

NOTICE OF MEETING

Surrey Local Pension Board



Date & time
Friday, 16 February
2024 at 10.00 am

Place
Woodhatch Place, 11
Cockshot Hill, Reigate
RH2 8EF

Contact
Angela Guest
angela.guest@surreycc.gov.u
k

Chief Executive
Joanna Killian

If you would like a copy of this agenda or the attached papers in another format, eg large print or braille, or another language please contact Angela Guest at angela.guest@surreycc.gov.uk or Tel: 07929 724773 .

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Angela Guest at angela.guest@surreycc.gov.uk or Tel: 07929 724773.

Board Members

Tim Evans (Independent Chairman), David Lewis (Vice-Chairman) and Jeremy Webster Siobhan Kennedy (Surrey LGPS Members), William McKee (Surrey LGPS Members) Brendan Bradley (Surrey LGPS Members), Vacancy (Surrey LGPS Members) and Trevor Willington (Surrey LGPS Members)

TERMS OF REFERENCE

The role of the local Pension Board, as defined by Regulation 106 of the Local Government Pension Scheme Regulations 2013 is to assist the County Council as Administering Authority:

- (a) to secure compliance with:
- (i) the scheme regulations;
 - (ii) any other legislation relating to the governance and administration of the LGPS Scheme and any connected scheme;
 - (iii) any requirements imposed by the Pensions Regulator in relation to the LGPS Scheme.
- (b) to ensure the effective and efficient governance and administration of the LGPS Scheme.

The Local Pension Board will ensure it effectively and efficiently complies with the Code of Practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Local Pension Board will also help ensure that the Surrey Pension Fund is managed and administered effectively and efficiently and complies with the Code of Practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Local Pension Board has power to do anything that is calculated to facilitate or is conducive or incidental to the discharge of any of its functions.

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES FROM THE PREVIOUS MEETING: 10 NOVEMBER 2023

(Pages 7
- 14)

To agree the minutes as a true record of the meeting.

3 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

Notes:

- In line with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, declarations may relate to the interest of the member, or the member's spouse or civil partner, or a person with whom the member is living as husband or wife, or a person with whom the member is living as if they were civil partners and the member is aware they have the interest.
- Members need only disclose interests not currently listed on the Register of Disclosable Pecuniary Interests.
- Members must notify the Monitoring Officer of any interests disclosed at the meeting so they may be added to the Register.
- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest.

4 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting (12 February 2024).
2. The deadline for public questions is seven days before the meeting (9 February 2024)
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 GLOSSARY, ACTION TRACKER & FORWARD PLAN

(Pages
15 - 22)

For Members to consider and comment on the Board's recommendations tracker and workplan.

6 CHANGE PROGRAMME UPDATE - QUARTER 3

(Pages
23 - 42)

This paper details the Change Team Quarterly Report for the period October-December 2023.

7 COMMUNICATION POLICY STATEMENT 2024/25

(Pages
43 - 62)

This report introduces the Pension Fund communication policy statement.

- 8 SUMMARY OF THE PENSION FUND COMMITTEE MEETING OF 15 DECEMBER 2023** (Pages 63 - 68)
- This report provides the Local Pension Board (the Board) with a summary of the Surrey Pension Fund Committee (the Committee) meeting held since the last meeting of the Board.
- 9 ADMINISTRATION PERFORMANCE REPORT AND UPDATE - 1 OCTOBER 2023 TO 31 DECEMBER 2023** (Pages 69 - 84)
- The purpose of this report is to provide an update on the current status and progress against any specific target dates.
- 10 RISK REGISTER UPDATE 2023/24 QUARTER 3** (Pages 85 - 98)
- This report considers changes made to the risk register for the Surrey Pension Team in Quarter 3 of 2023/24.
- 11 BUSINESS CONTINUITY PLAN - INTERIM UPDATE** (Pages 99 - 102)
- This report highlights the current work in progress to establish a pension fund specific Business Continuity Plan (BCP).
- 12 INTERNAL AUDIT PROGRESS REPORT FEBRUARY 2024** (Pages 103 - 110)
- The purpose of this progress report is to inform the Board of the work completed by Internal Audit in quarter one and provide an update on any high priority actions due for implementation.
- 13 EXTERNAL AUDIT UPDATE** (Pages 111 - 112)
- This report provides an update to the External Audit of the 2022/23 Financial Statements.
- 14 THE PENSIONS REGULATOR - GENERAL CODE OF PRACTICE** (Pages 113 - 116)
- The Pensions Regulator (tPR) has published its new General Code of Practice ('the Code'). This is the final response to the consultation on a new code of practice that brings together and updates the existing codes of practice into a single set of clear, consistent expectations on scheme governance and administration. The Code was laid before Parliament on 10 January. The new code replaces the Code of Practice (no.14) for Public Service Pension Schemes.
- The code of expected to come into force on 27 March 2024.
- 15 THE PENSIONS REGULATOR - SCHEME RETURN** (Pages 117 - 120)
- Public service pension schemes are legally required to complete an annual scheme return for the Pensions Regulator (TPR).
- Notification from TPR was received on 2 November 2023 that the 2022-23 scheme return had to be submitted by 25 January 2024. The scheme return was submitted on 8 January 2024 and a copy is available on request.

16 LGPS UPDATE (BACKGROUND PAPER)

(Pages
121 -
126)

This report considers recent developments in the LGPS

17 DATE OF THE NEXT MEETING

The next meeting is scheduled for 17 May 2024.

**Joanna Killian
Chief Executive**

Published: Thursday, 8 February 2024

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

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Anyone is permitted to film, record or take photographs at council meetings. Please liaise with the council officer listed in the agenda prior to the start of the meeting so that those attending the meeting can be made aware of any filming taking place.

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Thank you for your co-operation

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MINUTES of the meeting of the **SURREY LOCAL PENSION BOARD** held at 10.30 am on 10 November 2023 at Woodhatch Place, 11 Cockshot Hill, Reigate RH2 8EF.

These minutes are subject to confirmation by the Committee at its meeting on Friday, 16 February 2024.

(* present)

Elected Members:

- * Brendan Bradley
- * Tim Evans (Chairman)
- * Siobhan Kennedy
- * David Lewis (Vice-Chairman, in the Chair)
- * William McKee
- * Jeremy Webster
- * Trevor Willington

In attendance

Nick Harrison, Chairman of Pension Fund Committee (online)

47/23 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Tim Evans and William McKee who both attended online. David Lewis was the Vice Chair in the Chair.

48/23 VOTE OF THANKS [Item 2]

The Board were informed that Fiona Skene had resigned as a member of the Board. Thanks was given for her contribution to the work of the Board over the last three years.

49/23 MINUTES FROM THE PREVIOUS MEETING: 28 JULY 2023 [Item 3]

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

50/23 DECLARATIONS OF INTEREST [Item 4]

There were none.

51/23 QUESTIONS AND PETITIONS [Item 5]

There were none.

52/23 GLOSSARY, ACTION TRACKER & FORWARD PLAN [Item 6]

Key points raised during the discussion:

1. It was requested that the layout of the workplan be reconsidered to reduce any repetitions.
2. Members also requested that accountancy acronyms be added to future glossaries.

Actions/ further information to be provided:

That the workplan and glossary be amended as requested above.

Recommendations:

To note the workplan and tracker.

53/23 CHANGE PROGRAMME UPDATE - QUARTER 3 [Item 7]

Speakers:

Nicole Russell, Head of Change Management
Bradley Coxon, Senior Project Specialist
Neil Mason, LGPS Senior Officer

Key points raised during the discussion:

1. A few Members stated they were unable to gain access to the dashboard. Officers to investigate access issues.
2. The Senior Project Specialist gave a detailed working presentation of the dashboard and the information that could be viewed.
3. The Board requested that the arrows should indicate trends compared to the previous data.

Actions/ further information to be provided:

1. To address the issue of access for Members.

Recommendations:

The Board noted the content of this report and made recommendations for the improvement of the dashboard.

54/23 SUMMARY OF THE PENSION FUND COMMITTEE MEETING OF 8 SEPTEMBER 2023 [Item 8]

Speakers:

Nick Harrison, Chairman of Pension Fund Committee
Neil Mason, LGPS Senior Officer

Key points raised during the discussion:

1. The Chairman of Pension Fund Committee highlighted a few areas discussed at the last Committee meeting, these were:
 - The Committee considered the cybersecurity review of third party providers and the committee has asked the Board to further investigate.
 - The Committee made a change from LGIM passive fund to a Border to Coast actively managed fund. It was stated that there was a journey to move the vast majority of assets to Border to Coast.
 - With regards to investment benchmarking the Committee had looked to see how costs compared with the market and other providers. The Committee were reassured in that the Fund's fees were reasonable..
 - With regards to the TCFD climate related financial disclosures report the Committee were reassured that that the trend of a reduction in carbon exposure had continued.
2. A Member stated that the pension fund was increasingly required by government to direct an element of its assets in a particular direction and asked if there will an attempt to measure that and any impact on the overall return. The LGPS Senior Officer explained that the recent

government consultation response did include requirement to consider assets connected to the UK Levelling Up themes and also an encouragement to invest 10% of assets in private equity. The government's response will be considered, however, all asset allocation decisions made by the Committee will be consistent with the Fund's investment strategy. An example of this was the work that is ongoing with Border to Coast, to design a Fund that realised opportunities in the UK, which are complementary to the Fund's current private market exposure.

Actions/ further information to be provided:

None

Recommendations:

The Board noted the report.

The Board agreed to rearrange the following two item so that the Risk Register report was considered prior to the Administration report.

55/23 RISK REGISTER UPDATE 2023/24 QUARTER 2 [Item 10]

Speakers:

Paul Titcomb, Head of Accounting & Governance

Key points raised during the discussion:

1. The Head of Accounting & Governance introduced the submitted report and highlighted the following areas:
 - With regards to risk 16, several data population and access availability issues followed the initial go live with MySurrey. Process backlogs had built up as a result. Delayed processing remained a risk primarily due to ongoing configuration issues and the risk score has consequently been raised this quarter and would remain under review.
 - Regarding the MySurrey implementation, the system is being populated but there were continued difficulties in extracting data. There were several reports required that were not yet configured. There were resource intensive work-arounds in place and a solution was being progressed. There were other processing issues and payroll information remained an issue. An issues log had been compiled.
2. A Member asked if the system was implemented too early and whether there had been enough testing. The Head of Accounting & Governance responded that he could only speak from the perspective of the Pension Fund, but, that some additional testing for pensions may have been beneficial, for example with regards to reporting. Some generic reports were being used within the system, but irrelevant data had needed to be filtered and checked line by line. The ability to configure the exact fields needed from the reports was currently missing.
3. A Member asked if there was a timescale to the additional treat mechanisms on the risk register because it appeared that some of them were what you would want to have at the beginning of the implementation.
4. The Head of Accounting & Governance explained that they were working closely with the Digital, Business & Insights (DB&I) Team. The MySurrey helpdesk ticketing system had been used to make sure that concerns were raised within their own helpdesk and at the moment it was difficult to put time frames on it. Another issue was that the period of assistance by the original project team was originally three months post Go Live, had been extended to the end of the year but some of the people dealt with initially

had left, so there was a further transition issue on the assistance that was available.

