the following items of business as publicity would be prejudicial to the public interest because of the confidential nature of the business to be transacted'*

**112. Website work**

Consideration was given to a report by the Clerk.
**RESOLVED** that the work on the website be undertaken with £462.00 coming from the computer equipment reserve fund.

**113. Clerk's Report**

**RECEIVED** the report of the Clerk.

The meeting closed at 8.11 p.m.

Chairman

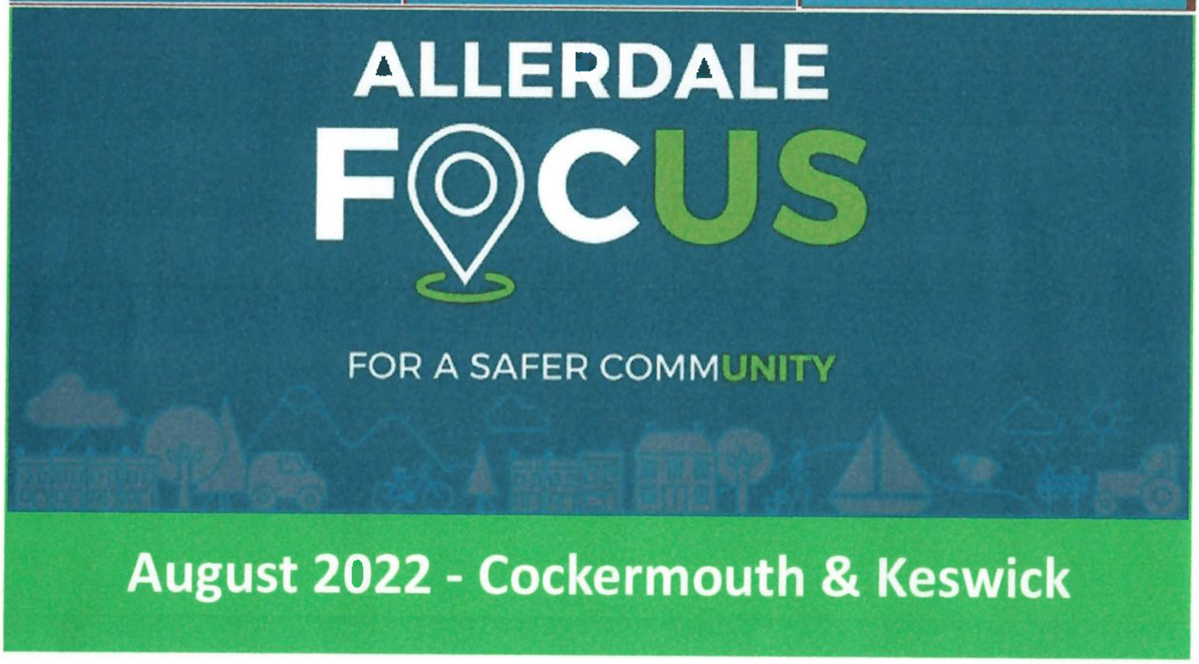
Date

**Ania Mlynczak**

| | |
|---|---|
| **From:** | Cumbria Police <CumbriaPolice@public.govdelivery.com> |
| **Sent:** | 03 October 2022 16:02 |
| **To:** | Ania Mlynczak |
| **Subject:** | August 2022 - Cockermouth & Keswick |

View in browser

Contact us | Report a crime | Allerdale Police Facebook Page




## A word from your local Inspector

In this month's newsletter you will see we are continuing to get out and about in the community to engage with people with our partners agencies.

We are also continuing to tackle anti-social behaviour issues with patrols in areas identified as hotspots.

Please continue to report incidents to us so we can work with partners tackle the issue.

**Inspector Scott Adams**

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## Fitz Park

Following report of anti-social behaviour in Fitz Park area, PCSO Megan Jones has been conducting regular patrols through the park.

Megan has been speaking to young people in the park and providing advice around anti-social behaviour.

## Street safe

PCSO Megan Jones has also issued street safe surveys in the area of Tithebarn Street area following a reported neighbourhood dispute.

The issues have been addressed and dealt with.

Street Safe surveys are an opportunity for you to raise any concerns or observations you have that are impacting your area for our team and partners to look into.

If you have received one of these surveys, please let us know your thoughts by completing the form and sending it back in the accompanying return envelope.

We wish to remind members of the public if they do not feel confident to report issues via the online reporting form or directly to Police, you can also call independent charity CrimeStoppers on 0800 555 111.

## Community engagement

PCSO Megan Jones was approached regarding an issue with anti-social behaviour and litter on the Rawnsley Centre estate caused by young people.

Megan has worked with Keswick Ministries to identify key problem areas and action has been taken to reduce the risk of further anti-social behaviour where possible.

Further preventative measures such as increased lighting and CCTV are expected to be put in place in the near future.

Regular patrols will be continue to be conducted and any members of the public witnessing any ASB are encouraged to call in on 101 or 999 if a crime is taking place.

## Community drop-in

PCSO Megan Jones also attended a community drop in on Heads Road.

This is an opportunity for the community to get to know their local PCSO and also a familiar face for elderly residents.


## Street safe

PCSO Clare Parker has issued Street Safe surveys in the area of Wasdale Close, Cockermouth following a hub referral in relation to anti-social behaviour.

We have yet to receive any replies, we would ask if you have received one to return the forms with an issues so we can address the issues with partners.

## Fraud Awareness

PCSO Clare Parker conducted patrols to distribute fraud awareness newsletters to chemists and shops in Cockermouth town centre.

We have recently introduced a monthly fraud newsletter to share current trends, safeguarding advice and other fraud related news if you are interested in signing up click **here**

## Anti-social behaviour

PCSO Clare Parker has also been conducting enquiries following a report on 8 September of stones being thrown at cars in Cockermouth.

She has linked in with the local school and conducted CCTV enquiries.

Anyone with information relating to this incident can report online at www.cumbria.police.uk/report-it , quoting incident number 12 of 8th September 2022. You can also phone on 101.

Alternatively, you can contact Crimestoppers, anonymously, on 0800 555 111.

**Join us!**

Have you ever thought about being a police officer?

Could you be make a real difference to people in Cumbria and help keep them safe?

Recruitment is open now. We are looking for enthusiastic and dedicated people to apply now to join our teams.


**For more information on the role of a police officer and the numerous entry routes, please visit www.cumbria.police.uk/careers.**

## Your local officers

**Want to know who your local officers are?**

Simply go to our website - www.cumbria.police.uk

Scroll down the home page and you can browse different areas to see who your local team are - or enter your postcode.

Not only will you be able to find out who your named local officers and PCSOs are, you will also be able to view our local policing priorities and details of any meetings or events we will be attending.

## In other news

### Tribute paid to HM Queen Elizabeth II

We were deeply saddened to hear of the death of Her Majesty Queen Elizabeth II.

A tribute was issued following the news of her death, which can be viewed here.

## Cumbria Police highlight exploitation of vulnerable individuals forced into sex work

Cumbria police are working with partners to highlight ongoing work regarding the safeguarding of victims forced into sex work and the pursuit of offenders exploiting them. The work, which is ongoing, is aimed at raising awareness of this area of crime and to encourage the reporting of information. **Read more** here.

## Cumbria Constabulary instate dedicated Violence Against Women and Girls Detective Inspector

Cumbria Constabulary have instated a dedicated operational Violence Against Women and Girls Detective Inspector. The creation of this specialist post is the Constabulary's next proactive step towards eradicating violence against women and girls in the county. **Read more** here.

# Crime Figures

Further information can be found on Police.Uk

Click here to visit the website

Please note the data contained on Police.uk is not live time

| OffenceGroup | Crimes | Same Period Last Year | Difference | % Change |
|---|---|---|---|---|
| Arson and Criminal Damage | 13 | 13 | 0 | 0.0% |
| Burglary | 7 | 5 | 2 | 40.0% |
| Drug offences | 2 | 1 | 1 | 100.0% |
| Hate Incident | 1 | 0 | 1 | 0.0% |
| Miscellaneous Crimes Against Society | 1 | 0 | 1 | 0.0% |
| Possession of weapons offences | 0 | 0 | 0 | 0.0% |
| Public order offences | 10 | 11 | -1 | -9.1% |
| Reported Incidents | 0 | 1 | -1 | -100.0% |
| Robbery | 0 | 0 | 0 | 0.0% |
| Sexual offences | 7 | 5 | 2 | 40.0% |
| Theft offences | 17 | 19 | -2 | -10.5% |
| Vehicle Offences | 1 | 2 | -1 | -50.0% |
| Violence against the person | 33 | 47 | -14 | -29.8% |
| **Total** | **92** | **104** | **-12** | **-11.5%** |

**Allerdale Police want you to report all anti-social behaviour and crime**

Please report any incidents of crime or anti-social behaviour to us, to help us keep Allerdale safe.

If a crime is in progress always call 999.

You can report online at https://www.cumbria.police.uk/report-it

Our online Live Chat function is a new service giving you an alternative way to communicate with a Police Officer in real time. More here.

You can also phone on 101.
Alternatively you can contact Crimestoppers, anonymously, on 0800 555 111.

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**To receive more policing news, sign up to our other area newsletters by clicking on the links below:**

**Workington**

**Maryport, Aspatria, Silloth & Wigton**

**Cumbria (covering the whole county)**

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## Planning Applications received between 23/09/2022 - 13/10/2022

| Plan ref | Location | Description of Proposed Development |
|---|---|---|
| T/2022/0164 | 3, Shu Le Crow Gardens, Keswick, CA12 4HG | Ash tree and poplar tree to be crown reduced by 1m to 1.5m all over to balance shape |
| 7/2021/2367 | Bristowe Hill, Crosthwaite Road, Keswick, CA12 5PG | 2no. local needs dwellings following the withdrawal of application 7/2021/2228 |
| 7/2022/2172 | Alverna, High Hill, Keswick, CA12 5PB | Demolition of existing single storey extension and construction of new single storey extension to the rear of Alverna, High Hill, Keswick |
| 7/2022/2201 | Brookfield, Penrith Road, Keswick, CA12 4LJ | Change of use from a guest house to self catering holiday letting accommodation |
| 7/2022/2218 | Alhambra Cinema, St. Johns Street, Keswick, CA12 5AG | We propose to install a microgeneration installation on two of the slate roofs which face south east and south west. The external component will comprise up to 40 solar panels (80 sqm) |
| 7/2022/2223 | 12 Poplar Street, Keswick, CA12 5BW | To remove the existing wooden, single glazed, sliding sash windows to the front elevation of the cottage and replace with double glazed, heritage style, UPVC, sliding sash windows to match existing exactly |
| 7/2022/2236 | Golden Lion Inn, 20, Main Street, Keswick, CA12 5JD | Proposed change of use of first and second floor levels from mixed use as managers accommodation and staff use associated with the Public House to mixed HMO use and staff use |
| 7/2022/2239 | Greta Grove House, Flat 1, Elliott Park, Keswick, CA12 5NF | Replacement of existing timber sliding sash windows with upvc sliding sash windows to matching design and opening methods |
| 7/2022/2242 | West View, The Heads, Keswick, CA12 5ES | Erection of single-storey extension to enhance the kitchen and owners accommodation |
| 7/2022/2246 | Skiddaw Lodge, Crosthwaite Road, Keswick, CA12 5QA | Remove first floor conservatory and ground floor store below. Alterations to garage to form two storey rear extension. Re-tile and insulate existing roof. Replacement double glazed timber sash dormer windows |
| 7/2022/2247 | Low Briery Holiday Park, Penrith Road, Keswick, Cumbria, CA12 4RN | Extension to existing holiday park, formation of access, landscaping and ancillary works |
| 7/2022/2252 | 3, Latrigg Close, Keswick, CA12 4LB | Non-material amendment to planning application 7/2022/2106, (proposed two storey extension to side of existing house in place of existing outbuildings to provide improved living accommodation and storage/domestic workshop space). Amendments to extension plans including alterations to kitchen/shower room and roof over, store/workshop, bedroom 4 and first floor bathroom |
| 7/2022/2254 | 13, The Plosh, Borrowdale Road, Keswick, CA12 5DE | Replacement of ground floor and first floor sash windows and front entrance door |
| E/2020/0184 | Land at Fell View, Ashtree Avenue, Keswick, CA12 5PF | Appeal against breach of planning control |

**NOTICE TO THE PUBLIC: Interested parties are invited to let the Town Clerk have their comments, in writing or via email to townclerk@keswicktowncouncil.gov.uk, prior to the meeting regarding any of the planning applications on this sheet.**

