

MINUTES of the meeting of the **SURREY LOCAL PENSION BOARD** held remotely at 10.00 am on 18 February 2022.

These minutes are subject to confirmation by the Committee at its meeting on Thursday, 26 May 2022.

(* present)

Elected Members:

- * Tim Evans (Chairman)
- * Siobhan Kennedy
- * David Lewis (Vice-Chairman)
- * William McKee
- * Fiona Skene
- * Jeremy Webster
- * Trevor Willington

In attendance

Nick Harrison, Chairman of Surrey Pension Fund Committee

1/22 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

There was an apology from Fiona Skene. An apology for lateness was received from Trevor Willington who arrived at 10.12am.

2/22 MINUTES FROM THE PREVIOUS MEETING: [Item 2]

The minutes were agreed as an accurate record of the meeting.

3/22 DECLARATIONS OF INTEREST [Item 3]

There were none.

4/22 QUESTIONS AND PETITIONS [Item 4]

There were none.

5/22 FORWARD PLAN AND ACTION TRACKER [Item 5]

There was a typographical error on the listing for May on the Forward Plan: Valuation Update was listed twice and one of these should read Turnaround Programme Update.

6/22 SUMMARY OF THE PENSION FUND COMMITTEE MEETING OF 10 DECEMBER 2021 [Item 6]

Speakers:

Neil Mason, Assistant Director - LGPS Senior Officer

Nick Harrison, Chairman of Surrey Pension Fund Committee

Key points raised during the discussion:

1. The Assistant Director - LGPS Senior Officer highlighted the following areas of the submitted report:

- that the suggested changes to the risk register were approved by the Committee.
 - In relation to paragraphs 8-11 of the submitted report the sub committee had its second meeting to discuss the Responsible Investment Policy draft. Both this and the Task Force Climate Disclosures paper would be discussed by the main Committee in March and would be presented to the Board for comments.
 - In relation to paragraph 20 of the submitted report, the Fund's value as at 30 September 2021 was above £5bn now making the funding level 110%.
 - In relation to paragraph 22 of the submitted report the transition of the Diversified Growth Fund was now completed and was now in the Border to Coast listed alternatives.
2. The Chairman of Surrey Pension Fund Committee explained some of the committee work around responsible investment and the challenges of the net zero carbon targets.

Actions/ further information to be provided:

None.

Recommendations:

That the report be noted.

Trevor Willington arrived during the discussion on this item.

7/22 RISK REGISTERS 2021/22 QUARTER 3 [Item 7]

Speakers:

Neil Mason, Assistant Director - LGPS Senior Officer
Collette Hollands, Head of Service Delivery

Key points raised during the discussion:

1. The Assistant Director - LGPS Senior Officer introduced the submitted report and explained that the Pension Team were now fully integrated and that there was to be a revaluation of how risk was considered. In response to a Member query on whether risk of gilts had been considered the Assistant Director - LGPS Senior Officer replied that there was no direct correlation with the cost of liabilities and that there was a very small gilt allocation in the portfolio connected to the investment strategy for exited employers and that there would likely be even smaller allocation in the future.
2. A Member queried the suggested removal of A14 as Audit had not given assurance and removal may be premature. The Head of Service Delivery explained that measures were now in place to track performance in a more transparent manner but was happy to reinstate the risk.
3. A Member asked about the opportunities in relation to risk A19. The Assistant Director - LGPS Senior Officer reported that the team were working with Unit 4 on functions that could not be utilised through the current system. The Head of Service Delivery explained that administration and payments were now integrated. There were aspects still to be realised regarding the new ledger process and how that would work when Unit 4 were on board. The risk could be

amended or a new one added which covered Unit 4 implementation and interfacing of payments to the general ledger.

Actions/ further information to be provided:

1. That the Head of Service Delivery reinstate risk A14 until evidence of controls was in place.
2. That the Head of Service Delivery include a new risk to cover the implementation of Unit 4.

Recommendations:

That the Fund Risk Register and the Administration Risk Register be noted and noted that the register was in transition.

8/22 ADMINISTRATION PERFORMANCE REPORT AND UPDATE [Item 8]

Speakers:

Neil Mason, Assistant Director - LGPS Senior Officer
Colette Hollands, Head of Service Delivery
Clare Chambers, Pensions Service Delivery Manager

Key points raised during the discussion:

1. The Assistant Director - LGPS Senior Officer explained that a combined set of key performance indicators would be brought forward, and proposals brought to the Board. These would cover the new service teams Investment & Stewardship, Accounting & Governance and Service Delivery. The Head of Service Delivery highlighted annex 2 to the submitted report which showed trends in performance comparing this quarter to the same quarter last year.
2. There was some discussion around the amount of work and improvements made. The Pensions Service Delivery Manager explained improvements made in clearing the backlog.
3. The Board were informed that this was the last meeting for the Pensions Service Delivery Manager who was leaving the Council.

Actions/ further information to be provided:

None.

Recommendations:

1. That the report be noted.
2. That the Board wished the Pensions Service Delivery Manager best of luck for her new position and thanked her for work undertaken for Surrey.

9/22 TURNAROUND PROGRAMME UPDATE [Item9]

Speakers:

Neil Mason, Assistant Director - LGPS Senior Officer

Key points raised during the discussion:

1. The Assistant Director - LGPS Senior Officer introduced the report and gave a slideshow on the Pension Leadership Team and updated the Board on recruitment to the new posts.
2. The Assistant Director - LGPS Senior Officer also explained phase 2 and reported that the pensions helpdesk was ring-fenced and was not

part of the wider corporate helpdesk. A business case had been submitted for the pension helpdesk to be part of the pension team. He also explained that work on organisational culture would be ongoing.

Actions/ further information to be provided:

That a copy of the new structure slide be sent to Board Members.

Recommendations:

1. On behalf of the Board, the Chairman congratulated the Officers on the continuing success of the Turnaround Program.
2. That the report be noted.

10/22 PROGRESS OF 2021/22 INTERNAL AUDIT PLAN [Item 10]

Speakers:

Neil Mason, Assistant Director - LGPS Senior Officer
Elaine Laycock, Principal auditor
Tom Lewis, Pensions Support & Development Manager
Colette Hollands, Head of Service Delivery

Key points raised during the discussion:

1. A Member asked about the testing of the Altair software to which the Pensions Support & Development Manager offered an explanation including the testing, pre-checks and desktop exercise. The Head of Service Delivery also reported that the software is used by 70-80 funds around the country and that Surrey have worked with Heywoods as part of the pre-testing before it software upgrades are rolled out for general use.

Actions/ further information to be provided:

None.

Recommendations:

That the report be noted.

11/22 DATE OF THE NEXT MEETING [Item 11]

The Board noted that the next meeting would be held on 27 May 2022.

Meeting ended at: 11.32 am

Chairman