5. A few Members, echoed by the Chairman of the Board, expressed concern about this issue which was systemic in that it affected so much of what can be done in terms of functioning of the Pensions Team and requested the issue be escalated to the Committee, and more generally, because it didn't only affect the Pensions Team. It was agreed that the Chairmen of the Board and Committee meet with the Director of Corporate Finance & Commercial along with the LGPS Senior Officer to discuss the form of escalation.

Actions/ further information to be provided:

That the Chairmen of the Board and Committee meet with the Director of Corporate Finance & Commercial along with the LGPS Senior Officer to discuss escalation of the MySurrey issues.

Recommendations:

1. The Board noted the report, the Risk Register and Financial System Update.
2. That the Board, with the Pension Fund Committee escalate concerns with MySurrey through the Director of Corporate Finance & Commercial.

56/23 ADMINISTRATION PERFORMANCE REPORT AND UPDATE - 28 JULY 2023 TO 30 SEPTEMBER 2023 [Item 9]

Speakers:

Tom Lewis, Head of Service Delivery
Neil Mason, LGPS Senior Officer
Sandy Armstrong, Technical Manager

Key points raised during the discussion:

1. The Head of Service Delivery highlighted several aspects of the submitted report including:
 - It had been a testing period regarding the team's performance. Delivery was not at the level hoped or planned to be in the future. There had been an impact felt through the MySurrey with a 20% increase in cases that are coming from the customer relationship team (CRT) through to the back office. Not all the issues were due to MySurrey. There were known areas needing improvement; standardisation of processes and maximising the system that we have in place was being looked at.
 - Development of staff was being undertaken continually alongside regular meetings in the future with immediate benefits teams to discuss performance issues and improve internal governance and communication. It had been recognised that resilience of the immediate benefits team was not what it should and resources had been realigned with a move of three staff into that team from other areas. The impact of this had been assessed. Some improvement in the October figures around death grants and the retirements had already been seen
 - Work with the DB&I team and payroll to fill the gaps in terms of receiving information was ongoing, but there was not a clear indication of resolution from the DB&I team.

- Annex 1 figures had changed quite significantly. As an example, looking at deferred status the opening balance was quite high and now had come right down but that was due to the backlog being segregated from the day to day work. Next quarter figures should be a true indication of what is in operational BAU and the legacy team work will be in a in a separate space.
2. A Member asked if that meant that people coming to retirement in some cases were not receiving their pension on the due date. The Head of Service Delivery explained that there could be a six to seven week period depending on when information was received and where that fell into the cycle. Also, the speed in which information was received from the person taking their pension was important. However, in terms of missed Service Level Agreements (SLA) this was somewhere in the region of one to five days. There were too many that were falling in the days just over the SLA.
 3. A Member raised concern about ill health retirements as these were in a potentially vulnerable position regarding late payments so should be prioritised and asked if payment could be made prior to receiving full information and then revisiting once all information had been received. He also asked if there was something more fundamentally wrong that the Board should know about and referred to the movement of staff between teams that had been reported.
 4. The Head of Service delivery confirmed that ill health retirements were prioritised. He explained the new daily allocation of work that had been set up and discussed at the Board previously. The LGPS Senior Officer stated that he was confident in the new team and that a cultural change was happening and there were no fundamental issues. This would not happen overnight, and further changes would be made as needed.
 5. The Head of Service Delivery highlighted the work of the CRT as it moved away from being solely a help desk. Member support documents were being processed to help manage member expectations in the processes.
 6. The Head of Service Delivery highlighted the Guaranteed Minimum Pension (GMP) rectification work and the approach that had been taken in line with SAB guidance. Member expressed concern of this issue and hoped it would be concluded prior to the 2024 pensions increase. In response to a Member question about communication of overpayment the Head of Service Delivery responded that members would be written to one month before changes to explain those changes and why they were being made. The Board asked the Head of Service Delivery to consider what actions/communication would be made in cases that were challenged.
 7. The Head of Service Delivery explained the work being undertaken for McCloud. The Technical Manager explained what was meant by Club Transfers as mentioned in the report. A Club Transfer was where a transfer takes place between a public service pension scheme and another public service pension scheme. Government Actuary Department (GAD) guidance was awaiting on non-Club transfers.
 8. It was reported that the new team dealing with legacy case reductions had gone over the 10% reduction target at 18%. This rise was expected to plateau for this quarter due to the legacy team being given access to the previous SAP system for data extraction before it closed on 31 December. A procurement exercise was now being undertaken to deal with the most complicated cases.

Actions/ further information to be provided:

That communication and actions needed around challenges to overpayments be included as part of the GMP project plan.

Recommendations:

The Board noted the report.

57/23 BUSINESS CONTINUITY PLAN UPDATE [Item 11]**Speakers:**

Paul Titcomb, Head of Accounting & Governance

Key points raised during the discussion:

1. The Head of Accounting & Governance introduced the submitted report and explained that there was a continued reliance on others for business continuity procedures, not least the major software provider, Heywood and of course Surrey County Council for IT and property infrastructure. It was aimed to develop an overarching business continuity plan for the pension scheme, which would be informed by the business impact assessments and other protocols used by Surrey. Work on this would happen in the coming months and the aim was to report to the board in May of 2024.
2. A Member asked whether there would be a test and not just a desktop exercise. The Head of Accounting & Governance responded that this was reliant on others currently.
3. A Member stated that business continuity was a different issue to cybersecurity even though interconnected. He asked if they were to be reported on separately or are they being always looked at together? The Head of Accounting & Governance responded that it was the intention to ensure that a distinction was made.

Actions/ further information to be provided:

None

Recommendations:

The Board noted the report.

58/23 INTERNAL AUDIT PROGRESS REPORT NOVEMBER 2023 [Item 12]**Speakers:**

Liam Pippard, Principal Auditor

Key points raised during the discussion:

1. The Principal Auditor highlighted the following points from the report:
 - High priority actions due for implementation are tracked. There were currently none outstanding, or due for implementation, for that quarter.
 - Point 3 of Annex A on the pension fund audit plan: Two audits had started and an update would be brought to the next Board meeting.
 - The team were currently in process for completing the administration review of transfers in.
 - With regards to the follow up of banking controls review, that depended on certain circumstances that would be agreed with the pensions team and it was hoped this would be completed in quarter four.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the report.

59/23 EXTERNAL AUDIT UPDATE [Item 13]**Speakers:**

Paul Titcomb, Head of Accounting & Governance

Neil Mason, LGPS Senior Officer

Key points raised during the discussion:

1. The Head of Accounting & Governance highlighted several issues includes including:
 - that the audit opinions on the 2021/22 accounts for the Council and the pension fund were issued by the auditors on the 23 of October
 - the 2022/23 audit work was progressing well
 - Query responses from the pension team side are substantially complete.
 - Grant Thornton was reviewing the resources they required in order to progress the audit of both the Council and the pension fund through the next few weeks
 - the requirement is to provide an annual report by 1 December and if the audited accounts were still not available then the report would be submitted with the unaudited accounts.
2. Following a Member statement that delayed audit opinions were not good. This was acknowledged by officers, however, it was again noted that the pension fund accounts were currently interconnected to the Surrey County Council accounts, with a mutual reliance. This arrangement has been highlighted by the LGPS Scheme Advisory Board to the government as being sub-optimal, with a separation of council and pension fund accounts being desirable.
3. It was reported that there would be a new external auditor next year.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the status of the External Audit work.

60/23 LGPS UPDATE (BACKGROUND PAPER) [Item 14]**Speakers:**

Sandy Armstrong – Technical Manager

Key points raised during the discussion:

1. The Technical Manager highlighted a couple of areas in the report:
 - McCloud, which had already been spoken about and,
 - SCAPE factors – this was where cases were on hold because of the change in the discount rate, those factors had all been issued now and there were no longer any cases on hold because of that.
2. Following a Member query, it was confirmed that it was the DWP that had conducted an independent review of The Pension Regulator.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the report.

61/23 DATE OF THE NEXT MEETING [Item 15]

The next meeting is scheduled for Friday, 16 February 2024.

Meeting ended at: 1.05 pm

Chairman

SURREY COUNTY COUNCIL

LOCAL PENSION BOARD



DATE: 16 FEBRUARY 2024

**LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE,
CORPORATE AND COMMERCIAL**

SUBJECT: GLOSSARY, ACTION TRACKER & FORWARD PLAN

SUMMARY OF ISSUE:

For Members to consider and comment on the Board's recommendations tracker and workplan.

RECOMMENDATIONS:

It is recommended that the Local Pension Board is asked to :-

1. Note the content of this report and make recommendations to the Pension Fund Committee if appropriate.
2. Monitor progress on the implementation of recommendations from previous meetings in Annexe 2.
3. Review and note any changes on the Forward Plan in Annexe 3.

REASON FOR RECOMMENDATIONS

A glossary has been provided as Annexe 1, so the Board is able to refer to it throughout the agenda. An Actions Tracker recording actions and recommendations from previous meetings is attached as Annexe 2, and the Board is asked to review progress on the items listed. The Board's Forward Plan is attached as Annexe 3 for noting.

Contact Officer: Adele Seex Governance Manager

Consulted:

Local Pension Board Chair

Annexes:

1. Annexe 1 - Glossary
2. Annexe 2 – Action Tracker
3. Annexe 3 - Forward Plan

Sources/background papers:

None

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GLOSSARY – Local Pension Board 16 February 2024

AVC	- Additional Voluntary Contributions
BCP	- Business Continuity Plan
BCPP	- Border to Coast Pensions Partnership
BIA	- Business Impact Assessments
CI	- Continuous Improvement
CMA	- Competition Markets Authority
CPI	- Consumer Prices Index
CRRF	- Council Risk and Resilience Forum
DLUHC	- Department for Levelling up, Housing and Communities
ELT	- Extended Leadership Team
EMT	- Emergency Management Team
ESG	- Environment, Social & Governance
ESOG	- Effective System of Governance
EY	- Ernest Young
GMP	- Guaranteed minimum Pension.
HMRC	- His Majesty's Revenue and Customs
HMT	- His Majesty's Treasury
IDRP	- Internal Dispute Resolution Procedure
ISP	- integrated service providers
JC	- Joint Committee
KPIs	- Key Performance Indicators
LAPFF	- Local Authority Pension Fund Forum
LGA	- Local Government Association
LGPS	- Local Government Pension Scheme
LTA	- Lifetime Allowance
MaPS	- Money and Pensions Service
ORA	- Own Risk Assessment
PASA	- Pensions Administrations Standards Association
PDP	- Pensions Dashboard Programme
PSLT	- Pensions Senior Leadership Team
PSPS	- Public Service Pension Scheme
RI	- Responsible Investment
SAB	- Scheme Advisory Board
SCC	- Surrey County Council
SDG	- Sustainable Development Goals
SPT	- Surrey Pension Team
TPO	- The Pension Ombudsman
tPR	- The Pensions Regulator
TPS	- Teachers' Pension Scheme

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SURREY LOCAL PENSION BOARD ACTIONS AND RECOMMENDATIONS TRACKER

The actions and recommendations tracker allows Board Members to monitor responses, actions and outcomes against their recommendations or requests for further actions. The tracker is updated following each Board. Once an action has been completed, it will be shaded green to indicate that it will be removed from the tracker at the next meeting. The next progress check will highlight to members where actions have not been dealt with.

