

**MINUTES** of the meeting of the **SURREY LOCAL PENSION BOARD** held at 10.30 am on 17 February 2023 at Woodhatch Place, 11 Cockshot Hill, Reigate, Surrey, RH2 8EF.

These minutes are subject to confirmation by the Committee at its meeting on Friday, 19 May 2023.

(\* present)

**Elected Members:**

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

**In attendance**

Nick Harrison, Chair of Surrey Pension Fund Committee (online)

**1/23 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from David Lewis and Jeremy Webster.

**2/23 MINUTES FROM THE PREVIOUS MEETING: 11 NOVEMBER 2022 [Item 2]**

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

**3/23 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**4/23 QUESTIONS AND PETITIONS [Item 4]**

There were none.

**5/23 ACTION TRACKER AND FORWARD PLAN [Item 5]**

**Speakers:**

Neil Mason, Assistant Director - LGPS Senior Officer

**Key points raised during the discussion:**

1. The LGPS Senior Officer gave a brief update and reported that:
  - a) Action A1/15 would be monitored as an ongoing action.
  - b) Action 44/22 – The consultation responses for the Responsible Investment consultation would be shared with the Pension Fund Committee on 10 March.
  - c) An additional item would be added to the Forward Plan for the next meeting regarding the recent survey from the Pensions Regulator.

**Recommendations:**

The Committee noted the tracker and forward plan.

**6/23 SUMMARY OF THE PENSION FUND COMMITTEE MEETING OF 16 DECEMBER 2022 [Item 6]****Speakers:**

Neil Mason, Assistant Director - LGPS Senior Officer  
Nick Harrison, Chair of Surrey Pension Fund Committee

**Key points raised during the discussion:**

1. The LGPS Senior Officer highlighted three areas from the report:
  - a) That the Committee had noted the service backlog and that this was a priority across the whole team this year.
  - b) The Committee had approved the governance changes to Border to Coast subject to its approval by full Council on 21 March.
  - c) The Committee had asked the Board to consider inflation risk and interconnectivity with regards to cash flow. This would be included in reports later in the agenda.
2. The Chair of the Committee had nothing to further to add to the update.

**Actions/ further information to be provided:**

None.

**Recommendations:**

The Pension Board noted the report.

**7/23 RISK REGISTER UPDATE 2022/23 QUARTER 3 [Item 7]****Speakers:**

Paul Titcomb, Head of Accounting and Governance  
Neil Mason, Assistant Director - LGPS Senior Officer  
Tom Lewis, Head of Service Delivery

**Key points raised during the discussion:**

1. The Head of Accounting and Governance highlighted three areas of the submitted report:
  - a) That the impact of inflation had been considered in three different areas of the risk register
  - b) There were no major changes to the scoring or commentary but there were areas where additional activity had taken place
  - c) The commentary on the top three risks had been updated.
2. A Member asked:
  - a) How Risk 16 (Unit 4) worked in terms of timescales.  
The Head of Accounting and Governance explained that the Unit 4 rollout was this Summer and the Pension Team involvement was being managed by the Change Team. Testing was understood to be imminent. The LGPS Senior Officer suggested that representatives from the Unit 4 Project Team could be invited to the Board to respond to any concerns. Concerns would also be highlighted to the Pension Fund Committee and to the Unit 4 Project Team.

- b) What was the position on the Government's proposed changes of the re-valuation date calculation for high earners?  
The LGPS Senior Officer responded that the Government consultation had actually reduced the administrative burden, but it continued to be a risk with the systems provider and whether changes could be made on time. The Head of Service Delivery explained that the End of Year (EOY) project team were aware of what was coming and preparing to make the necessary changes. The EOY plans would be shared with the Board and Committee.
3. A Member asked about Risk 8 and whether it was scored high enough considering the spike in gilt yields. The LGPS Senior Officer explained that the Fund's exposure to gilts was minimal and therefore the risk scored accordingly.

**Actions/ further information to be provided:**

1. Concerns regarding Unit 4 to be highlighted to the Pension Fund Committee and to the Unit 4 Project Team.
2. That the work of the Project Team be shared with the Board and the Committee.