**AGENDA ITEM 8.ii)**

## Decisions Received from LDNPA

### Planning Decisions Received between 23/09/2022 & 13/10/2022

| Plan Ref | Date of Application | Location | Postcode | Description | KTC Observations | LDNPA Decision | Appeal | Appeal Decision |
|---|---|---|---|---|---|---|---|---|
| T/2022/0122 | August-22 | Flat 1, The Hollies, High Street, Keswick | CA12 5AH | 4 x Rowan trees (marked with blue arrows in notification) - Fell to ground level | **SUPPORT** | **GRANTED** | | |
| T/2022/0133 | August-22 | Public Conveniences, Central Car Park Road, Keswick | CA12 5DF | Tree works as listed within the submitted Allerdale Borough Council Centre Car Park | **SUPPORT** | **GRANTED** | | |
| 7/2022/2119 | May-22 | 4, Victoria Street, Keswick | CA12 5LP | Installation of dormer to rear elevation | **OBJECT** | **GRANTED** | | |
| 7/2022/2169 | July-22 | 18, Eskin Street, Keswick | CA12 4DG | Change of use from guest house to self catering holiday accommodation | **OBJECT** | **GRANTED** | | |
| 7/2022/2197 | July-22 | 41, Briar Rigg, Keswick | CA12 4NN | Demolition of existing garage and sun room, to be replaced with side extension. Over-cladding of house walls and roof with insulation and airtightness membrane | **SUPPORT** | **GRANTED** | | |
| 7/2022/2224 | Sep-22 | Riverside, Keswick | CA12 5PG | Amendment to design, condition no. 2 (plans) on planning permission ref 7/2021/2209 for amendment to design, condition no. 2 (plans) on planning permission ref. 7/2015/2271 for the construction of a single storey bedroom extension, conservatory, front porch and a first floor extension to accommodate a new stair with access to a first floor seating area | **SUPPORT** | **GRANTED** | | |
| 7/2022/2231 | Sep-22 | Proposed Hotel On Former Ravensfield Site, High Hill, Keswick | CA12 5NX | Non-material amendment to planning application 7/2020/2039 (Erection of Hotel (C | FOR INFORMATION ONLY | **GRANTED** | | |

**AGENDA ITEM 9. LICENSING GROUP REPORT ON LICENCE APPLICATIONS RECEIVED**

| **Business Name** | **Location** | **Details of Application** | **Date Consultation Period Ends** | **Comments** | **Date Comments sent to ABC Licensing Dept.** |
|---|---|---|---|---|---|
| Fell and Tarn Hampers, | Castlefell, 31 The Headlands, Keswick | Premises Licence application, no alcohol consumption on the premises, local alcohol may be included in the welcome hampers for self catering accommodation to provide more luxury gifts | | Support – no comments made | 08.09.2022 |
| The Coffee Lounge | 5 Lupton Court Keswick, CA12 5JL | **Live Music (Indoors):**<br>19.00 – 23.30 Mon – Thursdays<br>19.00 – 0.00 – Fridays & Saturdays<br>19.00- 23.00 -Sundays<br>**Back Ground Music (Indoors):**<br>9.00 – 23.30 Mondays – Thursdays<br>9.00 – 0.00 – Fridays and Saturdays<br>9.00 – 23.00 - Sundays<br>**Supply of Alcohol (On and Off the premises)**<br>9.00 – 0.00 – Mondays - Thursday<br>9.00 – 01.00 – Fridays and Saturdays<br>9.00 -23.00 - Sundays<br>**Hours Premises are open to the Public:**<br>9.00 – 0.00 – Mondays – Thursday<br>9.00 – 01.00 – Fridays and Saturdays<br>9.00 – 23.00 - Sundays | 24.10.2022 | *We approve this application in principle but we have concerns about the late-night opening and would like* to restrict the hours of operation for live music and selling of alcoholic beverages, Sunday to Thursday 11 pm Friday and Saturday 12 midnight We also have concerns of the need of an off license which could have anti-social behaviour consequences | 30.09.22 |
| Fellpack Limited | Hazeldene, The Heads, Keswick, CA12 5ER | **Supply of alcohol** - Mon – Sun 11.00 00.00 on and off premises<br>**Hours premises are open to the public**- Mon – Sun 11.00 – 00.15<br>No special extensions for bank holidays, Christmas Day etc | 31.10.22 | The licensing team of Keswick Town Council fully supports the above application. | 04.10.22 |

**AGENDA ITEM 10.**

## KESWICK TOWN COUNCIL

## TOWN COUNCIL MEETING 20 TH OCTOBER 2022

## MAYOR'S ENGAGEMENTS & MEETING ATTENDANCE

For period 23rd September 2022 – 13th October 2022

| | |
|---|---|
| Saturday 24 September | Kendal Torchlight Reception opening ceremony and street party<br>From 11.00am to 1.00pm |
| Saturday 24th September | Mirehouse Afternoon Tea organised by Allan Daniels as Mayor of Allerdale, as fund raising event for Keswick Mountain rescue<br>From 2.00pm to 5.00pm |
| Monday 26 September | Keswick Archers tribute to Queen Elizabeth II with a special arrow shoot<br>From 6.00pm at Keswick Rugby Club. |
| Wednesday 28 September | Attended and helped organise Primary Schools Cross Country event in Fitz Park at request of St Herbert's School involving all local Primary schools. |
| Wednesday 5th October | Special Judges Service at Carlisle Cathedral at the invitation of the High Sheriff of Cumbria |
| Friday 7th October | Attended special " Forgotten Voices " performance at the invitation of Dave Moorhead, at Theatre by the Lake |
| Tuesday 11 October | Attended 'Grand Day Out in Keswick' at the invitation of Stagecoach Cumbria as a promotion In conjunction with AGE UK to encourage use of free bus passes. Welcome speech requested |
| Wednesday 12 October | Attended LDNPA site visit in connection with Keswick Youth Centre Planning applications |
| Wednesday 12 October | Meeting arranged with Stephen Ratcliffe and Paula Allen of LDNPA to discuss proposal for KTC to prepare a Nieghbourhood plan in connection with holiday lets, second homes and other Planning issues of concern |

KESWICK TOWN COUNCIL
20 OCTOBER 2022

CLERK'S REPORT

Busking

We have recently had a number of complaints from a member of the public regarding amplified music in the Market Square, requesting that the Town Council ban amplified music in the Market Square.

I have explained that while we can request that buskers do not used amplifiers, the Code of Conduct is a voluntary Code, and we do not have any powers to stop amplification – any noise complaints have to go through Allerdale Borough Council's Environmental Health department. There is also no one who will go and talk to buskers and ask them to adhere to the Code, and given the responses we have had from some this year, it is not something I am willing to ask office staff to do given the amount of time that can be involved and some nasty responses.

Anecdotally, from the office's experience, the number of buskers in Keswick has been lower than normal this year.

However, it is worth considering whether Councillors wish to take another look at the Code of Conduct, and if it needs altering at all (attached).

Dog Fouling

We have received a number of complaints regarding dog fouling in various parts of the town, including Fitz Park and the Town Centre. I have spoken to the Parks Manager regarding Fitz Park, who is going to contact Allerdale Borough Council and ask for a warden to come and spray notices on the paths once again. However, with the increase of dogs to the town, there has been an increase of dog urine in the main areas, which is difficult to control.

The recent rain has washed most of any issue away, but it is something we will continue to receive complaints about.

Vivien Little
12 October 2022

## Report from the North DA Parishes Member of the LDNPA – September 2022

I attended two formal meetings this month. On September 7th, Development Control Committee was something of a marathon, with 14 applications to determine. They were a very varied mix, including a replacement garage with home office above in Braithwaite, two substantial boathouses with day rooms above on the shore of Windermere, and a mobile phone mast at Eskdale.

Somewhat less demanding, but no less interesting, was Park Strategy & Vision Committee (PSV) on September 21st. Here, one of the substantive items on the agenda required the study of a document that ran out at over 150 pages: the Keswick Conservation Area Appraisal and Management Plan (CAAMP). Designation as a conservation area allows the National Park Authority to formulate specific policies and proposals to preserve or enhance the conservation area. These documents set out the special character of the conservation area (the appraisal) and make recommendations for future management of the area either through Development Management controls or enhancement projects (the management plan). There are currently 23 Conservation Areas in the LDNP (including Blindcrake, Caldbeck, Hesket Newmarket and Keswick in the North DA), but Keswick is the only one at present without an adopted CAAMP. PSV does not have delegated authority to adopt such a document, so the decision was to recommend the document for adoption by full Authority at its October meeting. The CAAMP is full of fascinating information about Keswick and its history, and is a good read, which I would recommend to anyone interested in appreciating the town and its heritage. Indeed, the committee report noted that, during the public consultation on the CAAMP, several members of the public had purchased printed copies for their own interest.

PSV also received a report on written evidence that the LDNPA has submitted to UK Government in relation to the Levelling up and Regeneration Bill. The Bill was introduced to Parliament in June. It has had its first and second readings and has just completed its committee stage. It was to the committee that the LDNPA submission was sent. It specifically asks for two main actions from Government. The first is to amend the Town & Country Planning (Use Classes) Order so that permanent residences, second homes and holiday lets are three separate Use Classes, which would make changes between these uses subject to planning control. The second is to remove the Small Business Rate Relief for furnished holiday homes and instead to bring them into the Council Tax regime. It is a response to growing concerns about the increasing numbers of second homes and holiday lets in the LDNP and the consequent shortage of affordable homes for those who need to live and work in the Park. The submission includes a parish-by-parish report on the numbers of homes that are not in permanent occupation.

All the papers for the September PSV meeting can be found on the relevant Committee page[1]

Geoff Davies

Geoff.Davies@lakedistrict.gov.uk

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[1] Park Strategy and Vision Committee - 21 September 2022 : Lake District National Park

# Keswick in Bloom 2022 Summary

Keswick in Bloom have continued to work towards our aims to encourage the improvement of our surroundings through the imaginative use of trees, shrubs, flowers and landscaping and we hope also to have played a part in creating an attractive and sustainable environment.

## 1. General Maintenance: -

Last year we toured the businesses in town asking them to keep an eye on the planters and beds outside their establishments and left them a note with contact details. Though we were very well received in the main few of them actually did any watering and no one contacted to say areas need attention, despite issues cropping up. The problem is unless you are a gardener you just don't see that the plants are in need of some tender loving care. This year, apart from a cold spring and the very hot spells rainfall has been around average hence watering has not been quite the issue it has in recent years. We have also looked at the number of areas that we are responsible for and shared out the tasks so people now have a nominated area to keep an eye on. We have been able to maintain our areas but could always do with more regular volunteers, particularly at Lake Road. Christine Fawcett has helped out and the Rotary once again answered our call and were brilliant at helping us plant the box hedging KESWICK sign at the junction of Chestnut Hill with the Hawthorns.

**Issues to discuss:**

1.1. Growing the volunteer force.

## 2. Planting Displays: -

A planting group was formed this year and we have had some productive meetings discussing plants and planning displays. We have had some problems with the plastic Amberol planters that have a water reservoir. In the main they are an excellent solution for the town; however, they do have their limitations and over time they can block, the drainage system stops working and they fill with water damaging the plants. The company have supplied new matting where the old ones appear to have been at fault but they insist that the best compost to use is peat based; they claim that it is anything else that leads to blockages. Peat based compost is no longer an option, but having recently emptied various planters it is clear that eventually roots will clog up the system. This is a shame as we are trying to move to a more sustainable system with more perennial planting and less replacing of plants and soil on a regular basis. For the ten mangers on Bell Close car park, where roots from the Tete-a-tete bulbs where a real problem, we are investing in new liners so that it is far easier to swap over the summer and winter displays. That way we can keep plants going from year to year and bolster displays with hardy annuals. The two planters at the end of the market square have also had a spruce up with some tough new plants. We'd love to do a more colourful display but people love sitting on them so much that we have to use plants that can withstand regularly being crushed.

**Issues to discuss:**

2.1. Regular checking of planters and watering.

## 3. Lake Road: -

Once again, the Lake Road Underpass area has been assessed by Cumbria in Bloom as part of the RHS's national award scheme "It's Your Neighbourhood". Cumbria in Bloom's judges visited Keswick on a warm day in July and spent time viewing the beds either side of the Underpass. We were pleased to be joined by a student representative from Keswick School who have been working with us this year looking at the environment and sustainability on the site. One excellent initiative was the installation of a "bug mansion" which was built from recycled materials by Keswick year 10 student practicing their technology skills. Last year we were awarded a Silver-Gilt, the second highest available. At the time of writing we do not yet have this year's results though I may be able to tell you at the council meeting. Credit must go to Keswick In Bloom members Vron, Liz and Val for all their sterling work again this year.