KEY			
	No Progress Reported	Action In Progress	Action Completed

Date of meeting and reference	Item	Recommendations/Actions	To	By When	Response	Progress
27 July 2015 A1/15	Knowledge and understanding	Board Members to advise the Governance Manager when training is completed.	Board Members	N/A	There are notifications of completed training outstanding, and the Board are asked to advise the Governance Manager once completed. The training log is regularly updated.	Ongoing
28 July 2023 2/23	Action Tracker and Forward Plan	Training Policy: To reconsider the three-year expiration on training undertaken.	Training Officer	February 2024	To consider as part of the annual review of the training policy	Ongoing
10 November 2023 55/23	Risk Register Update	That the Chairmen of the Board and Committee meet with the Director of Corporate Finance & Commercial along with the LGPS Senior Officer to discuss escalation of the MySurrey issues.	Assistant Director – LGPS Senior Officer	N/A	Meeting taken place on 25 January to discuss the implementation of My Surrey. Another meeting is scheduled for 15 February.	Ongoing

Date of meeting and reference	Item	Recommendations/Actions	To	By When	Response	Progress
10 November 2023 56/23	Administration Performance Report	That communication and actions needed around challenges to overpayments be included as part of the GMP project plan.	Head of Service Delivery	N/A	Add communication to affected scheme members as an action item to the GMP Project plan. Update provided in Item 9 Administration Performance Report Update – 16 February 2024	Ongoing

COMPLETED (Will be deleted from tracker for next meeting)

Date of meeting and reference	Item	Recommendations/ Actions	To	By When	Response	Progress
17 February 2023 7/23	Risk Register update 2022/23 Quarter 3	Concerns regarding the introduction of the new financial system My Surrey- Unit 4 to be highlighted to the Pension Fund Committee and to the Unit 4 Project Team	Pension Fund Committee Board Member	March 2023	See 55/23	Complete
10 November 2023 53/23	Change Programme Update	Issues for external Member access to dashboard be resolved	Head of Change Management	N/A	Officer have worked with Surrey IT, however been unable to identify a workaround to access the dashboard in live mode. A copy of the Dashboard will be included in the Report pack to Board and Committee meetings. Additionally, an updated dashboard details can be provided on request.	Complete

Local Pension Board : Forward Plan

Annexe 3

Date	Accounting & Governance	Investment & Stewardship	Change Management	Service Delivery
Standing Items for each Meeting	a) Pension Committee including Border to Coast update (Summary paper)		a) Legacy Update	
	a) Glossary, Action tracker, Forward plan a) Risk Register b) Internal audit update c) External 2022/23 Audit update d) LGPS – Background Report		a) Change Programme Update b) Dashboard Update	a) Administration update and performance report:
16 Feb 2024	a) Business Continuity Interim Report b) Scheme Return Update c) General Code of Practice		a) Communications Policy Review	
17 May 2024	a) Business Continuity Report		b) Training Policy	
28 July 2024	a) Draft Annual Report			
15 Nov 2024				

- All items are subject to review and content, other items for the forward plan to be added and confirmed in line with the Business Plan.

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SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD



DATE: 16 FEBRUARY 2024

LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL

SUBJECT: CHANGE PROGRAMME UPDATE – QUARTER 3

SUMMARY OF ISSUE:

This paper details the Change Team Quarterly Report of activity for the period October-December 2023.

RECOMMENDATIONS:

It is recommended that the Local Pension Board (Board):

1. Notes the content of this report.

REASON FOR RECOMMENDATIONS

To provide an update to the Local Pension Board (Board) and stakeholders on the Change Management team activities.

DETAILS:

1.
 - a) This report details the following areas of interest.

Item	Number	Details
i)	One Pensions Team Dashboard	<p>Following the feedback on the Dashboard at the last Board meeting we have made the agreed amends. Having worked intensively with Surrey IT, we have unfortunately been unable to come to a satisfactory workaround for the access issues to the live Dashboard for those without Surrey CC email addresses. We will therefore be providing an updated copy of the Dashboard at every Board and Committee meeting and can provide a copy outside of these timings on request.</p> <p>A key highlight of the Dashboard is that we have improved on the majority of our key performance indicators (KPIs). There are minor fluctuations in the Fund performance & our retention rate dropped slightly due to 1 person leaving the organisation. Our second staff pulse survey results are now reflected in the dashboard and confirm that our change &</p>

Item	Number	Details
		<p>workforce strategy activities have had a positive impact.</p> <p>We are delighted to present the most recent Dashboard in the Annexe 1</p>
ii)	Communications	<p>Over the last quarter the Communications team have sent out all planned communications within the agreed timelines as set out by the Communication policy. In addition, we have continued to implement the first stages of our Amplifying our Presence plan.</p> <p>Our refreshed member website is on track to launch in January 2024. It will continue to use the existing URL (www.surreypensionfund.org).</p> <p>This year's Communication Policy has been produced and is available as part of the agenda pack. We ask the Board to review this and provide their feedback.</p>
iii	Learning & Development	<p>Since the last report we have supported 6 colleagues to commence Certificate of Pension Administration qualifications as well as launched 3 new training courses, with a further 3 under development including a Cyber Security course as required by Internal Audit.</p> <p>We have investigated alternative arrangements for Board & Committee training in preparation for a presentation to Chairs in January.</p>
iv	Project Management	<p>The Continuous Improvement (CI) Project Managers are currently managing 16 projects; since the last report 1 project has completed and 1 commenced. All projects are currently on track apart from Banking Controls, Unit 4 & (GMP). Mitigation plans are in place and the programme of CI projects is reviewed on a 6-weekly basis. We have now identified and shortlisted a list of our top 10 systems and processes to undergo value stream mapping to further populate our CI project funnel.</p>
v	Transformation	<p>Since the last report the Transformation Team has continued to work on evolving our governance structures with the help of an external consultant.</p> <p>We have continued to deliver our "Lunch & Learn" programme which has proved very successful.</p> <p>In preparation for the kickoff of our Digital Discovery project we have been working with the Surrey County Council (SCC) team to</p>

Item	Number	Details
		define our expectations of the output from this project. We continue to support the Pension Senior Leadership Team (PSLT) as we define Year 2 of our strategic plan which flows through into our corresponding Business Plans.

CONSULTATION:

2. The Chair of the Board has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

3. There are no risk management implications.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

4. Any relevant financial and value for money implications have been considered and are contained within the report.

DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL COMMENTARY

5. The Director Finance, Corporate and Commercial is satisfied that all material, financial and business issues, and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

6. . There are no legal implications.

EQUALITIES AND DIVERSITY

7. There are no equality or diversity issues.

OTHER IMPLICATIONS

8. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

9. In the next quarter Change Management will be working on a number of areas including the following highlights:
- a) Devising in depth the plans to achieve Year 2 of our strategic plan and resulting workforce strategy.
 - b) Taking learnings from our external advisor on evolving our governance and creating a formal project.
 - c) Launching a new Surrey Pension Fund member website.
 - d) Delivering cyber security training.
 - e) Further developing the Board & Committee training proposal.

- f) Researching and preparing for the implementation of the new trainee programme.
 - g) Commencing the discovery phase of our Digital Transformation project.
 - h) Deciding actions following the second staff Pulse Survey.
-

Contact Officer:

Nicole Russell, Head of Change Management

Consulted: Chair of the Board

Annexes:

- 1. Pensions Team Dashboard – Annexe 1

Sources/background papers: None

Surrey Pensions Team Dashboard

16/01/24



Introduction

- We are delighted to share with you the next iteration of our One Pensions Team Dashboard. Our one-page dashboard **provides focused visibility of how we are performing across the entire fund.**
- **The dashboard is still in development** and will continue to evolve as we identify new areas/ways to measure what we do. We have also set targets around some of our measures for the first time and we may need then to adjust these as more detail around the variance of each metric becomes available.
- **We are still adapting the dashboard and have made some changes since the last issue based on your feedback.** It has not been possible to resolve access issues to the live dashboard for those without SCC email addresses however we will always provide the updated dashboard for your meetings and we can provide the latest update on request outside these times.
- **Please also find in this presentation a full description of the metric and corresponding target** where appropriate.

Surrey Pension Team Dashboard



Last Update 21/12/2023 **Service Delivery** ⓘ

% Within SLA

Grants & Surv..	92.0%	▲
Retirements ..	96.6%	▲
Transfers Paid	96.8%	▲

Target Adherence

20.3%	Above last KPI
32.8%	Above last KPI
5.8%	Above last KPI

Data Score

Common Data Score	96.0%	No Change	◆
Scheme Specific	98.0%	No Change	◆

Pass Rate Adherence

1st Point Fix

84.0%

Last Update 01/10/2023 **Fund Performance** ⓘ

Fund Value

£5.40bn

Funding Level

138%

	3 Month	Rolling 1 Year Fund Performance	Rolling 3 Year Fund Performance
Fund Performance	1.6%	7.0%	6.8%
Performance Relative to Benchmark	-0.7%	0.0%	0.0%
Strategic Target Return			5.0%

Last Update 05/01/2024 **People** ⓘ

Retention	98.6%	▼	-1.4%
Health & Wellbeing	82.0%	▲	1.7%
Diversity	80.8%	▲	0.7%
Engagement	73.9%	▲	2.1%

Last Update 01/10/2023 **Accounting and Governance** ⓘ

Internal Audit Ratings

Substantial	1
Reasonable	0
Partial	0
Minimal	0
No Opinion	1

5 Not yet started

Admission Agreements

New Agreements	8
Pending	31

Contributions

Contributio..	£51.70m
Contributio..	£37.70m

Last Update 15/01/2024 **Legacy Reduction** ⓘ

Accounting & Governance

21.0%

Service Delivery

40.0%

Last Update 05/01/2024 **Strategy** ⓘ

Strategic Levers	72.6%	▲	1.7%
Strategic Enablers	70.8%	▲	2.0%

What does this month's dashboard tell us?