**Recommendations:**

1. To note the content of the submitted report and risk register.
2. To recommend to the Surrey Pension Fund Committee to consider the concerns of the Board regarding Unit 4 and risk 10c.

**8/23 ADMINISTRATION PERFORMANCE REPORT AND UPDATE - 1  
OCTOBER 2022 TO 31 DECEMBER 2022 [Item 8]**

**Speakers:**

Tom Lewis, Head of Service Delivery  
Neil Mason, Assistant Director, LGPS Senior Officer

**Key points raised during the discussion:**

- 1) The Head of Service Delivery gave a detailed overview of the submitted report covering the following areas:
  - Performance Reporting
  - Administration Team Update
  - Complaints
  - Internal Dispute Resolution Procedure (IDRP) and Pension Ombudsman Cases
  - Update on Log of Breaches (potential breaches)
  - Customer Relationship Team
  - Engagement and Education
  - Guaranteed Minimum Pension (GMP)
  - McCloud
  - Pension Dashboard
  - Pension Administration System Developments
- 2) The Chair sought assurance that resources were being given to dealing with the transfer issues. The Head of Service delivery confirmed that there was a recent targeted effort by the Customer Relationship Team to ensure all correspondence that had been received in recent weeks was passed to

the admin section to allow the necessary work to be carried out on these cases. It was also said analysis was being carried out on the service productivity levels and, the wider backlog, to address this as a top priority.

- 3) A Member queried the percentage figure given for employer contributions and whether this was high, low or average and whether this then caused an admin burden chasing for employer contributions. The LGPS Senior Officer explained that the paper the Member was referring to was an proposal on how the team would report going forward – the figures used were made up as an example. The Board agreed that the suggested dashboard used as an example was a good one. Officers welcomed any further comments or suggestions the Board may have to feedback to the Pension Fund Committee.
- 4) A Member asked about the net affect of the GMP delays. The Head of Service Delivery explained that whilst this work would be a year overdue the team had been ready to take it on and were in touch with providers about it. However, he was unable to say what the financial impact would be and therefore what the material impact was to the delays.
- 5) A Member asked about the net effect of the GMP delays. The Head of Service Delivery explained that whilst this work would be a year overdue the team had been ready to take it on and were in touch with the providers about re-planning to deliver this. However, he was unable to say what the financial impact would be and therefore what the material impact was to the delays.
- 6) The LGPS Senior Officer concluded the officer presentation of the report by stating that the Team were transparent and were confident that the KPIs were being measured correctly. He was also confident that the Team would have sight of the backlog and determine what work would be needed to be undertaken to address this. He explained the support for the various projects being undertaken and offered Members further information on the project timelines if they wished it.
- 7) The Chair thanked officers for their work and congratulated Tom Lewis on his promotion to Head of Service Delivery.

**Actions/ further information to be provided:**

None.

**Recommendations:**

The Board is asked to note the content of this report

**9/23 CHANGE PROGRAMME UPDATE [Item 9]**

**Speakers:**

Neil Mason, Assistant Director, LGPS Senior Officer

**Key points raised during the discussion:**

- 1) The LGPS Senior Officer gave a verbal update on the following:
  - a) Nicole Russell was now the permanent Head of Change Management and came with a wealth of experience.
  - b) The Team were in the process of establishing a three year plan to focus on key areas including customer insights.
  - c) An analysis of the backlog was to be conducted across the teams and linked with productivity analysis.
  - d) A workforce strategy would be completed.

**Actions/ further information to be provided:**

None.

**Recommendations:**

That the Board note the update.

**10/23 INTERNAL AUDIT UPDATE [Item 10]**

**Speakers:**

Paul Titcomb, Head of Accounting & Governance

**Key points raised during the discussion:**

- 1) The Head of Accounting & Governance gave a precis of the submitted report which considered the progress made on agreed actions on the completed audits in the 2021/22 Internal Audit Plan and the progress of audits (completed and work in progress) from the 2022/23 Internal Audit Programme. He highlighted that:
  - a) Some of the banking activities had been transferred and the team were allocating monies as they arrived.
  - b) The first three items of the 2022/23 plan were complete.
- 2) A Member queried the timing of the follow-up review in relation to banking controls and if an audit was undertaken now that there would still be a minimal assurance based on previous audit. The Head of Accounting and Governance stated that progress had been made on each of the recommendations of the initial audit and the follow up audit was due to be taken as soon as the external audit was finished.