**Issues to discuss:**

3.1. Competition entry

3.2. Links with other volunteer groups and the Parks.

## 4. Finances: -

After 3 years of managing without a grant from the Town Council we have this year applied for support. As well as money for maintenance and annual displays we are hoping for support for a project at the Underpass and the purchase of the new liners for the Bell Close mangers.

Tricia Horner- Secretary
Jenny Forbes- Chair
Tom Rennie- Treasurer

**KESWICK TOWN COUNCIL**

**GENERAL FUND - ADMINISTRATION**

**1st April 2022 - 31st March 2023**

**Budget Summary as at 30 September 2022**

**2nd Quarter**

| **Expenditure:** | **AGREED Budget 22/23** | **Expenditure to 30.09.22** | **% of budget spent** |
|---|---|---|---|
| Salaries, Nat ins & Pension & Pension Deficit | 110339 | 51336 | 46.53 |
| Payroll - Outsource Costs | 330 | 157 | 47.58 |
| Rent | 7100 | 3550 | 50.00 |
| Building Service Costs | 5000 | 0 | 0.00 |
| Repairs - Decorating/Carpets/Upgrades | 500 | 15 | 3.00 |
| Insurances | 980 | 811 | 82.76 |
| Subscriptions | 964 | 805 | 83.51 |
| Conferences/Training | 850 | 470 | 55.29 |
| Stationery | 1000 | 469 | 46.90 |
| Postage | 350 | 157 | 44.86 |
| Telephone & Internet (inc Zoom) | 700 | 334 | 47.71 |
| Photocopier | 1788 | 767 | 42.90 |
| Computer maintenance/support | 2695 | 1520 | 56.40 |
| Office Equipment | 200 | 0 | 0.00 |
| Staff Expenses | 200 | 0 | 0.00 |
| Ex Employee Pension | 1440 | 364 | 25.28 |
| Health and Safety | 50 | 2 | 4.00 |
| Website (Annual Fee) | 240 | 154 | 64.17 |
| Council Chamber/Meeting Expenditure | 500 | 0 | 0.00 |
| Telephone System - Maintenance Fee | 200 | 0 | 0.00 |
| Staff Recruitment Costs | 200 | 0 | 0.00 |
| | | | |
| **Total Expenditure:** | **135626** | **60911** | **44.91** |

| **Income:** | **AGREED Budget 22/23** | **Income to 30.09.22** | **% of budget income** |
|---|---|---|---|
| Photocopies | 0 | 8 | 0.00 |
| Council chamber rental | 20 | 0 | 0.00 |
| | | | |
| **Total Income:** | 20 | **8** | **40.00** |

| | | | |
|---|---|---|---|
| To be allocated: | **135606** | **60903** | **44.91** |

| **Allocation:** | **AGREED Budget 22/23** | **Allocation to date** | **% of allocation to date** |
|---|---|---|---|
| General Fund - **(60%)** | 81364 | 36541 | 44.91 |
| Hope Park - **(20%)** | 27121 | 12181 | 44.91 |
| Fitz Park - **(20%)** | 27121 | 12181 | 44.91 |
| | **135606** | **60903** | |

**KESWICK TOWN COUNCIL**

**GENERAL FUND**

**1st April 2022 - 31st March 2023**

**Budget Summary as at 30 September 2022**

**2nd Quarter**

| **Expenditure:** | **AGREED Budget for 22/23** | **Expenditure to 30.09.22** | **% of Budget** | |
|---|---|---|---|---|
| General Administration | 81364 | 36541 | 44.91 | |
| Grants to outside bodies | 18000 | 16666 | 92.59 | |
| Christmas Lights | 30300 | 262 | 0.86 | |
| Mayors Allowance | 2000 | 1500 | 75.00 | |
| War memorial | 1600 | 1095 | 68.44 | |
| Townsfield | 1800 | 400 | 22.22 | |
| Open Spaces | 1000 | 500 | 50.00 | |
| Fitz Park - Grant from KTC **(deficit)** | **180267** | 90134 | 50.00 | |
| Communications & Neighbourhood Plan | 500 | 0 | 0.00 | |
| Audit Fee/Accounts Preparation | 1800 | 25 | 1.39 | |
| Contingency Sum | 5000 | 0 | 0.00 | |
| Keswick Events (Inc. Scruffs) | 16630 | 13083 | 78.67 | |
| Floral displays | 500 | 28 | 5.60 | |
| Allotments Expenditure | 600 | 146 | 24.33 | |
| Annual Parish Meeting (inc room hire & refreshments) | 200 | 368 | 184.00 | *Inc Notice of Casual Vacancy* |
| Advertising | 375 | 69 | 18.40 | |
| CCTV Annual Maintenance Cost - Police | 3000 | 0 | 0.00 | |
| CCTV Annual Maintenance Cost - Moot Hall KTC | 200 | 0 | 0.00 | |
| | | | | |
| **TOTAL EXPENDITURE:** | **345136** | **160817** | **46.60** | |

| **Income:** | **AGREED Budget 22/23** | **Income to 30.09.22** | **% of Budget** |
|---|---|---|---|
| Precept | **307054** | 153527 | 50.00 |
| Grant to Fitz Park - ABC | 20000 | 20000 | 100.00 |
| Bank/Investment interest (inc War Memorial) | 5 | 0 | 0.00 |
| Walker Park rent | 12267 | 14130 | 115.19 |
| Allotments Income - Rent | 600 | 350 | 58.33 |
| Keswick Events Contributions (Inc. Scruffs) | 5000 | 3974 | 79.48 |
| Christmas Light Contribution | 200 | 0 | 0.00 |
| Townsfield Interest | 10 | 6 | 60.00 |
| | | | |
| **TOTAL INCOME:** | **345136** | **191987** | **55.63** |

KESWICK TOWN COUNCIL
20 OCTOBER 2022

BUDGET COMPARISONS

Following on from the presented budget comparisons, I would like to highlight the increase and potential overspend in the staffing budget for 2022/2023. When the budgets were set in November and December last year, no one could have predicted the rapid increase in the rate of inflation, and the increases to cost of living as a result.

When the budgets were set, an amount of 6% was allowed in the budget for staff pay increases; however the National Employers have offered a pay rise of £1,925 to all NJC pay points. Normally pay rises are based on percentage points, but this increase will mean that the lower pay scales actually get a higher than predicted percentage increase of around 10%. This offer, if approved by the unions, would be backdated to 1 April 2022. It is currently being balloted by unions, with one unions result being to accept the offer, and the rest of the results being expected by the end of October.

If this pay increase is applied, this means that the staffing budgets will be overspent for the Town Council, Hope Park and Fitz Park. The amounts are as follows:

Town Council – total overspend £1,549
Hope Park – total overspend £1,916
Fitz Park – total overspend £2,973

Councillors are asked to approve an overspend on the staffing budget head.

The Living Wage Foundation have also announced their new Real Living Wage for 2022/23 early, in order to allow participating employers to budget for the next financial year. The amount for 2023/24 will be £10.90 per hour, an increase of £1 per hour. There is uncertainty about next year's pay settlement, but various bodies including the Society of Local Council Clerks have recommended that a significant amount be budgeted once again next year.

Vivien Little
12 October 2022

**AGENDA ITEM 17.**

## Town Clerk

| | |
|---|---|
| **From:** | Pensions Mailbox <pensions@cumbria.gov.uk> |
| **Sent:** | 21 September 2022 10:23 |
| **Subject:** | Cumbria Pension Fund - Consultation on amendments to the Funding Strategy Statement |
| **Attachments:** | FSS Amendments - 2022 Consultation.docx |
| **Importance:** | High |

**Sent on behalf of Alison Clark, Senior Manager - Pensions and Financial Services**

Dear Scheme Employer

**Consultation on amendments to the Cumbria LGPS Funding Strategy Statement**:

The Cumbria Local Government Pension Scheme ("the Fund") is today launching a consultation with interested parties on amendments to its Funding Strategy Statement ("FSS") as attached. The purpose of the FSS is to *'establish a clear and transparent fund-specific funding strategy which would identify how employers' pension liabilities are best met going forward.'*

The FSS has been reviewed and updated in recognition of the 2022 triennial valuation of the Fund. Amendments to the current version of the FSS are presented in red text on the attached. Many of these amendments are minor in nature but there are a couple of key areas that I would like to draw your attention to.

**Key parameters on which the 2022 valuation will be calculated:**

The FSS details the key parameters on which it is proposed that the 2022 valuation of the Fund's liabilities are based. These parameters include:

- Discount rate for past service (i.e. the rate used to calculate what we need to invest now to meet the liabilities arising from past service - a key component of this rate is the expected investment return);
- Discount rate for future service (i.e. the rate used to calculate what we need to invest now to meet the liabilities that will arise from future service - a key component of this rate is the expected investment return); and
- A minimum deficit recovery period (i.e. the time at which an employer calculated as being in deficit as at the date of the valuation, is expected to be fully funded).

Where an employer has a funding level of less than 100%, a "Secondary" employer contribution rate is calculated which aims to bring the employer's funding level to 100% by the end of its deficit repayment period. At the 2019 valuation the Fund set an average deficit recovery period of 12 years and thereby the Fund would aim to be 100% funded by 2032. It is proposed that, as part of the 2022 valuation, the Fund amends the period over which any employer's deficit would be recovered to a minimum period of 10 years.

It is considered to be imprudent to reduce the deficit recovery period for employers beyond 10 years as this can create significant volatility in employer contribution rates particularly for those employers with relatively low funding levels. The principle exception to this is for employers who are closed for new members. The deficit repayment period for these closed employers will reduce by three years, but with no minimum deficit recovery period to minimise risk to the Fund. The maximum deficit recovery period for these employers would be equivalent to the expected future working lifetime of the employer's scheme members to minimise risk to the Fund by targeting full funding in advance of their exit from the Fund.

The parameters for the valuation, the rate used in the 2019 valuation and the proposed rate for the 2022 valuation, as referred to throughout the FSS, are set out in the table below.

| Parameter | Rate at 2019 Valuation | Proposed Rate for 2022 Valuation |
|---|---|---|
| Discount rate for past service | CPI + 1.25% | CPI + 1.25% |
| Discount rate for future service | CPI + 2.00% | CPI + 2.00% |
| Deficit recovery period | Average of 12 years (fully funded by 2032), with a maximum period of 13 years | Minimum period of 10 years |

**Surplus Repayment Process:**

Where an employer has a funding level in excess of 100%, the Fund may, at its discretion, permit repayments to the scheme employer such that a negative Secondary employer contribution rate is calculated to enable the employer to offset the surplus against a proportion of their Primary employer contributions.

It is proposed within the FSS (with the full details explained in Appendix B) that a new Surplus Repayment Plan be implemented. This notes that as Funding Levels may be volatile and based on economic conditions outside of the control of either the Fund or the scheme employer, the Fund will not permit surpluses to be offset against employer contributions unless the assessed Funding Level of the employer exceeds 110% at the date of the Valuation.

Where the Funding Level of the employer exceeds 110% as at the date of the Valuation, it is proposed that the Fund may, at its discretion, permit repayments to be offset against assessed employer contributions (through a negative Secondary employer contribution rate) such that repayments would aim to reduce the Funding Level to 110% over a minimum period of 10 years. The maximum repayment that any employer may receive in each year will be equivalent to the employer's assessed Primary contribution rate, i.e. the percentage of pensionable payroll in respect of the cost of the future accrual of benefits.

The proposed Surplus Repayment Plan also notes that any surplus within the Pension Fund cannot be offset against any employee contributions which must continue to be collected by the employer and paid to the Fund in accordance with the timeframes detailed in the Administration and Communication Policy of the Fund.

**Any questions or responses to the consultation should be e-mailed to** pensions@cumbria.gov.uk **by Monday 28th November 2022 using the e-mail title "FSS Consultation Response".**

## 2022 Cumbria LGPS Pension Forum

The Forum meeting this year will take place on **Monday 21st November** at Penrith Rugby Club from 10:00am, this event is aimed at all employers within the scheme and may be of particular relevance to board members, senior management, staff with HR or Finance responsibilities and payroll providers.

This year there will also be an opportunity for employers to discuss their 2022 Triennial Valuation results with the Scheme Actuary and a member of the Pensions team. Appointments will be limited so please look out for the Forum invites which will be sent out in the next few weeks.