- Across the board we are doing well and our KPI's have improved in nearly all areas.
- In the last iteration of the dashboard we shared with you there were 3 items which were below our desired target.
 - Service Delivery
 - Investment
 - Strategic Enablers
- The actions taken in the Service Delivery area and the Strategic Enablers have now moved us into our desired performance range.
- In particular – the People and Strategy areas of the dashboard are reliant on our Pensions Team specific pulse survey. We have just had a second set of pleasing results back which confirm our transformation and workforce strategies are having the desired effect. The survey is however run on a 6 monthly basis so these will be static now till circa July.
- Some of the fund performance figures are still slightly below benchmark but as previously these are not of concern and are reflective of normal fluctuations.
- Our retention metric has decreased since last time the change represents one person leaving out of 71 (permanent employees) and is not of concern.

Metrics Glossary

Fund Performance



Value of the pension fund up to the most recent quarterly update.

Fund Value
£5.40bn

Funding Level
138%

Compares Fund Value to Funds required to meet obligations (pay members)
100% + = Able to cover obligations

Measure of the previous quarter's fund performance percentage.

	3 Month	Rolling 1 Year Fund Performance	Rolling 3 Year Fund Performance
Fund Performance	1.6%	7.0%	6.8%
Performance Relative to Benchmark	-0.7%	0.0%	0.0%
Strategic Target Return			5.0%

Measures a rolling 3-year fund performance percentage rate.

Indicates percentage difference between actual performance and the benchmark performance percentage

Measures a rolling 1-year fund performance percentage rate.

The Strategic target for return measured over a rolling 3-year period.

Update Frequency:
Quarterly: All Measures

Metrics Glossary



Audit, Admission Agreements & Contributions

Substantial is the highest rating available for internal audit, followed by Reasonable, Partial and then Minimal.

Target is to have ratings fall within the Substantial & Reasonable categories.

The number of internal audit ratings by category

Change from previous update, with the up/down arrows indicating an increase or decrease, and a dash indicating no change.

The number alongside indicates by how many the ratings have changed by.

An external audit is conducted annually. The auditors will produce an opinion that is either Unmodified or Modified.

If an Unmodified opinion is given, a Tick mark is displayed

If a Modified opinion is given, an X mark is displayed.

Admission Agreements facilitate the joining of an Admission Body to the fund, a company performing certain functions for a scheme employer, and as a result of this is eligible to join the pension scheme.

Agreements are required to go through a signing & sealing process, the majority of which required wet-ink signatures until recently where an E-Signature & Sealing process was introduced. With the involvement of several parties, this made for a cumbersome exercise and has created a backlog of agreements to process. With the new electronic process, this has sped-up processing times.

Internal Audit Ratings				Change		External Audit	
Minimal	1	-	0	Unmodified ✓			
Partial	1	-	0				
Reasonable	8	-	0				
Substantial	1	↑	1				

Admission Agreements			Contributions	
Completed	1	↑	IN	£61.2m
Pending	27	↓	Cash-Flow Positive	
Overall Reduction Achieved: ✓			OUT	£56.4m

Contributions In = Receipts from members paying into the pension fund

This will display as "Cash-Flow Positive" if contributions in exceed contributions out, which puts the fund in a healthy position to meet its obligations, hence the Tick mark.

If contributions out exceed contributions in, then "Cash-Flow Negative" and an X mark will show.

The goal is to reduce the number of agreements pending processing. The Tick indicates that more agreements were completed in the period, than the number of new agreements added to the pending queue.

Up arrow = Increase; Down arrow = Decrease

Goal is to increase Completed agreements & decrease Pending agreements, to achieve an overall reduction.

Contributions Out = Money paid to retired members of the pension fund

The number of Admission Agreements Completed & Pending

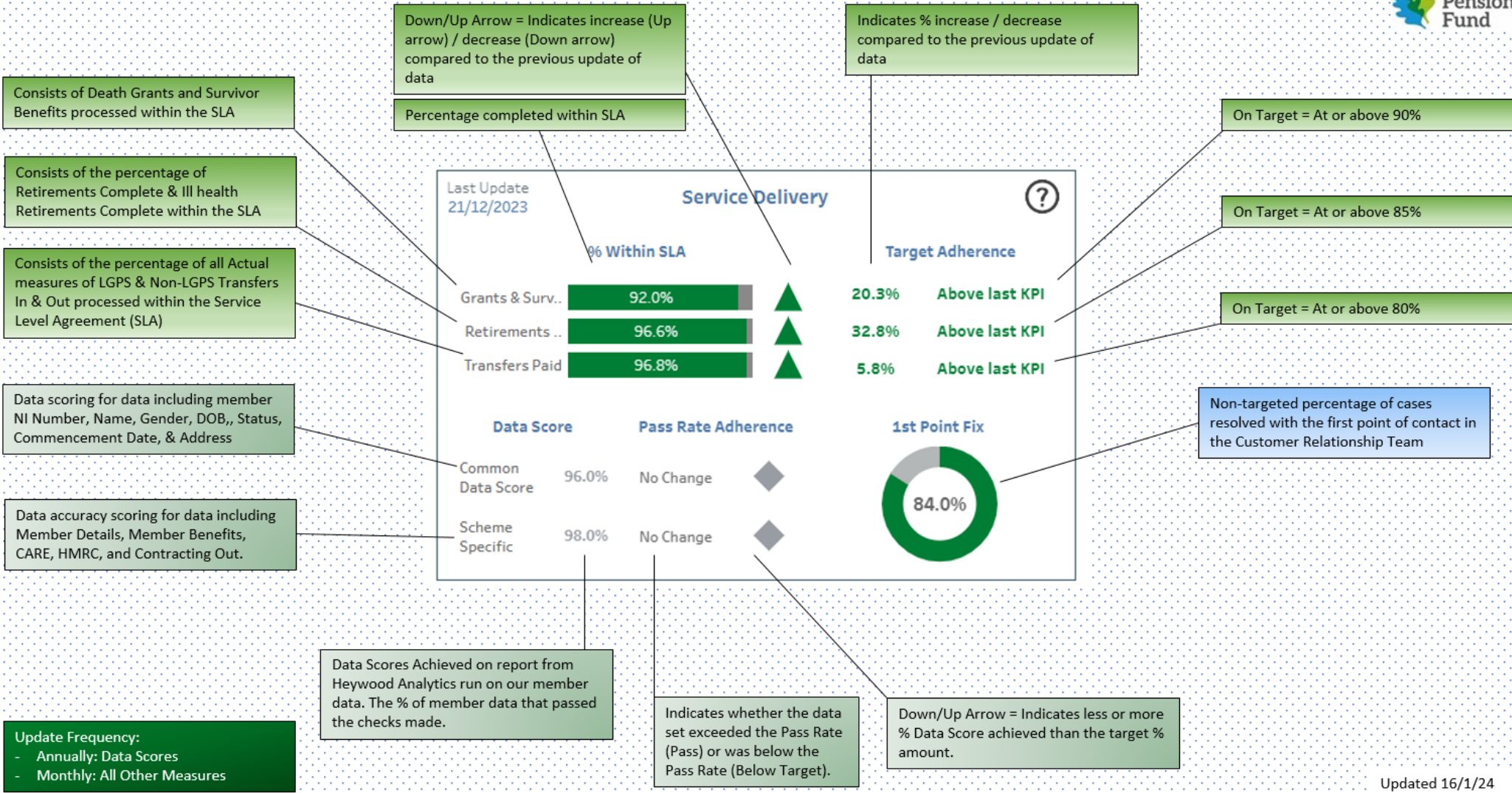
Update Frequency:

- Quarterly: Admission Agreements; Contributions
- Annually: External Audit
- As received: Internal Audit Ratings

Metrics Glossary



Service Delivery



Metrics Glossary

Legacy Reduction



Key project defined on Surrey Pension Fund strategic plan to reduce legacy backlog to Business As Usual levels
Both the Accounting & Governance and Service Delivery departments have legacy backlogs to reduce within the scope of this project.

Percentage reduction of Accounting & Governance legacy cases to date



Percentage reduction of Service Delivery legacy cases to date

Update Frequency:
Monthly: Percentage Progress

Metrics Glossary



Strategy

Communication:
Weighted percentage average based on responses to the following questions from the PULSE survey: 44 *

Ready For Tomorrow:
Weighted percentage average based on responses to the following questions from the PULSE survey: 29, 61 *

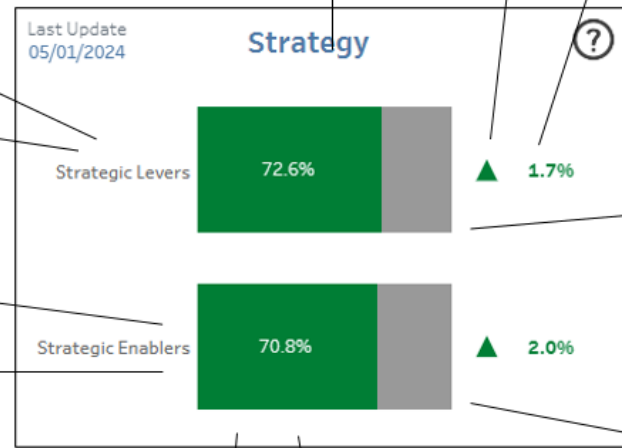
Investment Expertise:
Weighted percentage average based on responses to the following questions from the PULSE survey: 63 *

Customer Focus:
Weighted percentage average based on responses to the following questions from the PULSE survey: 62 *

The Strategic Plan introduced in 2023 is built around Strategic Levers and Strategic Enablers. Measures of these have been captured here via weighted percentage averages of the related PULSE survey responses.

Up Arrow = Above Previous Figure
Down Arrow = Below Previous Figure

Indicates percentage change since previous set of data.



Weighted percentage average of all questions per metric, based on the following:

- Strongly Agree = 100%;
- Agree = 75%;
- Neither Agree nor Disagree = 50%;
- Disagree = 25%;
- Strongly Disagree = 0%

Yes = 100%; No = 0%

Produce average percentage based on number of responders divided by weighted responses.

Benchmark = 70%+

Systems & Processes:
Weighted percentage average based on responses to the following questions from the PULSE survey: 64 *

Culture & Values:
Weighted percentage average based on responses to the following questions from the PULSE survey: 25, 26 *

Update Frequency:
Every 6 Months: All Measures

* PULSE Survey Questions on Page 8

Metrics Glossary



People

The retention rate is based on the headcount of permanent staff within the Surrey Pension Team. Benchmark = 90%

Indicates percentage change since previous set of data.

Employee retention rate for the most recent quarter.