**Actions/ further information to be provided:**

None.

**Recommendations:**

That the Board noted the report.

**11/23 2021/22 EXTERNAL AUDIT UPDATE [Item 11]**

**Speakers:**

Neil Mason, Assistant Director, LGPS Senior Officer  
Paul Titcomb, Head of Accounting & Governance

**Key points raised during the discussion:**

- 1) The Head of Accounting & Governance gave a precis of the submitted report and stated that there was no substantial change but there were a small number of items outstanding for sign off. There was no indication from the auditors that their opinion would change once all sign offs were complete. The LGPS Senior Officer explained that the team had had to provide extremely detailed information in relation to audit queries and there was an unprecedented amount of scrutiny now required.
- 2) The Board recognised that the delayed audit opinion was a wider audit area of concern and that it would be preferable for the pension fund audit to be separate from the wider council audit, allowing for dedicated pension assurance.

**Actions/ further information to be provided:**

None.

**Recommendations:**

That the Board noted the status of the External Audit work.

**12/23 2022 VALUATION [Item 12]**

**Speakers:**

Paul Titcomb, Head of Accounting and Governance

**Key points raised during the discussion:**

- 1) The Head of Accounting and Governance reported that all the key activities were on track and the new Customer Relationship Team had been deployed for Employer engagement and would be the first point of contact going forward.

**Actions/ further information to be provided:**

None.

**Recommendations:**

- 1) That the Board note the progress made on the actuarial work during 2022/23.

**13/23 TRAINING POLICY 2023/24 [Item 13]**

**Speakers:**

Neil Mason, Assistant Director - LGPS Senior Officer

**Key points raised during the discussion:**

1. The LGPS Senior Officer highlighted a few areas of the submitted National Knowledge Assessment Report and training policy:-
  - a) That a Gap analysis was being undertaken
  - b) Surrey was mid-table on the scoring of all responding Pension Boards and Committees however, only 16 funds had completed the assessment.
  - c) Required training was highlighted within the report and the Fundamentals Training was recommended. This could be attended online.
  - d) The LGPS online academy programme was also commended and would take one year to complete.

**Actions/ further information to be provided:**

None.

**Recommendations:**

1. The Board noted the report and policy and recommended its approval to the Surrey Pension Fund Committee.
2. That all members of the Committee and Board should prioritise attendance at training events wherever practicable.

3. That this policy be reviewed on an annual basis.
4. That the 2023 Member Induction Handbook and the National Knowledge Assessment Report 2022 be noted.

#### **14/23 COMMUNICATION POLICY STATEMENT 2023/24 [Item 14]**

**Speakers:**

Neil Mason, Assistant Director - LGPS Senior Officer

**Key points raised during the discussion:**

The LGPS Senior Officer explained that there were no changes to this annual report from last year.

**Actions/ further information to be provided:**

None.

**Recommendations:**

1. The Board noted the policy and recommended its approval to the Pension Fund Committee.
2. That the Board continue to review this policy on an annual basis.

#### **15/23 LGPS UPDATE (BACKGROUND PAPER) [Item 15]**

**Speakers:**

Neil Mason, Assistant Director - LGPS Senior Officer

**Key points raised during the discussion:**

1. The LGPS Senior Officer reported on a couple of items that were not within the written update:
  - a) That the Royal Borough of Kensington and Chelsea were considering involvement in the London CIV and a decision had been deferred.
  - b) That BP and Shell's recent decision regarding the exploration of shale and fuel had caused concern.

**Actions/ further information to be provided:**

None.

**Recommendations:**

The Board noted the report.

#### **16/23 DATE OF THE NEXT MEETING [Item 16]**

The Board noted that the next meeting was scheduled for Friday, 19 May 2023.

Meeting ended at: 12.05 pm

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**Chairman**