Kind regards,

Cumbria Pension Fund
pensions@cumbria.gov.uk

# 6 FUNDING STRATEGY STATEMENT (FSS)

## 6.1 Introduction

The Local Government Pension Scheme Regulations 2013 (as amended) ("the 2013 Regulations") and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 ("the 2014 Transitional Regulations") (collectively; "the Regulations") provide the statutory framework from which the Administering Authority is required to prepare a Funding Strategy Statement (FSS). The key requirements for preparing the FSS can be summarised as follows:

- After consultation with all relevant interested parties involved with the Cumbria Local Government Pension Scheme (the "Fund"), the Administering Authority will prepare and publish their funding strategy;
- In preparing the FSS, the Administering Authority must have regard to:
  - the guidance issued by CIPFA for this purpose; and
  - the Investment Strategy Statement (ISS) for the Fund published under Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (as amended);
- The FSS must be revised and published whenever there is a material change in either the policy set out in the FSS or the ISS.

### BENEFITS

The benefits provided by the Fund are specified in the governing legislation contained in the Regulations referred to above. Benefits payable under the Fund are guaranteed by statute and thereby the pensions promise is secure for members. The FSS addresses the issue of managing the need to fund those benefits over the long term, whilst at the same time facilitating scrutiny and accountability through improved transparency and disclosure.

The Fund is a defined benefit arrangement with principally final salary related benefits from contributing members up to 1 April 2014 and Career Averaged Revalued Earnings ("CARE") benefits earned thereafter. There is also a "50:50 Scheme Option", where members can elect to accrue 50% of the full scheme benefits in relation to the member only and pay 50% of the normal member contribution.

### EMPLOYER CONTRIBUTIONS

The required levels of employee contributions are specified in the Regulations. Employer contributions are determined in accordance with the Regulations (which require that an actuarial valuation is completed every three years by the actuary, including a rates and adjustments certificate specifying the "primary" and "secondary" rate of the employer's contribution). The Scheme's policy on reviewing individual employer contributions between formal actuarial valuations is detailed in Appendix D to the FSS.

**PRIMARY RATE**

The "Primary rate" for an employer is the contribution rate required to meet the cost of the future accrual of benefits, ignoring any past service surplus or deficit, but allowing for any employer-specific circumstances, such as its membership profile, the funding strategy adopted for that employer, the actuarial method used and/or the employer's covenant.

The Primary rate for the whole Fund is the weighted average (by payroll) of the individual employers' Primary rates.

**SECONDARY RATE**

The "Secondary rate" is an adjustment to the Primary rate to arrive at the total rate of contribution each employer is required to pay. The Secondary rate may be expressed as a percentage adjustment to the Primary rate, and/or a cash adjustment in each of the three years beginning 1 April in the year following the actuarial valuation.

Secondary rates for the whole Fund in each of the three years shall also be disclosed. These will be the calculated weighted average based on the whole Fund payroll in respect of percentage rates and the total amount in respect of cash adjustments.

### 6.2 Purpose of the FSS in policy terms

Funding is the making of advance provision to meet the cost of accruing benefit promises. Decisions taken regarding the approach to funding will therefore determine the rate or pace at which this advance provision is made. Although the Regulations specify the fundamental principles on which funding contributions should be assessed, implementation of the funding strategy is the responsibility of the Administering Authority, acting on the professional advice provided by the actuary.

The Administering Authority's long term objective is for the Fund to achieve a 100% solvency level over a reasonable time period and then maintain sufficient assets in order for it to pay all benefits arising as they fall due.

The purpose of this Funding Strategy Statement is therefore:

- to establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward by taking a prudent longer-term view of funding those liabilities;
- to establish contributions at a level to "secure the solvency" of the pension fund and the "long term cost efficiency",
- to have regard to the desirability of maintaining as nearly constant a primary rate of contribution as possible. This is the context of the Fund's aim to maintain as stable a rate of overall employer contributions (i.e. both primary and secondary employer contributions) as is possible whilst securing the solvency of the Fund and its long term cost efficiency.

The intention is for this strategy to be both cohesive and comprehensive for the Fund as a whole, recognising that there will be conflicting objectives which need to be balanced and reconciled. Whilst the position of individual employers must be reflected in the statement, it must remain a single strategy for the Administering Authority to implement and maintain.

### 6.3 Aims and purpose of the Fund

The aims of the Fund are to:

- ensure that sufficient resources are available to meet all liabilities as they fall due
- manage employers' liabilities effectively and enable employer contribution rates to be kept at a reasonable and affordable cost to the taxpayers and the scheduled, resolution and admitted bodies;
- achieve and maintain Fund solvency and long term cost efficiency, which should be assessed in light of the profile of the Fund now and in the future
- maximise the returns from investments within reasonable risk parameters taking into account the above aims.

The purpose of the Fund is to:

- receive monies in respect of contributions, transfer values and investment income, and
- pay out monies in respect of Fund benefits, transfer values, costs, charges and expenses as defined in the 2013 Regulations, the 2014 Transitional Regulations and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

### 6.4 Responsibilities of the key parties

The efficient and effective management of the Fund can only be achieved if all parties exercise their statutory duties and responsibilities conscientiously and diligently. The key parties for the purposes of the FSS are the Administering Authority (and, in particular the Pensions Committee), the individual employers and the Fund Actuary and details of their roles are set out below. Other parties required to play their part in the fund management process are bankers, custodians, investment managers, auditors and legal, investment and governance advisors, along with the Local Pension Board created under the Public Service Pensions Act 2013.

The **Administering Authority** should:

- operate the pension fund
- collect employer and employee contributions, investment income and other amounts due to the pension scheme as stipulated in the Regulations
- pay from the pension fund the relevant entitlements as stipulated in the Regulations
- invest surplus monies in accordance the Regulations
- ensure that cash is available to meet liabilities as and when they fall due
- take measures as set out in the Regulations to safeguard the Fund against the consequences of employer default
- manage the valuation process in consultation with the Fund's actuary
- prepare and maintain a FSS and an ISS, both after proper consultation with interested parties, and
- monitor all aspects of the Fund's performance and funding, amending the FSS/ISS as necessary
- effectively manage any potential conflicts of interest arising from its dual role as both Fund administrator and a Fund employer, and
- establish, support and monitor a Local Pension Board (LPB) as required by the Public Service Pensions Act 2013, the Regulations and the Pensions Regulator's relevant Code of Practice.

The **Individual Employer** should:

- deduct contributions from employees' pay correctly after determining the appropriate employee contribution rate (in accordance with the Regulations)
- pay all contributions, including their own as determined by the actuary, promptly by the due date as detailed in the Fund's Administration Strategy & Communication Policy
- develop a policy on certain discretions and exercise those discretions as permitted within the regulatory framework
- make additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of Fund benefits, early retirement strain, and
- have regard to the Pensions Regulator's focus on data quality and comply with any requirement set by the Administering Authority in this context, and
- notify the Administering Authority promptly of any changes to membership which may affect future funding.

The **Fund Actuary** should:

- prepare valuations including the setting of employers' contribution rates at a level to ensure fund solvency after agreeing assumptions with the

Administering Authority and having regard to their FSS and the Regulations
- prepare advice and calculations in connection with bulk transfers and individual benefit-related matters such as pension strain costs, ill health retirement costs etc
- provide advice and valuations on the termination of admission agreements
- provide advice to the Administering Authority on bonds and other forms of security against the financial effect on the Fund of employer default
- assist the Administering Authority in assessing whether employer contributions need to be revised between valuations as required by the Regulations
- advise on funding strategy, the preparation of the FSS and the inter-relationship between the FSS and the ISS, and
- ensure the Administering Authority is aware of any professional guidance or other professional requirements which may be of relevance to the Fund Actuary's role in advising the Fund.

### 6.5 Solvency Funding Target

Securing the "solvency" and "long term cost efficiency" is a regulatory requirement. To meet these requirements the Administering Authority's long term funding objective is for the Fund to achieve and then maintain sufficient assets to cover 100% (with a buffer to protect against adverse experience where appropriate) of projected accrued liabilities (the "funding target") assessed on an ongoing past service basis including allowance for projected final pay where appropriate. In the long term, an employer's total contribution rate would ultimately revert to its Primary rate of contribution.

### SOLVENCY AND LONG TERM EFFICIENCY

Each employer's contributions are set at such a level to achieve full solvency in a reasonable timeframe. Solvency is defined as a level where the Fund's liabilities i.e. benefit payments can be reasonably met as they arise.

Employer contributions are also set in order to achieve long term cost efficiency. Long term cost-efficiency implies that contributions must not be set at a level that is likely to give rise to additional costs in the future. For example, deferring costs to the future would be likely to result in those costs being greater overall than if they were provided for at the appropriate time.

When formulating the funding strategy the Administering Authority has taken into account these key objectives and also considered the implications of the requirements under Section 13(4)(c) of the Public Service Pensions Act 2013. As part of these requirements the Government Actuary's Department (GAD) must, following an actuarial valuation, report on whether the rate of employer contributions to the Fund is set at an appropriate level to ensure the "solvency" of the pension fund and "long term cost efficiency" of the LGPS so far as relating to the Fund.

## DETERMINATION OF THE SOLVENCY FUNDING TARGET AND DEFICIT RECOVERY PLAN

The principal method and assumptions to be used in the calculation of the funding target are set out in **Appendix A**. The Employer Deficit Recovery and Surplus Repayment Plans are set out in **Appendix B**.

Underlying these assumptions are the following two tenets:

- that the Fund is expected to continue for the foreseeable future; and
- favourable investment performance can play a valuable role in achieving adequate funding over the longer term.

This allows the Fund to take a longer term view when assessing the contribution requirements for certain employers.

In considering this the Administering Authority, based on the advice of the Fund Actuary, will consider if this results in a reasonable likelihood that the funding plan will be successful potentially taking into account any changes in funding after the valuation date up to the finalisation of the valuation by 31 March 2023 at the latest.

As part of each valuation, separate employer contribution rates are assessed by the Fund Actuary for each participating employer or group of employers. These rates are assessed taking into account the experience and circumstances of each employer, following a principle of no cross-subsidy between the distinct employers and employer groups in the Fund.

The Administering Authority, following consultation with the participating employers, has adopted the following objectives for setting the individual employer contribution rates arising from the 2022 actuarial valuation:

- Subject to consideration of affordability, as a general rule the deficit recovery period for employers will reduce by a period of 3 years subject to a minimum deficit recovery period of 10 years. This is to target full solvency over a similar (or shorter) time horizon whilst aiming to avoid significant volatility in employer contribution rates that a short recovery period may potentially lead to, particularly for those employers with relatively low funding levels.

- The exception to this is for employers who are closed for new members. The deficit repayment period for these closed employers will reduce by three years, consider the expected length of their participation in the Fund and have no minimum deficit recovery period to minimise risk to the Fund.

- Employers in deficit will have the freedom to adopt a recovery plan on the basis of a shorter period if they so wish. Subject to affordability considerations and other factors, a bespoke period may be applied in respect of particular employers where the Administering Authority considers this to be warranted (see Deficit Recovery and Surplus Recovery Plans in **Appendix B**).

- Where an employer is assessed as having a surplus of assets against forecast liabilities in excess of 110% as at the valuation date of 31 March 2022, these excess surpluses will be returned over an average period of at least 10 years (see Deficit Recovery and Surplus Repayment Plans in Appendix 2).

- Individual employer contributions will be expressed and certified as two separate elements:

    - the **Primary rate**: a percentage of pensionable payroll in respect of the cost of the future accrual of benefits
    - the **Secondary rate**: a schedule of lump sum monetary amounts over 2023/26 in respect of an employer's surplus or deficit

- For any employer, the total contributions they are actually required to pay in any one year is the sum of the Primary and Secondary rates (subject to an overall minimum of zero). Both elements are subject to further review from April 2026 based on the results of the 2025 actuarial valuation. Where deemed appropriate, an interim review of contribution rates may be undertaken between valuation dates.

- Where increases (or decreases) in employer contributions are required from 1st April 2023, following completion of the 2022 actuarial valuation, the increase (or decrease) from the rates of contribution payable in the year 2023/24 may be implemented in steps, over a maximum period of 3 years.

- On the cessation of an employer's participation in the Fund, in accordance with the Regulations, the Fund Actuary will be asked to make a termination assessment. Any deficit in the Fund in respect of the employer will be due to the Fund as a termination contribution, unless it is agreed by the Administering Authority and the other parties involved that the assets and liabilities relating to the employer will transfer within the Fund to another participating employer. The termination policy is summarised in the Fund's Admission and Termination Policy document (Section 7 of this Fund Policy Document).