Weighted percentage average based on responses to the following questions from the PULSE survey: 32, 34, 35, 36 *

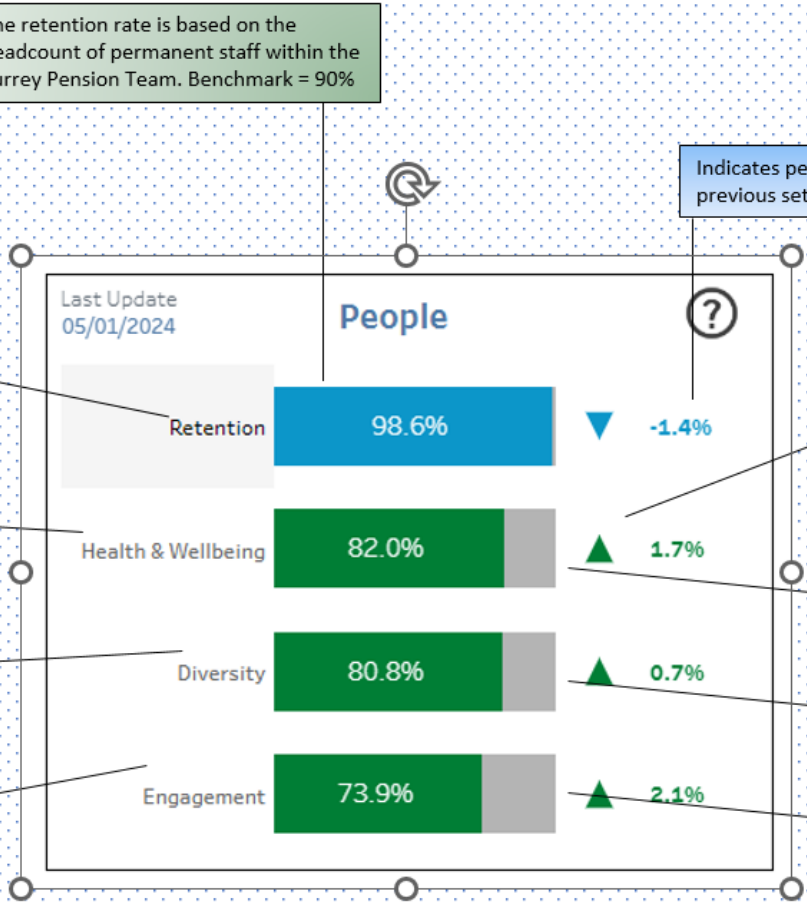
Weighted percentage average based on responses to the following questions from the PULSE survey: 37, 38, 39, 40 *

Weighted percentage average based on responses to the following questions from the PULSE survey: 11, 12, 16, & 31 *

Up Arrow = Above Previous Figure
Down Arrow = Below Previous Figure

Weighted percentage average of all questions per metric, based on the following:
 Strongly Agree = 100%;
 Agree = 75%;
 Neither Agree nor Disagree = 50%;
 Disagree = 25%;
 Strongly Disagree = 0%
 Yes = 100%; No = 0%
 Produce average percentage based on number of responders divided by weighted responses.
 Benchmark = 70%+

Update Frequency:
 Every 6 Months: PULSE Survey Measures
 Quarterly: Retention
 * PULSE Questions listed on Page 6

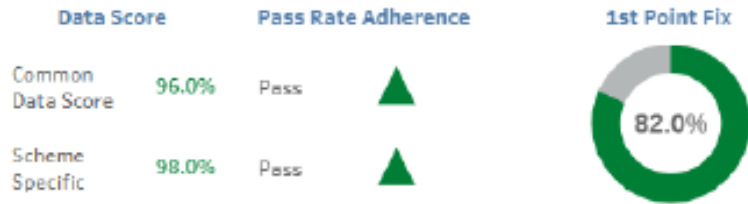


Previous Surrey Pensions Team Dashboard

10/11/23



Service Delivery

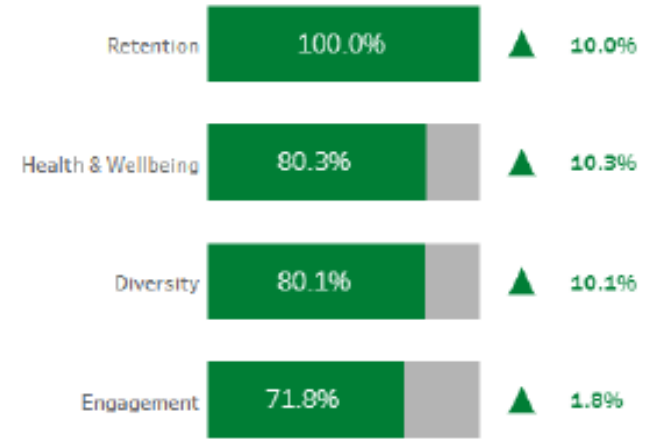


Fund Performance

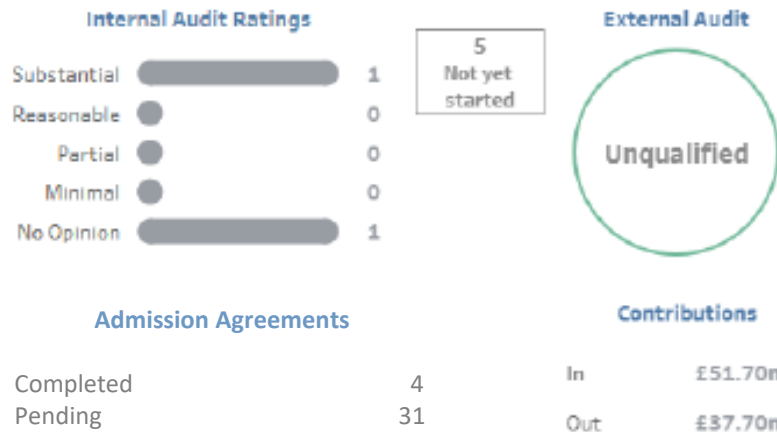


	3 Month	Rolling 1 Year Fund Performance	Rolling 3 Year Fund Performance
Fund Performance	1.6%	7.0%	6.8%
Performance Relative to Benchmark	-0.7%	0.0%	0.0%
Strategic Target Return			5.0%

People



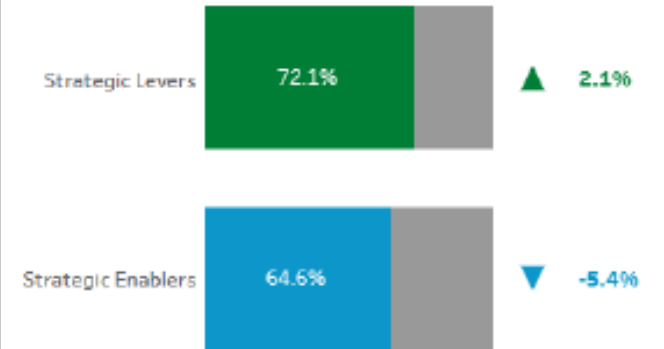
Accounting and Governance



Legacy Reduction



Strategy



Date Range

Please note that the date ranges for each metric area will vary, most are reported quarterly but some like those in the People and Strategy areas are only reported every 6 months in line with our internal Pulse Survey.

- Service Delivery: Updated 13/10/23
- Internal Audit: Updated 18/9/23
- Admission Agreements: Updated 1/9/23
- Contributions: Updated 1/9/23
- Legacy Reduction: Updated 13/10/23
- Investments & Stewardship: Updated 18/9/23
- People: Updated 30/5/23
- Strategy: Updated 30/5/23

What does this month's dashboard tell us?

- Across the board we are doing well.
- Those items in blue (which are below target) include items in:
 - Service Delivery
 - Investment
 - Strategic Enablers
- The 3 monthly fund performance figures and service delivery retirement figures are slightly below benchmark. These are reflective of normal fluctuations in these numbers and do not warrant further investigation or attention at this point.
- The points to be focused on are the service delivery : death grants and survivor benefits and the strategy : strategic enablers.

Focus Areas

Death grants and survivor benefits :

- Whilst there have been signs of improvement during August, with survivor benefit performance improving by 16% from July, there are still inconsistencies to be resolved.
- Investigations have been carried out to identify the root cause of these issues, with early indications showing a combination of staffing levels, the diversion of resources to support annual allowance and, an increase in queries / chasers via the Customer Relationship to the back office. There have also been notable delays in receiving data caused by the introduction of MySurrey within Surrey CC, which is impacting the priority order of case work.
- It is the highest priority within Service Delivery to address the drop in performance and action has been taken to support both the short and long-term needs. These include deploying additional resources in the Immediate Benefits Team to increase output, re-allocating the less complex tasks to other areas of the service and identify training and best practice needs within the team.

Strategic enablers:

- This is due to a lower than desired score in our internal Pulse Survey around the efficiency and effectiveness of our systems and processes.
- We had already identified in our Strategic Plan that ensuring our core systems and processes were fit for purpose is a key area of focus. In response we have surveyed our whole team to identify the “Top 10” areas for streamlining and improvement. These will be ratified in December with mini hit squads deployed to continuously improve these areas from January onwards. It should be noted that as this metric is only surveyed every 6 months it will be some months before we see the impact of these squads.

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SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD



DATE: 16 FEBRUARY 2024

LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL

SUBJECT: COMMUNICATION POLICY STATEMENT 2024/25

SUMMARY OF ISSUE:

Surrey Pension Fund recognises the importance of providing excellent communication to stakeholders of the pension scheme. This report introduces the Pension Fund communication policy statement.

RECOMMENDATIONS:

It is recommended that the Local Pension Board (Board):

1. Note the policy (shown as Annexe 1) and recommends its approval to the Pension Fund Committee (Committee).
2. Reviews this policy on an annual basis.

REASON FOR RECOMMENDATIONS:

The Communication Policy Statement ensures that the Fund meets the Regulatory communication requirements and recognises the importance of providing comprehensive and timely information to its stakeholders.

DETAILS:

Background

1. The Communications Policy Statement (the Statement) sets out how the Fund complies with Regulation 61 of the Local Government Pension Scheme (LGPS) Regulations 2013, requiring each Administering Authority to prepare, maintain and publish a written statement setting out its policy concerning communication with members, prospective members, employers and other relevant stakeholders. The statement must set out its policy on:
 - a) The provision of information and publicity about the Scheme to members, representatives of members and scheme employers
 - b) The format, frequency, and method of distributing such information or publicity
 - c) The promotion of the Scheme to prospective members and their employers.

2. The Statement must be revised and published by the administering authority following a material change in this policy.

Key Objective

3. The key objective of the policy is to:
 - a) Provide clear, friendly, and timely communication to its members and stakeholders
 - b) Recognise the requirement for different methods of communication for different members
 - c) Inform members and stakeholders to enable them to make decisions regarding pensions matters
 - d) Aim for full appreciation of the pension scheme benefits and changes to the scheme by all scheme members and prospective members
 - e) Promote the LGPS as an attractive benefit to scheme members

Communication Plan

4. In order to ensure that the annual delivery of communications is understood, a communications plan is attached in Annexe1.