- In all cases the Administering Authority reserves the right to apply a different approach at its sole discretion, taking into account the risk associated with an employer in proportion to the Fund as a whole. Such cases will be determined by the Director of Finance (S151 Officer) and notified to the Pensions Committee. The employer will also be notified.

**FUNDING FOR NON-ILL HEALTH EARLY RETIREMENT COSTS**

Employers are required to meet all costs of early retirement strain by:
- immediate capital payments into the Fund, or
- with the agreement of the Administering Authority, by making provision for them at the time of the actuarial valuation and including the costs within its funding plan.

### 6.6 Link to investment policy set out in the Investment Strategy Statement (ISS)

The results of the 2022 valuation show the liabilities to be 110% covered by the current assets. Individual employers will have different funding levels and some employers will have a funding level of less than 100%. For these employers, their funding deficit will be covered by future deficit contributions.

In assessing the value of the Fund's liabilities in the valuation, allowance has been made for growth asset out-performance as described below, taking into account the investment strategy adopted by the Fund, as set out in the ISS.

**<u>"Minimum Risk" portfolio versus a "Diverse" portfolio including growth assets</u>:**

It is not possible to construct a portfolio of investments which produces a stream of income exactly matching the expected liability outgo. It is, however, possible to construct a portfolio based on a "minimum risk" investment position designed to deliver real returns in line with or just above CPI inflation.

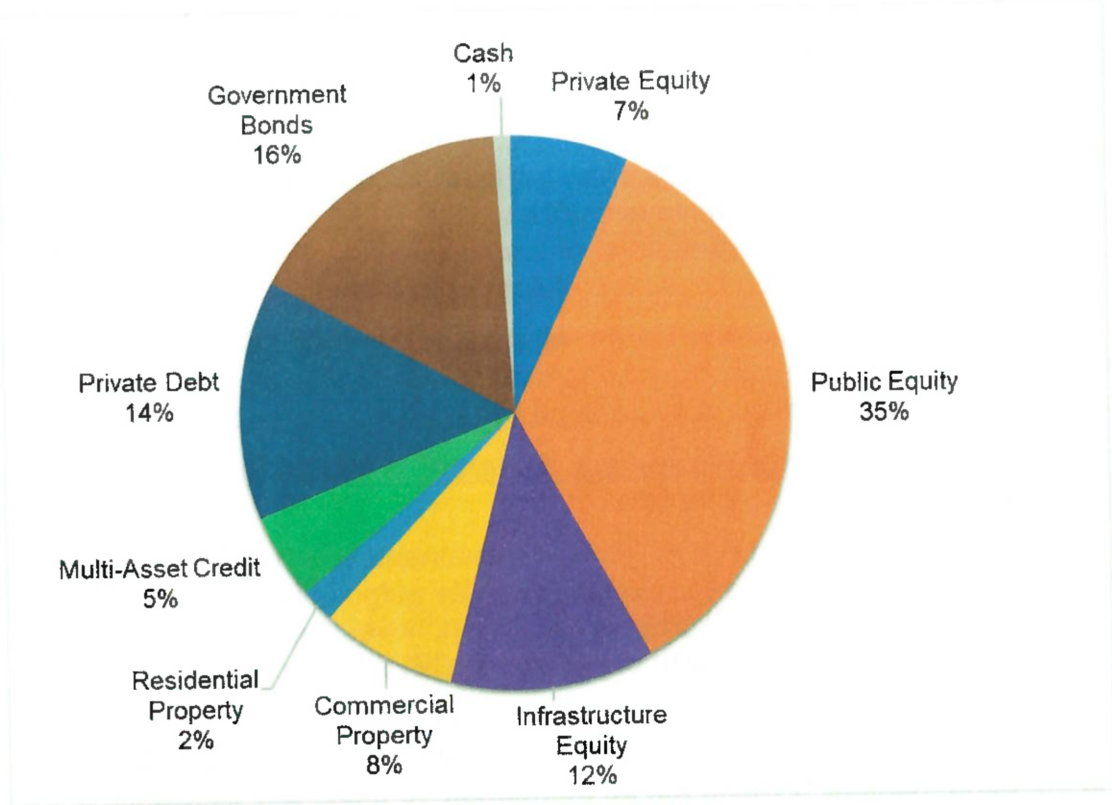
Such a portfolio would consist of a mixture of long-term index-linked, fixed interest gilts and possibly swaps. However, due to supply/demand distortions in the bond markets, it would not be appropriate to make any allowance in the valuation process for such a portfolio in respect of growth assets out-performance or any adjustment to market implied inflation assumption.

This would result in real return versus CPI inflation of below nil (i.e. negative) per annum at the valuation date as the return on index linked gilts would be less than assumed CPI inflation. On this basis of assessment, the value of the Fund's liabilities at the valuation would have been significantly higher, resulting in a much lower funding level, which in turn would have caused a significant increase in employer contribution rates payable for the period 2023/26.

Taking a "minimum risk" approach to portfolio construction is considered more appropriate for "closed" funds (i.e. where a fund is no longer accepting new members and therefore has a limited investment horizon). The Cumbria Fund is an "open" fund and therefore, has a longer investment horizon (i.e. it is able to invest over a longer timeframe). As such the Fund has an investment strategy based on a diverse portfolio including growth assets as well as more "defensive" assets such as index-linked gilts.

Departure from a minimum risk investment strategy, in particular to include growth assets such as equities, gives a better prospect that the assets will, over time, deliver returns in excess of CPI inflation and thus reduce employer contribution requirements. The target solvency position of having sufficient assets to meet the Fund's pension obligations might in practice therefore be achieved by a range of combinations of funding plan, investment strategy and investment performance.

The long-term investment strategy (as approved by Pensions Committee in March 2021) is:




As documented in the ISS, the investment strategy and return expectations set out above equate to an overall best estimate average expected return of 2.6% per annum in excess of CPI inflation. For the purposes of setting funding strategy however, the Administering Authority believes that it is appropriate to take a margin for prudence on these return expectations.

## 6.7 Identification of risks and counter-measures

The funding of defined benefits is by its nature uncertain. Funding of the Fund is based on both financial and demographic assumptions. These assumptions are specified in the actuarial valuation report. When actual experience is not in line with the assumptions adopted a surplus or shortfall will emerge at the next actuarial assessment and will require a subsequent contribution adjustment to bring the funding back into line with the target.

The Administering Authority has been advised by the Fund Actuary that the greatest risk to the funding level is the investment risk inherent in the predominantly equity based strategy, so that actual asset out-performance between successive valuations could diverge significantly from that assumed in the long term.

### FINANCIAL

The financial risks are as follows:

- Investment markets fail to perform in line with expectations
- Market outlook moves at variance with assumptions
- Investment Fund Managers fail to achieve performance targets over the longer term
- Asset re-allocations in volatile markets may lock in past losses
- Pay and price inflation significantly more or less than anticipated
- Future underperformance arising as a result of participating in the larger asset pooling vehicle.

Any increase in employer contribution rates (as a result of these risks), may in turn impact on the service delivery of that employer and their financial position.

In practice the extent to which these risks can be reduced is limited. However, the Fund's asset allocation is kept under constant review and the performance of the investment managers is regularly monitored.

Additionally, the Fund has responded to the very high levels of inflation at the time of the 2022 valuation and the specific risk posed by this by retaining a funding buffer below which any surplus is maintained within the Fund – this acts to protect the Fund and the employers, and increase the long-term stability of contributions.

### DEMOGRAPHIC

The demographic risks are as follows:

- Longevity horizon continues to expand
- Deteriorating pattern of early retirements (including those granted on the grounds of ill health)

- Unanticipated acceleration of the maturing of the Fund resulting in materially negative cash flows and shortening of liability durations
- The level of take-up of the 50:50 option at a higher level than built into the actuarial assumptions.

Increasing longevity is something which government policies, both national and local, are designed to promote. It does, however, result in a greater liability for pension funds.

Apart from the regulatory procedures in place to ensure that ill-health retirements are properly controlled, employing bodies should be doing everything in their power to minimise the number of ill-health retirements. Early retirements for reasons of redundancy and efficiency do not affect the solvency of the Fund because they are the subject of a direct charge.

With regards to increasing maturity (e.g. due to further cuts in workforce and/or restrictions on new employees accessing the Fund), the Administering Authority regularly monitors the position in terms of cash flow requirements and considers the impact on the investment strategy.

## INSURANCE OF CERTAIN BENEFITS

The contributions for any employer may be varied as agreed by the Actuary and Administering Authority to reflect any changes in contribution requirements as a result of any benefit costs being insured with a third party or internally within the Fund.

## REGULATORY

The key regulatory risks are as follows:

- Changes to Regulations, e.g. changes to the benefits package, retirement age, potential new entrants to Fund,
- Changes to national pension requirements and/or HMRC Rules

Membership of the LGPS is open to all local government staff and should be encouraged as a valuable part of the contract of employment. However, increasing membership does result in higher employer monetary costs.

## GOVERNANCE

The Fund has done as much as it believes it reasonably can to enable employing bodies and Fund members (via their representatives on the Local Pension Board) to make their views known to the Fund and to participate in the decision-making process.

Governance risks are as follows:

- The quality of membership data deteriorates materially due to breakdown in processes for updating the information resulting in liabilities being under or overstated
- Administering Authority unaware of structural changes in employer's membership (e.g. large fall in employee numbers, large number of retirements) with the result that contribution rates are set at too low a level
- Administering Authority not advised of an employer closing to new entrants, something which would normally require an increase in contribution rates
- An employer ceasing to exist with insufficient funding or adequacy of a bond or guarantee. Where there is a guarantor body in place, any outstanding funding deficit that is not recovered from the outgoing employer / bond will need to be paid by the guarantor (or the assets and liabilities for the outgoing employer will need to be subsumed by the guarantor). For cases where there is no guarantor or bond in place, any outstanding funding deficit that is not recovered from the outgoing employer will need to be subsumed by the Fund as a whole and spread across all employers.
- Changes in the Committee and Local Pension Board membership.

For these risks to be minimised much depends on information being supplied to the Administering Authority by the employing bodies. Arrangements are strictly controlled and monitored, but in most cases the employer, rather than the Fund as a whole, bears the risk. Nevertheless, where an employer defaults on its liabilities the risk in some cases may be borne by the whole Fund, so to that extent all Fund employers have joint and several liability to the Fund.

Further details concerning the governance of the Fund including risk management is available within the Fund's Governance Policy Statement, in the Fund Policy Document.

### 6.8 Monitoring and Review

The Administering Authority has taken advice from the actuary in preparing this Statement, and has consulted with the employers participating in the Fund.

A full review of this Statement will occur no less frequently than every three years, to coincide with completion of a full actuarial valuation. Any review will take account of the current economic conditions and will also reflect any legislative changes.

The Administering Authority will monitor the progress of the funding strategy between full actuarial valuations. If considered appropriate, the funding strategy will be reviewed (other than as part of the triennial valuation process), for example, if there:

- has been a significant change in market conditions, and/or deviation in the progress of the funding strategy
- have been significant changes to the Fund membership, or LGPS benefits

- have been changes to the circumstances of any of the employing authorities to such an extent that they impact on or warrant a change in the funding strategy
- have been any significant special contributions paid into the Fund.

When monitoring the funding strategy, if the Administering Authority considers that any action is required, the relevant employing authorities will be contacted. In the case of admitted bodies, there is statutory provision for rates to be amended between valuations but it is unlikely that this power will be invoked other than in exceptional circumstances.

## APPENDIX A – ACTUARIAL METHOD AND ASSUMPTIONS

### METHOD

The actuarial method to be used in the calculation of the solvency funding target is the Projected Unit method, under which the salary increases assumed for each member are projected until that member is assumed to leave active service by death, retirement or withdrawal from service. This method implicitly allows for new entrants to the Fund on the basis that the overall age profile of the active membership will remain stable. As a result, for those employers which are closed to new entrants, an alternative method is adopted, which makes advance allowance for the anticipated future ageing and decline of the current closed membership group potentially over the period of the rates and adjustments certificate.

### FINANCIAL ASSUMPTIONS – SOLVENCY FUNDING TARGET

**Investment return (discount rate)**

The discount rate has been derived based on the expected return on the Fund assets base on the long term strategy set out in the Investment Strategy Statement (ISS). It includes appropriate margins for prudence. When assessing the appropriate discount rate consideration has been given to the returns in excess of CPI inflation (as derived below). The discount rate at the valuation has been derived based on an assumed return of 1.25% per annum above CPI inflation i.e. a real return of 1.25% per annum equating to a total discount rate of 4.35% per annum. This real return will be reviewed from time to time based on the investment strategy, market outlook and the Fund's overall risk metrics.

Where warranted by an employer's circumstances, the Administering Authority retains the discretion to apply a discount rate based on a lower risk investment strategy for that employer to protect the Fund as a whole.

**Inflation (Consumer Prices Index)**

The inflation assumption will be taken to be the investment market's expectation for RPI inflation as indicated by the difference between yields derived from market instruments, principally conventional and index-linked UK Government gilts as at the valuation date, reflecting the profile and duration of the Fund's accrued liabilities, but subject to the following two adjustments:

- an allowance for supply/demand distortions in the bond market is incorporated (this allowance has been increased since 2019 to reflect increased distortion due to the current inflationary environment), and
- an adjustment due to retirement pensions being increased annually by the change in the Consumer Price Index rather than the Retail Price Index, and the fact that RPI and CPI will not be closely aligned until 2030.

The overall reduction to RPI inflation at the valuation date is 0.8% per annum.

The assumption will based on gilt yields at the valuation date, which provide estimates of inflation from that date. However, as actual pension increases are based on CPI inflation at the previous September, the liabilities will be adjusted to allow for both the April 2022 pension increase and actual observed inflation over the period from September 2021 to the valuation date (which will impact the April 2023 increase).

**Salary increases**
In relation to benefits earned prior to 1 April 2014, the assumption for long term real salary increases (salary increases in excess of price inflation) will be determined by an allowance of 1.5% p.a. over the inflation assumption as described above. This includes allowance for promotional increases.

**Pension increases/Indexation of CARE benefits**
Increases to pensions are assumed to be in line with the inflation (CPI) assumption described above. This is modified appropriately to reflect any benefits which are not fully indexed in line with the CPI (e.g. Guaranteed Minimum Pensions where the LGPS is not required to provide full indexation for certain members depending on their retirement date).

## DEMOGRAPHIC ASSUMPTIONS

**Mortality/Life Expectancy**
The mortality in retirement assumptions will be based on the most up-to-date information in relation to self-administered pension schemes published by the Continuous Mortality Investigation (CMI), making allowance for future improvements in longevity and the experience of the Fund. The mortality tables used are set out below, with a loading reflecting Fund specific experience. The derivation of the mortality assumption is set out in a separate paper as supplied by the Actuary. For all members, it is assumed that the accelerated trend in longevity seen in recent years will continue in the longer term and as such, the assumptions build in a level of longevity 'improvement' year on year in the future in line with the CMI projections with a long-term improvement trend of 1.75% per annum.

(Note that the higher level of deaths actually experienced within the Fund due to COVID between 2019 and 2022 will be reflected in the liabilities. However the assumptions will adopt the recommended approach for the core CMI projection of applying no weight to the higher levels of deaths observed nationally over 2020 and 2021 due to COVID – this is to reflect the fact that the impact of COVID future mortality is unclear at this stage.)

The mortality before retirement has also been adjusted based on LGPS wide experience.

**Commutation**
It has been assumed that, on average, the total lump sum taken by members (including scheme lump sum on pre 2008 benefits and commuted lump sum) is 75% of the maximum tax-free cash available at retirement. The option which members have to commute part of their pension at retirement in return for a lump sum is a rate of £12 cash for each £1 p.a. of pension given up.

**Other Demographics**
Following an analysis of Fund experience carried out by the Actuary, the incidence of ill health retirements, withdrawal rates and the proportions married/civil partnership assumption have been reviewed and where appropriate modified from the last valuation. In addition, no allowance will be made for the future take-up of the 50:50 option. Where any member has actually opted for the 50:50 scheme, this will be allowed for in the assessment of the rate for the next 3 years. Other assumptions are as per the last valuation.

**Expenses**
Expenses are met out the Fund, in accordance with the Regulations. This is allowed for by adding 0.8% of pensionable pay to the contributions as required from participating employers. This addition is reassessed at each valuation. Investment expenses have been allowed for implicitly in determining the discount rates.

**Discretionary Benefits**
The costs of any discretion exercised by an employer in order to enhance benefits for a member through the Fund will be subject to additional contributions from the employer as required by the Regulations as and when the event occurs. As a result, no allowance for such discretionary benefits has been made in the valuation.

## METHOD AND ASSUMPTIONS USED IN CALCULATING THE COST OF FUTURE ACCRUAL (OR PRIMARY RATE)

The future service liabilities are calculated using the same assumptions as the funding target except that a different financial assumption for the discount rate is used. A critical aspect here is that the Regulations state the desirability of keeping the “Primary Rate” (which is the future service rate) as stable as possible so this needs to be taken into account when setting the assumptions.

As future service contributions are paid in respect of benefits built up in the future, the FSR should take account of the market conditions applying at future dates, not just the date of the valuation, thus it is justifiable to use a slightly higher expected return from the investment strategy. In addition, the future liabilities for which these contributions will be paid have a longer average duration than the past service liabilities as they relate to active members only.

The financial assumptions in relation to future service (i.e. the normal cost) are not specifically linked to investment conditions as at the valuation date itself, and are based on an overall assumed real discount rate of 2.0% per annum above the long term average assumption for consumer price inflation of 3.1% per annum.

## EMPLOYER ASSET SHARES

The Fund is a multi-employer pension scheme that is not formally unitised and so individual employer asset shares are calculated at each actuarial valuation. This means it is necessary to make some approximations in the timing of cashflows and allocation of investment returns when deriving the employer asset share.

In attributing the overall investment performance obtained on the assets of the Fund to each employer a pro-rata principle is adopted. This approach is effectively one of applying a notional individual employer investment strategy identical to that adopted for the Fund as a whole unless agreed otherwise between the employer and the Fund at the sole discretion of the Administering Authority.

At each review, cashflows into and out of the Fund relating to each employer, any movement of members between employers within the Fund, along with investment return earned on the asset share, are allowed for when calculating asset shares at each valuation.

Other adjustments are also made on account of the funding positions of orphan bodies which fall to be met by all other active employers in the Fund.

## SUMMARY OF KEY WHOLE FUND ASSUMPTIONS USED FOR CALCULATING FUNDING TARGET AND COST OF FUTURE ACCRUAL (THE "PRIMARY RATE") FOR THE 2019 ACTUARIAL VALUATION

| | |
|---|---|
| **Long-term yields** | |
| Market implied RPI inflation | 3.9% p.a. |
| **Solvency Funding Target financial assumptions** | |
| Investment return/Discount Rate | 4.35% p.a. |
| CPI price inflation | 3.1% p.a. |
| Long Term Salary increases | 4.6% p.a. |
| Pension increases/indexation of CARE benefits | 3.1% p.a. |
| **Future service accrual financial assumptions** | |
| Investment return/Discount Rate | 5.1% p.a. |
| CPI price inflation | 3.1% p.a. |
| Long Term Salary increases | 4.6% p.a. |
| Pension increases/indexation of CARE benefits | 3.1% p.a. |

**Life expectancy assumptions**

The post retirement mortality tables adopted for this valuation, along with sample life expectancies, are set out below:

| | Base Table (M / F) | Improvements | Adjustment (M / F) |
|---|---|---|---|
| Current pensioners: | | | |
| Normal health | S3PMA / S3PFA_M | CMI_2021 [1.75%] | 107% / 100% |
| Ill-health | S3IA | CMI_2021 [1.75%] | 129% / 158% |
| Dependants | S3PMA / S3DFA | CMI_2021 [1.75%] | 129% / 114% |
| Future dependants | S3PMA / S3DFA | CMI_2021 [1.75%] | 129% / 114% |
| Current active / deferred: | | | |
| Active normal health | S3PMA / S3PFA_M | CMI_2021 [1.75%] | 111% / 100% |
| Active ill-health | S3IA | CMI_2021 [1.75%] | 237% / 315% |
| Deferred | S3PMA / S3PFA_M | CMI_2018 [1.75%] | 118% / 108% |
| Future dependants | S3PMA / S3DFA | CMI_2018 [1.75%] | 125% / 115% |

*For all tables, sk=7.5, A=0, w2020 = 0, w2021 = 0*

Other demographic assumptions are set out in the Actuary's formal report.

## APPENDIX B – EMPLOYER DEFICIT RECOVERY & SURPLUS REPAYMENT PLANS

As previously noted, each employer's contributions are set at such a level to achieve and maintain full solvency[1] in a reasonable timeframe and to achieve long term cost efficiency.

Per CIPFA Guidance[2] *"The rate of employer contributions shall be deemed to have been set at an appropriate level to ensure long-term cost efficiency if the rate of employer contributions is sufficient to make provision for the cost of current benefit accrual, with an appropriate adjustment to that rate for any surplus or deficit in the fund."*

This appendix describes how the Fund, in consultation with the Fund Actuary, determines the adjustment to be made where an employer has a deficit in the Fund (section 1) and where an employer has a surplus in the Fund (section 2). The below sets out the Fund's standard approach to setting the period over which any surplus / deficit is removed – however the Fund reserves the right to adopt an alternative approach for any particular employer where the Fund deems this to be appropriate:

### 1. Deficit Recovery

1.1. Where a scheme employer's asset in the Fund are less than its liabilities at the effective date, a deficit recovery plan needs to be adopted such that additional contributions are paid into the Fund to meet the shortfall.

1.2. The Recovery Period for each employer is set by the Fund, in consultation with the Fund Actuary. The Fund will consider any representations received from the employer and any guarantor, with a view to balancing the various funding requirements against the risks arising from the financial strength of the employer and the nature of its participation in the Fund (please see section 1.10 below for further details). Whilst willing to consider representations, the Fund retains its discretion in setting the recovery periods for employers.

1.3. Deficit contributions paid to the Fund by each employer will be expressed as £s amounts and it is the Fund's objective that any funding deficit is eliminated as quickly as the participating employers can reasonably afford based on the Administering Authority's view of the employer's covenant and risk to the Fund.

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[1] . Solvency is defined as a level where the Fund's liabilities i.e. benefit payments can be reasonably met as they arise.
[2] CIPFA "Preparing and Maintaining a Funding Strategy Statement in the LGPS".

1.4. Following the 2019 valuation, the Fund's average deficit recovery period was 12 years, and a target date for full funding of 2032. As part of the 2022 valuation, the Fund is seeking to reduce open employers' deficit recovery periods by three years subject to a minimum deficit recovery period of 10 years. The minimum is to a) avoid unnecessary contribution instability for long-term Fund employers, as very short recovery periods can lead to very volatile contributions, and b) recognise the fact that even once full funding is achieved deficits can subsequently develop, and so ending one recovery period only to then starting a new one is impractical.

1.5. The principle exception to this is for employers who are closed for new members. The deficit repayment period for these employers will reduce by three years, but with no minimum and a maximum of the expected future working lifetime of the members to minimise risk to the Fund by targeting full funding in advance of their exit from the Fund.

1.6. Additionally, the Fund will may also consider any contractual periods where appropriate when setting the recovery period.

1.7. Subject to the above, recovery periods will be set by the Fund on a consistent basis across employer categories where possible and communicated as part of the discussions with employers. This will determine the minimum contribution requirement.

1.8. Employers will be free to select any shorter deficit recovery period and higher contributions if they wish, including the option of prepaying the deficit contributions in one lump sum either on annual basis or a one-off payment. This will be reflected in the monetary amount requested via a reduction in overall £ deficit contributions payable.

1.9. The determination of the target recovery periods is summarised in the table below:

| Category | Target Average Deficit Recovery Period | Derivation |
|---|---|---|
| Scheme Employers | 10 years | Determined by reducing the period from the preceding valuation by at least 3 years, subject to a minimum of 10 years. |
| Open Admitted Bodies | 10 years, normally subject to a maximum of the remaining contract period | Determined by reducing the period from the preceding valuation by at least 3 years, subject to a minimum of 10 years. |

| Category | Target Average Deficit Recovery Period | Derivation |
|---|---|---|
| Closed Employers | The lesser of the remaining contract period, or the future working lifetime of the membership | Determined by reducing the period from the preceding valuation by at least 3 years. |
| Employers with a limited participation in the Fund. | Determined on a case by case basis. | Length of expected period of participation in the Fund. |

## 1.10. Other factors affecting Employer Deficit Recovery Plans

1.10.1. The Fund acknowledges that the above approach may materially impact certain employers. In recognition of this the Fund may, in exceptional circumstances, set recovery period beyond that outlined in section 1.4 above through the mechanisms outlined in 1.10.4 below.

1.10.2. This introduces an element of risk to both the Fund and the employer as, by extending the period over which its deficit is recovered, an employer may end up in a worse position at the next valuation than if it had sought to restore full funding more quickly. This would be contrary to the objective of setting employer contributions so as to secure the solvency and long-term cost efficiency of the Scheme.