CONSULTATION:

5. The Chair of the Board has been consulted and supports the recommendations.

RISK MANAGEMENT AND IMPLICATIONS:

6. There are no direct risk implications arising from the recommendation of this report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

7. Provision of appropriate communication media will result in expenditure that will be met by the Pension Fund.

DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL COMMENTARY

8. The Director of Finance, Corporate and Commercial is satisfied that all material, financial and business issues, and possibility of risks have been considered.

LEGAL IMPLICATIONS – MONITORING OFFICER

9. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY

10. The approval of Communication Policy Statement does not require an equality analysis, as the initiative is not a major policy, project, or function.

OTHER IMPLICATIONS

11. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

12. Subject to agreement by the Board, officers will present the revised the Statement to the Committee for approval at the next Committee meeting.

Contact Officer:

Bethany Goss

Annexes:

1. Annexe 1: Communication Policy Statement 2024/25

Sources/background papers:

None

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Communications Policy Statement 2024/25

Contents

- Introduction
- Regulatory Framework
- Key Objective
- Stakeholders of the Fund
- Accessibility
- Communication Channels
- Data Protection
- Freedom of Information
- Review
- Further Information
- Appendix - Communications Plan

Introduction

This is the Communication Policy for the Surrey Pension Team (SPT), who administer the Surrey Pension Fund (the Fund).

Communication is at the heart of everything the SPT does and there is a dedicated communication team in place to help the Fund meet its current and future communication challenges.

Circa January 2024, the Fund has 349 employers with contributing members and a total membership of around 200,000 scheme members, which are split into the categories below and with the approximate numbers of members in each category:

Type of Membership	Approximate Numbers (000s)
Active members	34
Deferred members	46
Pensioner members	27

The policy outlines the strategic approach of SPT regarding communications and should be read in conjunction with the Communication Plan which is detailed in Appendix A of this document.

In addition, in line with our wider strategic plan, an Amplifying our Presence plan has been developed to provide greater focus on elements of this communication policy.

Regulatory Framework

The policy has been produced in accordance with Regulation 61 of the Local Government Pension Scheme (Administration) Regulations 2013.

The Regulation requires that an administering authority must prepare, maintain, and publish a written statement setting out its policy concerning communications with:

- Members
- Representatives of members
- Prospective members
- Scheme employers

In particular, the statement must set out its policy on:

- The provision of information and publicity about the scheme to members, representatives of members, and scheme employers
- The format, frequency, and method of distributing such information or publicity
- The promotion of the scheme to prospective scheme members and their employers.

The policy must be revised and published by the administering authority following a material change in their policy on any matters referred to in paragraph 7.

For the purposes of this policy published means being accessible on the publicly available [Surrey Pension Fund](#) website.

Key Objective

The key objective is to ensure that SPT delivers clear, timely and accessible communication with a broad range of stakeholders.

To achieve this, SPT will:

- Communicate information about the scheme's rules and Regulations in an effective, straightforward, and timely manner to the different groups of stakeholders
- Recognise the requirement for different methods of communication for different members
- Promote the LGPS as an attractive benefit to scheme members and potential scheme members
- Communicate information about the investment decisions made by the SPT
- Inform customers and stakeholders to enable them to make decisions regarding pension matters
- Inform customers and stakeholders about the management and administration of the Fund
- Consult with key stakeholders on changes to policies and procedures that affect the Fund and its stakeholders
- Support employers to enable them to fulfil their statutory role in the Fund by providing regular relevant information and access to various types of resources
- Seek continuous improvement in the way that SPT communicates
- Amplify the presence of SPT with identified stakeholders.

Stakeholders of the Fund

The Fund has a varied audience of stakeholders with whom it communicates, including:

Internal bodies:

- Scheme members
- Prospective scheme members
- Representative of scheme members
- Scheme employers
- SPT officers
- Pension Fund Committee
- Local Pension Board
- Administering Authority
- Border to Coast Joint Committee

Partner Groups:

- Pensions and Lifetime Savings Association (PLSA)
- The Scheme Advisory Board (SAB)
- The Local Government Association (LGA)
- Pension Officers Groups
- The Local Authority Pension Fund Forum (LAPFF)
- Border to Coast Company and Border to Coast partner funds
- AVC Providers
- Trade Unions
- Surrey County Council - other departments, Council Members and Chief Officers
- Internal Audit

External bodies:

- General Public
- Prospective Employees
- Surrey Residents (Council Taxpayers)
- Her Majesty's Revenue & Customs (HMRC)
- Department for Levelling Up, Housing and Communities (DLUHC)
- Pension Fund Investment Managers, Advisers, Actuaries and Pension Fund Custodian
- The Pensions Regulator (tPR) and Pensions Ombudsman
- Department of Work and Pensions (DWP)
- Chartered Institute of Public Finance and Accountancy (CIPFA)
- External Auditors
- Wider Pensions Industry

Accessibility

SPT is committed to ensuring communications are accessible to all stakeholders.

To achieve this, SPT will ensure that all communications use plain English and where possible, are available in electronic, print, large print, braille, and audio as requested.

SPT is committed to develop further use of electronic means of communicating through email, websites and the 'My Pension' portal.

Where possible, responses will be sent to stakeholders by electronic means unless requested otherwise.

SPT is committed to ensuring that the [Surrey Pension Fund](#) website and the [Surrey Pension Fund for Employers](#) website, together with the documents available on the websites, meet the [Web Content Accessibility Guidelines \(WCAG 2.1\)](#).

Communication Channels

LGPS support is available nationally through websites and guidance for both employers and scheme members. SPT communications will continue to reference these national resources, together with material provided by pension industry experts.

SPT will continue to support collaboration and development of communication media with other administering authorities through membership of the Communications Working Group.

The Communication Plan in Appendix A of this document details SPT's method of communication, intended audience, publication media, frequency, and method of distribution.

SPT maintains the [Surrey Pension Fund](#) website which provides access to member guides, forms, policies, reports, investment information, newsletters, videos, and other information.

The member self-service portal ([‘My Pension’ portal](#)) is a secure online web portal hosted by Aquila Heywood. Registered members can:

- View the details SPT hold for them and keep their personal details up to date
- View personal correspondence such as letters and general scheme forms and guides
- View and print annual benefit statements (active members) or annual statements (deferred members)
- Create, view and update nominations for any death grant that may be payable
- Perform quotations for deferred benefits, future benefits, and death benefits (depending on member status)
- View P60s and pay slips (pensioner members).

To encourage members to engage with their pension, SPT have integrated the ‘My Pension’ portal with standard work processes, to increase take up across all membership groups.

Monthly website and ‘My Pension’ portal data is recorded to monitor the usage and member registration numbers, to measure the success of campaigns run by the SPT.

SPT maintains the [Surrey Pension Fund for Employers](#) website which provides access to employer procedures, guides, investment information, forms, spreadsheets, newsletters, and other information.

SPT provides access to iConnect for employers who use Surrey payroll as their payroll provider. This requires monthly payroll updates and provides the facility to request estimated benefits, including costs, and other information. iConnect will be made available to other employers in the future.

All members and employers can contact the Customer Relationship Team for information or requests. The team have two telephone numbers: one for general enquiries and one for assistance with the ‘My Pension’ portal, together with a general use email address and an email address for forms, certificates, etc.

SPT recognises the growing importance for organisations to have an online presence and has a [corporate LinkedIn profile](#). The LinkedIn account is used to amplify our presence, raise SPT online profile in business, promoting SPT’s innovations and achievements, advertise job opportunities, and help build relationships with other LGPS funds and professional bodies within the pensions industry.

News items and blogs are produced on the websites regularly and as the need arises, to highlight current issues, upcoming changes or to provide articles of

interest.

Members can visit our offices if they prefer to speak to us face to face. This must be by appointment, to ensure that the correct member of staff is available to discuss the member's enquiry.

Periodical documents are issued to members, including:

- Annual Benefit Statements by 31 August to active members
- Annual Statements by 31 August to deferred members
- Pay advices, pension increase letters, and P60s to pensioner members between March and May each year
- Annual Allowance letters to relevant members by 6 October

SPT arranges a programme of online and face-to-face events each year to meet with groups of members. SPT arranges these events in conjunction with employers, via Olive for Surrey CC members, and these events are advertised to members of the scheme.

For Surrey CC members, SPT provides a SharePoint site and regular posts to advertise events and provide information.

SPT obtains feedback periodically for different member groups and employers and publishes all relevant results on the websites. SPT are currently researching with our stakeholders the way we obtain feedback and how they wish to be communicated with; we will make revisions based on these findings.

SPT recognises that its staff are its greatest resource and that they are kept informed about the Fund's aims to deliver a quality and accurate service. This is achieved via use of email, internal and on-line meetings, quarterly performance meetings, internal and external training events on specific topics, together with the opportunity to study for professional qualifications.

SPT communicates with the Pension Fund Committee and Local Pension Board in various ways including:

- Weekly email from the LGPS Senior Officer on Border to Coast and administration updates, and other useful information
- A regularly updated SharePoint site specifically for the use of the Board and Committee
- Committee and Board meetings
- Fund officer reports
- Investment manager reports
- Training (refer to Training Policy)
- Quarterly Surrey Pension Team dashboard.

SPT proactively communicates with several external bodies, including:

- Border to Coast, Pension Fund Investment Managers, Advisers and Actuaries
- Pension Fund Custodian
- Pensions and Lifetime Savings Association (PLSA)
- Local Authority Pension Fund Forum (LAPFF)
- Minerva Analytics

Data Protection

SPT has a duty to protect personal information and will process personal data in accordance with the Data Protection Act 1998 and any amendments to the act. SPT may, if it chooses, pass certain details to a third party, if the third party is carrying out an administrative function of the Fund, for example the Fund's Actuary or AVC provider.

The Privacy Notice can be found on the Surrey Pension Fund website.

Freedom of Information

Anyone has a right under the Freedom of Information (FOI) Act to request any information held by the Fund which is not already made available.

FOI requests will be dealt with openly and swiftly. Requests should be made in writing to the Freedom of Information Officer at the address at the end of this document. A fee may be charged, in line with our published FOI guidance.

Review

The policy will be reviewed annually and updated sooner if the communications arrangements, stakeholder feedback, or other matters included within it merit reconsideration.