1.10.3. As such the Fund, in determining deficit recovery periods at an individual employer level, will consider the risks arising from the financial strength ("covenant") of the employer and the nature of its participation in the Fund. Factors that will influence this decision may include (but are not limited to):

- The size of the funding shortfall;
- The business plans of the employer;
- The assessment of the financial covenant of the Employer, and security of future income streams; and
- Any contingent security available to the Fund or offered by the Employer such as guarantor or bond arrangements, charge over assets, etc.

1.10.4. In considering a request to extend deficit recovery periods, the the Administering Authority, in consultation with the actuary, will either:

- consider the use of contingent assets and other tools such as bonds or guarantees that could assist employing bodies in managing the cost of their liabilities or could provide the Fund with greater security against outstanding liabilities. This could result in a longer recovery period being acceptable to the Administering Authority, (in accordance with section 1.10.1) although employers will still be expected to at least cover expected interest costs on the deficit; or

- for those bodies identified as having a weaker covenant, the Administering Authority will need to balance the level of risk plus the solvency requirements of the Fund with the sustainability of the organisation when agreeing funding plans. As a minimum, the annual deficit payment must meet the on-going interest costs to ensure, everything else being equal, that the deficit does not increase in monetary terms.

## 2. Surplus Repayments

Where a scheme employer's assets in the Fund are greater than its liabilities at the effective date, the Fund may, at its discretion, permit repayments to the scheme employer such that a negative Secondary employer contribution rate is calculated to enable the employer to offset the surplus against a proportion of their Primary employer contributions.

As Funding Levels may be volatile and based on economic conditions outside of the control of either the Fund or the scheme employer, and acknowledging the requirement for and desirability of long term stability / cost efficiency in the contributions, the Fund will not permit surpluses to be offset against employer contributions unless the assessed Funding Level of the employer exceeds 110% at the date of the Valuation.

Where the Funding Level of the employer exceeds 110% as at the date of the Valuation, the Fund may, at its discretion, permit repayments to be offset against assessed employer contributions (through a negative Secondary employer contribution rate) such that repayments would aim to reduce the Funding Level to 110%. This would occur over a minimum period of 10 years in most cases.

One exception to the above is where an employer's position has improved such that they would be facing a reduction in contributions without the application of the buffer, but applying the buffer would lead to an increase in total contributions. In these cases the employer will normally be allowed to use the full surplus to maintain the current total contribution rate.

The maximum repayment that any employer may receive in each year will be equivalent to the employer's assessed Primary contribution rate, i.e. the percentage of pensionable payroll in respect of the cost of the future accrual of benefits.

It is thereby noted that any surplus within the Pension Fund cannot be offset against any employee contributions which must continue to be collected by the employer and paid to the Fund in accordance with the timeframes detailed in the Administration and Communication Policy of the Fund.

## APPENDIX C – COVENANT ASSESSMENT AND MONITORING POLICY

An employer's covenant underpins its legal obligation and ability to meet its financial responsibilities now and in the future. The strength of covenant depends upon the robustness of the legal agreements in place and the likelihood that the employer can meet them. The covenant effectively underwrites the risks to which the Fund is exposed, including underfunding, longevity, investment and market forces.

An assessment of employer covenant focuses on determining the following:

- Type of body and its origins
- Nature and enforceability of legal agreements
- Whether there is a bond in place and the level of the bond
- Whether a more accelerated recovery plan should be enforced
- Whether there is an option to call in contingent assets
- Is there a need for monitoring of ongoing and termination funding ahead of the next actuarial valuation?

The strength of employer covenant can be subject to substantial variation over relatively short periods of time and, as such, regular monitoring and assessment is vital.

### RISK CRITERIA

The assessment criteria upon which an employer should be reviewed could include:

- Nature and prospects of the employer's industry
- Employer's competitive position and relative size
- Management ability and track record
- Financial policy of the employer
- Profitability, cash flow and financial flexibility
- Employer's credit rating
- Position of the economy as a whole

Not all of the above would be applicable to assessing employer risk within the Fund; rather a proportionate approach to consideration of the above criteria would be made, with further consideration given to the following:

- The scale of obligations to the pension scheme relative to the size of the employer's operating cash flow
- The relative priority placed on the pension scheme compared to corporate finances
- An estimate of the amount which might be available to the scheme on insolvency of the employer as well as the likelihood of that eventuality.

## ASSESSING EMPLOYER COVENANT

The employer covenant will be assessed objectively and its ability to meet their obligations will be viewed in the context of the Fund's exposure to risk and volatility based on publicly available information and/or information provided by the employer. The monitoring of covenant strength along with the funding position (including on the termination basis) enables the Fund to anticipate and pre-empt employer funding issues and thus adopt a proactive approach. In order to objectively monitor the strength of an employer's covenant, adjacent to the risk posed to the Fund, a number of fundamental financial metrics will be reviewed to develop an overview of the employer's stability and a rating score will be applied using a Red/Amber/Greed (RAG) rating structure.

In order to accurately monitor employer covenant, it will be necessary for research to be carried out into employers' backgrounds and, in addition, for those employers to be contacted to gather as much information as possible. Focus will be placed on the regular monitoring of employers with a proactive rather than reactive view to mitigating risk.

The covenant assessment will be combined with the funding position to derive an overall risk score. Action will be taken if these metrics meet certain triggers based on funding level, covenant rating and the overall risk score.

## FREQUENCY OF MONITORING

The funding position and contribution rate for each employer participating in the Fund will be reviewed as a matter of course with each triennial actuarial valuation. However, it is important that the relative financial strength of employers is reviewed regularly to allow for a thorough assessment of the financial metrics. The funding position will be monitored (including on the termination basis) using an online system provided to officers by the Fund Actuary.

Where risks or concerns are identified in relation to an employer or a group of employers Officers will apply an increased level of covenant risk management (as described below) in relation to that employer / group of employers.

## COVENANT RISK MANAGEMENT

The focus of the Fund's risk management is the identification and treatment of the risks and it will be a continuous and evolving process which runs throughout the Fund's strategy. Mechanisms that will be explored with certain employers, as necessary, will include but are not limited to the following:

1. Parental Guarantee and/or Indemnifying Bond
2. Transfer to a more prudent actuarial basis (e.g. the termination basis)
3. Shortened recovery periods and increased cash contributions

4. Managed exit strategies
5. Contingent assets and/or other security such as escrow accounts.

## APPENDIX D: CONTRIBUTION REVIEW POLICY

This document details the Scheme's policy on the review of employer contributions between formal actuarial valuations.

The Contributions Review Policy was approved by the Cumbria Pensions Committee held on 21 September 2021 and has been updated to reflect the Local Government Pension Scheme Regulations 2013. This policy forms part of the Funding Strategy Statement of the Scheme.

Where this document refers to Cumbria County Council (**"Cumbria"**), then this shall mean Cumbria in carrying out its function as the Administering Authority of the Scheme and will be updated in March 2023 to reflect the new Administering Authority of the Fund.

### 1. BACKGROUND

1.1. The Fund reviews the contribution requirements for all employers as part of each triennial actuarial valuation. However, Regulation 64A also allows for employer contributions to be assessed between valuations as follows:

1. The Administering Authority may review the contributions of an employer where there has been a significant change to the liabilities of an employer.

2. The Administering Authority may review the contributions of an employer where there has been a significant change in the employer's covenant.

1.2. An employer may request a review of contributions from the Administering Authority if they feel that either point 1 or point 2 applies to them.

### 2. POLICY STATEMENT

2.1.1. The circumstances under which the Administering Authority will consider reviewing an employer's contributions are as follows:

- There has been a significant change to the employer's membership which will have a material impact on their liabilities.
- There has been a significant change in the employer's covenant

2.1.2. The Administering Authority will not conduct a review where the funding position for an employer significantly changes solely due to a change in assets/actuarial assumptions (this is not permitted under the regulations). However, changes in the assets would be taken into account if an employer cannot support its obligations to the Fund after a significant covenant change (as per 2 above).

2.1.3. The Administering Authority will consult with the employer prior to undertaking a review of their contributions including setting out the reason for triggering the review.

2.1.4. Where a review takes place, the result may be no change and so a continuation of the contributions already certified.

2.1.5. A rate review would generally only be undertaken within 6 months leading up to the next actuarial valuation Rates and Adjustments Certificate in exceptional circumstances. An example of this would be where there has been a material change in covenant and membership, meaning a material change in risk to the Fund. A material change in membership alone would not result in a review in this period.

2.1.6. The employer would be required to pay the costs related to any potential review conducted at their request (including where the Administering Authority ultimately decides a review is not appropriate). A maximum of 2 requests between actuarial valuation dates is permitted (except in exceptional circumstances and at the sole discretion of the Administering Authority). Where circumstances warrant, the Fund may also seek to recover costs in cases where the review is instigated by the Fund.

### 2.2. Scenarios where contributions may be reviewed

2.2.1. Contributions may be reviewed if the Administering Authority becomes aware of any of the following scenarios. Employers will be notified if this is the case. Employers may also request a review if they believe either of these scenarios apply.

2.2.2. The Administering Authority will also consider the impact potential on other employers and the Fund as a whole when deciding whether to proceed.

2.2.3. **Significant changes in the employer's membership**

This includes but is not limited to the following scenarios:

a) Significant changes to the employer's membership which will have a material impact on their liabilities, such as:
   i. Employer restructuring
   ii. A significant transfer of staff to / from the employer from another Fund employer
   iii. A bulk transfer to / from the employer from another

Fund

iv. Other significant changes, e.g. due to redundancies, significant pay rises, ill health retirements or withdrawals

b) Two or more employers merging including insourcing and transferring of services

c) An employer splitting into two or more separate employers

When assessing triggers under a) above, the Administering Authority will only consider a review if the change in liabilities is expected to be more than 5% of the total.

If the review proceeds, it will only take into account the impact of the change in liabilities (including if relevant any underfunding in relation to pension strain costs), and the resulting impact on the Primary and Secondary rate of contributions. Changes in asset values will not be considered (assuming the covenant is not deemed to be affected).

2.2.4. **Significant changes in the employer's covenant**

This includes but is not limited to the following scenarios:

d) Provision of, or any change to, any security, bond, guarantee or other form of indemnity by an employer to the Fund. Specifically, this includes provision of security to any other pension arrangement which reduces in any way the security provided to the Fund

e) Material change in an employer's immediate financial strength or longer-term financial outlook (evidence should be available to justify this) including where an employer may cease to operate or become insolvent

f) Any behavior that suggests a change in an employer's their ability and/or willingness to pay contributions to the Fund

Where there has been a significant change to the covenant, any review would include consideration of the updated funding position (both on an ongoing and termination basis) when considering if the employer can meet its obligations to the Fund.

2.2.5. The Administering Authority may periodically undertake covenant monitoring exercises, either at Fund level or targeted at particular (groups of) employers. These exercises may identify the changes noted above. However, employers are expected to notify the Fund of any such changes, and in some circumstances (e.g. where a Deferred Debt

Agreement is in place) employers will be required to do this via a separate agreement.

2.2.6. Additional information may be sought from the employer in order to determine whether a contribution review is necessary. This may include updated membership details, annual accounts, budgets, forecasts and any specific details of restructure plans. As part of this, the Administering Authority will take advice from the Fund Actuary, covenant, legal and any other specialist adviser.

## 2.3. Process and potential outcome of a contribution review

2.3.1. Where one of the above scenarios occurs, the Administering Authority will review and discuss with the employer the details of the event. However, the decision as to whether to proceed with a contribution review rests solely with the Administering Authority (taking advice from their Actuary, legal or covenant advisors if necessary). This specifically includes employer notified events.

2.3.2. For any potential review, the employer will be required provide any required supporting information (and to outline the rationale and case for the review where they have requested it). Where suitable information is not provided, the Administering Authority may decide not to proceed, or proceed on the basis of prudent assumptions in order to protect the Fund from potential risk.

2.3.3. The Administering Authority will consider whether it is appropriate to use updated membership data within the review (e.g. where the change in data is expected to have a material effect on the outcome).

2.3.4. As part of the review it is possible that other parts of the funding strategy will also be reviewed in addition to the contributions. Potential outcomes of the review include:

- A change in primary and/or secondary contributions. Note that the result of the review may also be no change in contributions;
- Implementing security to improve the covenant to the Fund;
- A change in the investment strategy;
- A change in funding strategy;
- A change in the length of the recovery period.

2.3.5. The review of contributions may take up to 3 months from the date of confirmation to the employer that the review is taking place, in order to collate the necessary data.

2.3.6. Any change to an employer's contributions will be implemented at a date agreed between the employer and the Fund. The Schedule to the Rates and Adjustment Certificate at the last valuation will be updated for any contribution changes.

2.3.7. As part of the process the Administering Authority will consider whether it is appropriate to consult any other Fund employers prior to implementing the revised contributions. Circumstances where the Administering Authority may consider it appropriate to do so include where there is another employer acting as guarantor in the Fund, then the guarantor would be consulted on as part of the contribution review process.

The Administering Authority will agree a proportionate process for periodical ongoing monitoring and review following the implementation of the revised contribution plan. The Employer will be required to provide information to the Fund to support this, which will depend in part of the reasons for triggering the contribution review.

## APPENDIX E - GLOSSARY

**Actuarial Valuation:** an investigation by an actuary into the ability of the Fund to meet its liabilities. For the LGPS the Fund Actuary will assess the funding level of each participating employer and agree contribution rates with the Administering Authority to fund the cost of new benefits and make good any existing deficits as set out in the separate Funding Strategy Statement. The asset value is based on market values at the valuation date.

**Administering Authority:** the council with a statutory responsibility for running the Fund and that is responsible for all aspects of its management and operation.

**Admission bodies:** a specific type of employer under the Local Government Pension Scheme (the "LGPS") who do not automatically qualify for participation in the Fund but are allowed to join if they satisfy the relevant criteria set out in the Regulations.

**Benchmark:** a measure against which fund performance is to be judged.

**Best Estimate Assumption:** an assumption where the outcome has a 50/50 chance of being achieved.

**Bonds:** loans made to an issuer (often a government or a company) which undertakes to repay the loan at an agreed later date. The term refers generically to corporate bonds or government bonds (gilts).

**Career Average Revalued Earnings Scheme (CARE):** with effect from 1 April 2014, benefits accrued by members in the LGPS take the form of CARE benefits. Every year members will accrue a pension benefit equivalent to 1/49th of their pensionable pay in that year. Each annual pension accrued receives inflationary increases (in line with the annual change in the Consumer Prices Index) over the period to retirement.

**Covenant:** the assessed financial strength of the employer. A strong covenant indicates a greater ability (and willingness) to pay for pension obligations in the long run. A weaker covenant means that it appears that the employer may have difficulties meeting its pension obligations in full over the longer term or affordability constraints in the short term.

**CPI:** acronym standing for "Consumer Prices Index". CPI is a measure of inflation with a basket of goods that is assessed on an annual basis. The reference goods and services differ from those of RPI. These goods are expected to provide lower, less volatile inflation increases. Pension increases in the LGPS are linked to the annual change in CPI.

**Deficit:** the extent to which the value of the Fund's past service liabilities exceeds the value of the Fund's assets. This relates to assets and liabilities built up to date, and ignores the future build-up of pension (which in effect is assumed to be met by future contributions).

**Deficit recovery period:** the target length of time over which the current deficit is intended to be paid off. A shorter period will give rise to a higher annual contribution, and vice versa.

**Discount Rate:** the rate of interest used to convert a cash amount e.g. future benefit payments occurring in the future to a present value.

**Employing bodies:** any organisation that participates in the LGPS, including admission bodies and Fund employers.

**Employer's Future Service Contribution Rate:** the contribution rate payable by an employer, expressed as a % of pensionable pay, as being sufficient to meet the cost of new benefits being accrued by active members in the future. The cost will be net of employee contributions and will include an allowance for the expected level of administrative expenses.

**Equities:** shares in a company which are bought and sold on a stock exchange.

**Funding or solvency Level:** the ratio of the value of the Fund's assets and the value of the Fund's liabilities expressed as a percentage.

**Funding Strategy Statement:** this is a key governance document that outlines how the Administering Authority will manage employer's contributions and risks to the Fund.

**Government Actuary's Department (GAD):** the GAD is responsible for providing actuarial advice to public sector clients. GAD is a non-ministerial department of HM Treasury.

**Guarantee / guarantor:** a formal promise by a third party (the guarantor) that it will meet any pension obligations not met by a specified employer. The presence of a guarantor will mean, for instance, that the Fund can consider the employer's covenant to be as strong as its guarantor's.

**Investment Strategy:** the long-term distribution of assets among various asset classes that takes into account the Fund's objectives and attitude to risk.

**Letting employer:** an employer that outsources part of its services/workforce to another employer, usually a contractor. The contractor will pay towards the LGPS benefits accrued by the transferring members, but ultimately the obligation to pay for these benefits will revert to the letting employer.

**LGPS:** the Local Government Pension Scheme, a public sector pension arrangement put in place via Government Regulations, for workers in local government. These Regulations also dictate eligibility (particularly for Scheduled Bodies), members' contribution rates, benefit calculations and certain governance requirements.

**Liabilities:** the actuarially calculated present value of all benefit entitlements i.e. Fund cash flows of all members of the Fund, built up to date or in the future. The liabilities in relation to the benefit entitlements earned up to the valuation date are compared with the present market value of Fund assets to derive the deficit and funding/solvency level. Liabilities can be assessed on different set of actuarial assumptions depending on the purpose of the valuation.

**Maturity:** a general term to describe a Fund (or an employer's position within a Fund) where the members are closer to retirement (or more of them already retired) and the investment time horizon is shorter. This has implications for investment strategy and, consequently, funding strategy.

**Members:** the individuals who have built up (and may still be building up) entitlement in the Fund. They are divided into actives (currently employed by a Fund employer and contributing into the Fund), deferreds (former active members who have not yet retired) and pensioners (former active members who have now retired, and dependents of deceased members).

**Minimum risk Basis:** an approach where the discount rate used to assess the liabilities is determined based on the market yields of Government bond investments based on the appropriate duration of the liabilities being assessed. This is usually adopted when an employer is exiting the Fund.

**Orphan liabilities:** liabilities in the Fund for which there is no sponsoring employer within the Fund. Ultimately orphan liabilities must be underwritten by all other employers in the Fund.

**Percentiles:** relative ranking (in hundredths) of a particular range. For example, in terms of expected returns a percentile ranking of 75 indicates that in 25% of cases, the return achieved would be greater than the figure, and in 75% cases the return would be lower.

**Phasing/stepping of contributions:** when there is an increase/decrease in an employer's long term contribution requirements, the increase in contributions can be gradually stepped or phased in over an agreed period. The phasing/stepping can be in equal steps or on a bespoke basis for each employer.

**Pooling:** employers may be grouped together for the purpose of calculating contribution rates, (i.e. a single contribution rate applicable to all employers in the pool). A pool may still require each individual employer to ultimately pay for its own share of deficit, or (if formally agreed) it may allow deficits to be passed from one employer to another.

**Prepayment:** the payment by employers of contributions to the Fund earlier than that certified by the Actuary. The amount paid will be reduced in monetary terms compared to the certified amount to reflect the early payment.

**Present Value:** the value of projected benefit payments, discounted back to the valuation date.

**Primary rate:** the contribution rate required to meet the cost of future accrual of benefits, ignoring any past service surplus or deficit but allowing for any employer-specific circumstances, such as its membership profile, the funding strategy adopted for that employer, the actuarial method used and/or the employer's covenant.

**Profile:** the profile of an employer's membership or liability reflects various measurements of that employer's members, i.e. current and former employees. This includes: the proportions which are active, deferred or pensioner; the average ages of each category; the varying salary or pension levels; the lengths of service of active members vs their salary levels, etc.

**Prudent Assumption:** an assumption where the outcome has a greater than 50/50 chance of being achieved i.e. the outcome is more likely to be overstated than understated. Legislation and Guidance requires the assumptions adopted for an actuarial valuation to be prudent.

**Rates and Adjustments Certificate:** a formal document required by the LGPS Regulations, which must be updated at least every three years at the conclusion of the formal valuation. This is completed by the actuary and confirms the contributions to be paid by each employer (or pool of employers) in the Fund for the three year period until the next valuation is completed.

**Real Return or Real Discount Rate:** a rate of return or discount rate net of (CPI) inflation.

**Recovery Plan:** a strategy by which an employer will make up a funding deficit over a specified period of time ("the recovery period"), as set out in the Funding Strategy Statement.

**Scheduled bodies:** types of employer explicitly defined in the LGPS Regulations, whose employees must be offered membership of their local LGPS Fund. These include Councils, colleges, universities, police and fire authorities etc., other than employees who have entitlement to a different public sector pension scheme (e.g. teachers, police and fire officers, university lecturers).

**Scheme Employers:** employers that have the statutory right to participate in the LGPS. These organisations (set out in Part 1 of Schedule 2 of the 2013 Regulations) would not need to designate eligibility, unlike the Part 2 Scheme Employers.

**Secondary rate:** the adjustment to the Primary rate to arrive at the total contribution each employer is required to pay. It is essentially the additional contribution (or reduction in contributions) resulting from any deficit (or surplus) attributable to the employer within the Fund.

**Section 13 Valuation:** in accordance with Section 13 of the Public Service Pensions Act 2014, the Government Actuary's Department (GAD) have been commissioned to advise the Ministry of Housing, Communities and Local Government (MHCLG) in connection with reviewing the 2016 LGPS actuarial valuations. All LGPS Funds therefore will be assessed on a standardised set of assumptions as part of this process.

**Solvency Funding Target:** an assessment of the present value of benefits to be paid in the future. The desired funding target is to achieve a solvency level of a 100% i.e. assets equal to the accrued liabilities at the valuation date assessed on the ongoing concern basis.

**Valuation funding basis:** the financial and demographic assumptions used to determine the employer's contribution requirements. The relevant discount rate used for valuing the present value of liabilities is consistent with an expected rate of return of the Fund's investments. This includes an expected out-performance over gilts in the long-term from other asset classes, held by the Fund.

**50/50 Scheme:** in the LGPS, active members are given the option of accruing a lower personal benefit in the 50/50 Scheme, in return for paying a lower level of contribution.

## Town Clerk

| | |
|---|---|
| **From:** | Sally Lansbury <sallylansbury@gmail.com> |
| **Sent:** | 15 September 2022 12:08 |
| **To:** | Allan Daniels; Paul Titley; Town Clerk |
| **Subject:** | Fwd: Green Space 2 Grow: Please complete this Form so we can start to support you to create and connect with community growing and green activities |

Hi Viv,

Can you make a note of this Grren Space to Grow project, to put either on Town Council or Park Trust agenda. There is flex which we take it to as the spaces we identify in Keswick could be owned by the Trust, but could be owned by CC or UU or private ownership etc. At this stage we just need to help to identify the potential spaces. It overlaps with the other project called Plan Bee so it would be good to have an agreed approach.

Sally

---------- Forwarded message ---------
From: **McGibbon, Kate** <Kate.McGibbon@cumbria.gov.uk>
Date: Thu, 15 Sep 2022 at 12:12
Subject: Green Space 2 Grow: Please complete this Form so we can start to support you to create and connect with community growing and green activities
To: McGibbon, Kate <Kate.McGibbon@cumbria.gov.uk>

Good morning all

In a recent questionnaire 'Green Spaces in Town and Parishes for Community Growing Activities-Survey' you indicated 'yes' to potentially having available green space in your Town/Parish for creating or connecting with community growing activities.

CALC are able to support town and parish councils to create and connect with community growing and green activities, in collaboration with ACTion With Communities Cumbria Neighbourliness and Rural Wellbeing project, Cumbria Action for Sustainability and other community growing and green initiatives across Cumbria.

**Please could you now complete this form so we can start to support you to create and connect with community growing and green activities:**

**Green Space 2 Grow- Contact details and information on available green space in your area**

Many thanks.

Kind regards

Kate

Kate McGibbon

Resilience Project Officer

Cumbria Association of Local Councils

**Our contact details:**

**Sonia Hutchinson**: Sonia.Hutchinson@cumbria.gov.uk

Chief Officer, Monday, Tuesday and Thursday. Tel: 07551 678497

**Rachael Kelly**: Rachael.Kelly@cumbria.gov.uk

Town and Parish Development Officer & Acting Parish Support Officer South Lakes & Barrow, Monday – Wednesday 9am – 3pm. Tel: 07787 084985

**Kate McGibbon**: Kate.McGibbon@cumbria.gov.uk

Project Officer- Resilience, Monday, Tuesday and Thursday. Tel: 07918 687490

**Chris Shaw**: Chris.Shaw@cumbria.gov.uk

Parish Support Officer Allerdale and Copeland, Monday – Friday 1pm – 3pm. Tel: 07551 678521