Further Information

Our contact details are:

Surrey Pension Team

PO Box 465

Reigate

RH2 2HA

Telephone: 0300 200 1031 – general enquiries

Email: crt pensions@surreycc.gov.uk

Telephone: 0300 200 1034 – ‘My Pension’ portal registration/logon enquiries

Email: crt pensions@surreycc.gov.uk

If you have any Freedom of Information requests, please send them to:

Freedom of Information Officer

Corporate Information Governance Team

Surrey County Council

Woodhatch Place

11 Cockshot Hill

Reigate

Surrey

RH2 8EF

Email: corp.infogov@surreycc.gov.uk

Effective date of policy	
Approved date	
Next review	April 2025

Version	Nature of Change	Implemented
1	Initial creation	December 2023
2	Review content 2024/205 Add Dashboard	

Appendix - Communications Plan

Method of Communication	Media	Frequency of Issue	Method of Distribution	Audience Group
Send a notification of joining the LGPS to a Scheme Member – Contractual Enrolment	Electronic or Paper Based	2 months from date of joining the scheme	E-mail, 'My Pension' portal or Letter to Home Address	New Members
Send a notification of joining the LGPS to a scheme member – Automatic Enrolment/Re-Enrolment	Various	Within 1 month of receiving jobholder information where the individual is being automatically enrolled or re-enrolled	Employer	New Members
Inform a member who left the Scheme of their leaver rights and options	Electronic or Paper Based	As soon as practicable and no more than 2 months from date of notification (from employer or from scheme member)	E-mail, 'My Pension' portal or Letter to Home Address	Members leaving the scheme
Obtain transfer details for transfer in, and calculate and provide quotation to member	Electronic or Paper Based	2 months from date of request	E-mail, 'My Pension' portal or Letter to Home Address	Active Member
Provide details of transfer value for transfer out, on request	Electronic or Paper Based	3 months from date of request (CETV estimate)	E-mail, 'My Pension' portal or Letter to Home Address	Deferred Member

Method of Communication	Media	Frequency of Issue	Method of Distribution	Audience Group
Provide a retirement quotation on request	Electronic or Paper Based	As soon as practicable, but no more than 2 months from date of request unless there has already been a request in the last 12 months	E-mail, 'My Pension' portal or Letter to Home Address	Active and Deferred Member
Notify the amount of retirement benefits	Electronic or Paper Based	1 month from date of retirement if on or after Normal Pension Age (NPA), or 2 months from date of retirement if before NPA	E-mail, 'My Pension' portal or Letter to Home Address	Active and Deferred Member
Calculate and notify dependant(s) of amount of death benefits	Paper Based	As soon as possible but in any event no more than 2 months from date of becoming aware of death, or from date of request by a third party (e.g., Personal representative)	Letter to Dependants Home Address	Dependant Member
Provide all Active and Deferred members with an Annual Benefit Statement (ABS)	Electronic or Paper Based / Other format on request	By 31 August each year	'My Pension' portal or Statement to Home Address / Other format	Active and Deferred Member
Provide Pension Saving Statement to eligible members	Electronic or Paper Based	By 6 October each year	E-mail, 'My Pension' portal or Letter to Home Address	Active Member

Method of Communication	Media	Frequency of Issue	Method of Distribution	Audience Group
General Member Enquiries	Electronic or Paper Based by Request	-	Email or Letter to Home Address	All Members
Pensions Increase Letters	Paper Based	By 30 April each year	Letter to Home Address	Pensioner Member
Pensioner P60s (HMRC requirement)	Paper Based	By 31 May each year	Letter to Home Address	Pensioner Member
Member Scheme Guide	Electronic or Paper Based by Request	Within 2 months of request	Member Self Service, Surrey Pension Fund website or Home Address on request	All Members
Active Member Media	Electronic or Paper Based by Request	-	Member Self Service, Surrey Pension Fund website or Home Address on request	Active Member
Deferred Member Media	Electronic or Paper Based by Request	-	Member Self Service, Surrey Pension Fund website or Home Address on request	Deferred Member

Method of Communication	Media	Frequency of Issue	Method of Distribution	Audience Group
Pensioner Member Newsletters	Paper Based	-	Sent with PI letters and P60s to Home Address	Pensioner Member
Presentations/Roadshows	Online and Face to Face	-	Via scheme employer	Active Member
Drop-In Sessions	Face to Face	-	Via scheme employer	Active Member
Customer Satisfaction Feedback – Member	Electronic, Face to Face or paper based	-	E-mail, in person or via post	All Members
Customer Satisfaction Feedback – Retired Members	Electronic, Face to Face or paper based	-	E-mail, in person or via post	Pensioner member
Changes in Legislation	Electronic	-	E-mail to scheme employers	Scheme Employer
Material Alterations to Basic Scheme Information	Electronic	As soon as possible and within 3 months after the change takes effect.	E-mail or Letter to Home Address	All Members

Method of Communication	Media	Frequency of Issue	Method of Distribution	Audience Group
Employer Valuation & Funding Consultations	On-line or Face to Face	Triennially	Via scheme employer	Scheme Employer
Employer Training	On-line or Face to Face	-	Via scheme employer	Scheme Employer
Employer Guides	Electronic	-	LGPS Regs Website	Scheme Employer
Employer Newsletters	Electronic or Paper Based on Request	Quarterly	E-mail to Scheme Employer Contacts	Scheme Employer
Customer Satisfaction Feedback – Employer	Electronic	-	E-mail	Scheme Employer
Member, employer or third- party enquiries	Incoming to Customer Relationship Team via telephone	-	Telephone and Email	All Groups

Method of Communication	Media	Frequency of Issue	Method of Distribution	Audience Group
Member, employer or third- party enquiries	Incoming via post	-	Various	All Groups
Member Self Service	Electronic	-	Always available on-line	All Member Groups
Employers Pension Fund Annual Engagement	On-line or Face to Face	-	Via Fund	Scheme Employers
Surrey Pension Fund Website	Electronic	-	Always available on-line	All Groups
Surrey Pension Fund for Employers Website	Electronic	-	Always available on-line	Scheme Employers

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD



DATE: 16 FEBRUARY 2024

LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL

SUBJECT: SUMMARY OF THE PENSION FUND COMMITTEE MEETING OF 15 DECEMBER 2023

SUMMARY OF ISSUE:

This report provides the Local Pension Board (the Board) with a summary of the Surrey Pension Fund Committee (the Committee) meeting held since the last meeting of the Board

RECOMMENDATIONS:

It is recommended that the Board:

Note the contents of this report and make recommendations to the Pension Fund Committee if appropriate.

REASON FOR RECOMMENDATIONS:

Background

The Committee met on 15 December 2023. This report provides a summary of this meeting and any decisions made.

DETAILS

Change Programme Update – Quarter 2

1. The Head of Change Management updated the Committee with activity carried out by the Change Management Team for the Quarter 2 July to September 2023. The following key points were highlighted - currently working on improvements and access issues for the One Pension Team Dashboard, work to amplify the “presence” of the Pension Fund for the benefit of members and employers and investigating training our staff to gain externally accredited training.
2. The Committee were informed that the service has been shortlisted for the Pensions Age Awards 2024 Pension Administration Award.

Summary of the Local Pension Board Report

3. The Board report provided a summary of administration and governance issues reviewed at its last meeting on 10 November.
4. The Chair of the Board highlighted the Risk Register – MySurrey (Unit4), there is a meeting in the new year to discuss the impact the implications of the new system on the Pension fund, and current administration performance.

5. The Chair of the Committee highlighted paragraph 22 of the report concerning legacy rectification and for the committee to note that were ahead of timescales.
6. The Assistant Director, LGPS Senior Officer highlighted paragraph 27, the Internal Audit update including progress against the 2023/2024 plan to undertake the following audits: admission agreements, transfers in, i-Connect and Fund investments.
7. Officers are working on the 2024/25 internal Audit Plan which will add value to the business.
8. A Member of the Committee raised the Top Risk Commentary within the report, paragraph 9 was possibly incorrect. This was confirmed as an error and the Chair agreed to circulate the corrected version to members of the Committee outside of the meeting.

Investment Manager Performance and Asset /Liabilities Update

9. The Committee noted the main findings of the report in relation to the Fund's valuation and funding level, performance returns and asset allocation.
10. The Head of Investment and Stewardship underlined the funding ratio which was up to 140%, despite the underperformance of the Fund verses the benchmark. This was caused by the markets expectation of higher interest rates for a longer period, especially within the domestic market.
11. The Global Fund from Border to Coast, one of the largest single mandates performed better than the other equity mandates.

Actuarial Update

12. The Committee received a presentation from the Actuary, Hymans Robertson to consider future projections of the Surrey Pension Fund (the Fund) cashflow under a range of different scenarios.
13. The Assistant Director, LGPS Senior Officer confirmed that due to the economic climate the cashflow analysis will continue to be undertaken on an annual basis until further notice.
14. The Committee noted the Funds cashflow position and approved the pass-through policy document which set out the general approach the fund will take when admitting new contractors into the Fund.

Company Engagement & Voting Update

15. The Committee received a report detailing Environmental Social and Governance (ESG) engagement by Local Authority pension Fund Forum (LAPFF) and Robeco, along with details of voting by the Fund for the quarter ending 30 September 2023.
16. The Head of Investment and Stewardship highlighted the quarterly Engagement Report from LAPFF.

17. The Committee resolved that the environment social & governance (ESG) Factors are fundamental to the Fund's approach, consistent with the responsible investment (RI) Policy by:
- a) Continuing to enhance its own RI approach and sustainable development goals (SDG) alignment.
 - b) Acknowledging the outcomes achieved for quarter ended 30 September 2023 by LAPFF and Robeco through their engagement.
 - c) Noting the voting by the Fund in the quarter ending 30 September 2023.

Asset Class Focus- Private Markets

18. The Committee were asked to note reports detailing the Fund's private market holdings and commitments, respective Funds' investment performance and review.
19. The Committee also noted the Independent Investment Adviser's report on Border to Coast Pension Partnership (BCPP) Listed Alternatives.

Responsible Investment Update

20. In response to a request, the Committee received information from BCPP engaging with four companies on RI issues and data that related to the exposure to the largest fossil fuel companies within the global equity.
21. Details of the four case studies were provided in [Annexe 1. A](#) report in [Annexe 2](#) provided details of the exposure the Fund has within its global equity mandates to the largest 25 oil related companies globally.
22. Following a lengthy discussion, the Committee requested an assessment of the implications and the potential implications and impact of the exclusion of investment in the largest 25 fossil fuel companies to be included in the RI Annual Review in June 2024.

LGPS Update (Background Paper)

23. The Committee noted the report providing an update of recent developments in the Local Government Association (LGPS), including the McCloud remedy effective from 1 October 2023 and the Scheme Advisory Board (SAB) response to Department for Levelling Up, Housing & Communities (DLUHC) consultation on the next steps for LGPS investing.
24. The Assistant Director, LGPS Senior Officer drew the Committee's attention to the working party set up by the SAB tasked with looking at the issues presented by the improving funding position of Funds within the LGPS.

Response to Consultation on the future for investing

25. The Committee received an overview of the proposed draft collaborative response from BCPP on the future for investing in the LGPS to the Department for Levelling Up, Housing & Communities (DLUHC) consultation. A separate draft response from the Surrey Pension Fund was also considered.

26. Those Committee and Board Members that did not attend the training session regarding the consultation will be contacted outside of this meeting.
27. The Chair will work in conjunction with the Assistant Director – LGPS Senior Officer to strengthen the Fund’s response to the consultation.

Border to Coast Pensions Partnership Update (BCPP) (Part two)

28. The Committee received an update from the Head of Responsible Investment, BCPP on its current activity. The Assistant Director, LGPS Senior Officer, highlighted paragraph 11 of the report regarding the exclusion thresholds.
29. The Committee agreed to :-
- a) Support the revised BCPP Responsible Investment (RI) Policy 2024, Climate Policy 2024 and Corporate Governance & Voting Guidelines 2024, subject to the continuing work between the Fund and BCPP to align their approaches consistent with the Fund’s standalone RI Policy.
 - b) Note that compliance with the “necessary conditions” of governance for the BCPP Global Real Estate investment proposition and that a commitment consistent with the Surrey Pension Fund target asset allocation to global real estate can commence.
 - c) Note the background and progress of BCPP activity, including details of the following:
 - i. Relevant items from the BCPP Joint Committee (JC) meeting of 28 November 2023.
 - ii. The schedule of activity of BCPP since the last Committee meeting of 8 September 2023 until the end of the calendar year.

Competition & Markets Authority (CMA) Investment Consultant Strategic Objectives)

30. The Head of Investment and Stewardship presented the report to the committee which details the performance monitoring of the Investment Consultant to meet CMA requirements and that it is consistent with the Fund’s strategic investment objectives.
31. The Committee agreed to:-
- a) Note compliance of the IC provider for 2023 against the Fund’s Strategic Objectives for Investment Consultants, as approved in December 2021.
 - b) Approve the submission of the CMA Compliance Statement and Certificate for 2023.

CONSULTATION:

32. The Chair of the Board and Committee have been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

33. Any relevant risk related implications have been considered and are contained within the report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

34. Any relevant financial and value for money implications have been considered and are contained within the report.

DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL

35. The Director of Finance, Corporate and Commercial is satisfied that all material, financial and business issues, and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

36. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY

37. There are no equality or diversity issues.

OTHER IMPLICATIONS

38. There are no other implications.

WHAT HAPPENS NEXT

39. The following next steps are planned:

- a) Further updates will be provided to the Board at its next meeting on 16 February 2024.

Contact Officer:

Adele Seex – Governance Manager

Annexes:

- None

Sources/Background papers:

1. [BCPP Engagement Case Studies – Annexe 1](#)
 2. [Comment related to the largest 25 fossil fuel companies – Annexe 2](#)
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SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD



DATE: 16 FEBRUARY 2024

**LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE,
CORPORATE AND COMMERCIAL**

**SUBJECT: ADMINISTRATION PERFORMANCE REPORT AND UPDATE
1 OCTOBER 2023 TO 31 DECEMBER 2023**

SUMMARY OF ISSUE:

The Board has previously requested to be kept updated on progress relating to a number of key administration projects and planned improvements which may have an impact on members of the pension fund and the purpose of this report is to provide an update on the current status and progress against any specific target dates.

RECOMMENDATIONS:

The Board is asked to **note** the content of this report and **make recommendations** to the Pension Fund Committee if appropriate or if any further action is required.

REASON FOR RECOMMENDATIONS:

The Public Sector Pensions Act 2013 requires Local Pension Boards to assist the Scheme Manager in securing compliance with the Local Government Pension Scheme (LGPS) Regulations and requirements imposed by the Pensions Regulator. This report provides the Board with insight into the activities of the Surrey pension function and furthers the successful collaboration of the Committee and Board in managing risk and compliance and promoting effective governance.

DETAILS:

Background

1. Surrey County Council (the Council) is the Administering Authority for the Local Government Pension Scheme (LGPS) on behalf of the employers participating in the LGPS through the Surrey Pension Fund (the Fund). The LGPS is governed by statutory regulation.
2. The Surrey Pension Team carries out the operational, day-to-day tasks on behalf of the members and employers of the Fund and for the Council. It also leads on topical administration activities, projects and improvements that may have an impact on members of the LGPS.

Key Activity Summary

3. The performance levels in this period have achieved an overall score of 88%, an 8% increase on the previous quarter.
4. The performance levels across all transfer related casework have been consistently exceeding the baseline performance standard set each quarter during 2022-23, with this quarter proving to be the most successful to date.
5. In the last quarter it was highlighted there was a drop in performance for cases such as retirements, survivors' benefits, death benefits and notification of deaths. Remediation action was taken to address this which included placing additional resource within the Immediate Benefits Team, re-allocating less complex case work and carrying out best practice training.
6. This has led to an overall increase in performance for the quarter, with all case work moving towards the expected baseline performance standard levels. It was anticipated December would be the period where these changes would deliver the greatest impact, which has proved to be the case with retirements, ill health retirements, survivors' pensions and death grant payments all exceeding the baseline performance levels.
7. There is ongoing work to make some amendments to the team structure that will provide long term resilience across all teams, increasing the capacity and ability to deal with any surges of cases work.
8. **Annexe 1** provides an update on performance for this quarter, along with commentary explaining our performance and any challenges faced in meeting our SLAs. In addition, a comparative quarterly performance trend analysis has been provided in **Annexe 2**. It's worth noting there has been a significant drop in the estimated days of effort in the last column for this quarter.
9. Additional information has also been supplied within **Annexe 3** that presents a summary of the most common categories of cases being terminated.

Complaints

10. During this period there were 10 complaints received. Details of these complaints can be found at **Annexe 4**.

Internal Dispute Resolution Procedure (IDRP) and Pension Ombudsman Cases

11. Stage 1 appeals determined:

Two appeals were determined in this period.

A LGPS member took flexible retirement and experienced a delay in receiving an estimation of their pension entitlement. The appeal was upheld, and the member was offered and accepted compensation for the delay experienced.

A LGPS member who had in house additional voluntary contributions (AVCs) took voluntary retirement, wished to draw their main scheme benefits but transfer AVCs to a provider that offered drawdown. Member complained their options were not made clear at the outset and the transfer could only proceed upon deferring main scheme benefits. The appeal was upheld, and the member was offered compensation for significant distress and inconvenience.

12. Stage 2 appeals determined:

No Stage 2 appeals were determined in this period.

13. Pension Ombudsman appeals

No new Pensions Ombudsman appeals were received in this period.

Update on Log of Breaches (potential breaches)

14. There are no breaches to report this period.

Customer Relationship Team (CRT)

15. In quarter three, the CRT managed a total of 8,722 inquiries. At the initial point of contact, an average of 83% of all enquiries were successfully resolved. The queries managed by the CRT during this period are grouped into the following categories:

Communication Channel	Volume
Call backs	76
Telephone	4047
Email	4599
Total	8,722

16. A breakdown of the top 5 queries for the quarter can be found at **Annexe 5**.

Guaranteed Minimum Pension (GMP)

17. The decision has been taken to postpone the delivery of this work prior to pension increase and address a number of issues that have arisen.

18. Work has continued with our third-party supplier, Aptia (formerly part of Mercer), however during the final stages of preparing the data for rectification, a number of unexpected discrepancies were identified during quality assurance checking.

19. The key area of concern surrounds the integrity of the data relating to over and underpayments, which could result in incorrect adjustments being made to pensioner records were this to be applied.

20. It is now crucial the project reviews what has happened and engage with key services and third parties to determine the correct course of action to take. The main aim must be to find a viable way forward that will bring a successful outcome for both our members and the fund.

McCloud

21. There has been a lot of activity in this quarter as the service continues to implement the changes relating to the legislation change.
22. In line with the disclosure regulations, member communications were issued in December 2023 to update all members of the scheme regulation change.
23. An update was issued via the Employer Newsletter on the 15th December 2023. The Surrey Pension Team website was updated on the 14th December 2023, which can be found here [Surrey Pension Fund | LGPS rule change | Mcloud Judgement Update | Surrey Pension Fund](#),
24. Further correspondence was issued to all members who had service within the remedy period of 1 April 2014 to 31 March 2022 and is summarised below:

For members opted into digital communication:
 - 47,538 emails issued. 46,810 delivered. 654 failed to delivered. 74 pending. – 98.5% success rate.
For members who have opted out of digital communication:
 - 3,730 letters sent to active members. 5,738 letters sent to deferred members. 1762 sent to pensioners. 189 letters sent to survivor / dependent members.
25. Other key works have been underway with a series of data quality checks having taken place on the returned employer data, with Surrey Pensions having agreed the high-level assumptions and decisions with ITM. This will now allow the data to be uploaded to the pension database and, for any discrepancies to be shared with employers to review.
26. The team have also been preparing for the operational impact of this change through a combination of internal engagement sessions, attending various training courses and sessions laid on by the Local Government Association (LGA), Heywood and other third-parties.
27. Upgrades to the pension database to accommodate this change have been made and will be tested in due course. Cases which have been placed on pause are still awaiting the actual guidance to calculate these before they can recommence.

Monthly Employer Returns (iConnect) rollout

28. The roll out of iConnect is a key part of the business plan within Service Delivery, as it will see employers provide regular and up to date member data to Surrey Pensions.

29. The collection of this frequent data will play a crucial role in the delivery of key scheme events such as the production of annual benefit statements and annual allowance letters. It will bring a single and consistent approach to collecting member data, with an increased level of validation across the board, something that is vital for the go live of Pension Dashboard.
30. 143 employers have been engaged in the last quarter, with 3 trusts having onboarded in recent weeks. The focus for the remainder of this financial year is to transition the 123 employers who recently offboarded from Surrey County Council payroll services, as this will provide continuity for each of them.
31. The next steps are to design a proposed roll out plan for the remaining employers spanning a 12-month period between April – March 2024/25. A series of further engagement and communications will be issued, and the aim will be to have no, or very few, employers still supplying an annual file at year end in 2025.

Legacy Case Reduction

32. As outlined in the legacy proposal, at the 6-month milestone the internal team at Surrey Pensions had set a target of reducing the backlog by 25%.
33. This target has been exceeded and the reduction level stands at 45%, comprising the following:
 - a. Deferred cases completed stands at 3349, a total of 76%.
 - b. 1511 cases terminated. Having reviewed these cases, it was identified many cases had an open workflow on a completed case or required reclassification.
34. Plans to procure external services to process transfers and aggregations had been in motion but recent events have led this approach to be changed, with the chosen provider having been placed on a restriction list by our pension system provider.
35. After reviewing this situation and exploring the alternative options available, the decision has been made to undertake this work in house after the success of the internal Legacy Team to date.
36. Plans are being drawn up to ensure the work is fully understood, both in terms of the resource requirements and the delivery time period. There will be other key considerations taken such as the detailing robust training plans for members of the team to carry out this work.

Pension Administration System / Process Developments

37. In collaboration with our system supplier, the implementation of several enhancements has been completed or are in progress. Updates can be seen below:
 - i. New entrants process review – on hold
 - ii. Multiple payroll module – on hold

CONSULTATION:

38. The Chair of the Local Pension Board has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

39. Any relevant risk related implications have been considered and are contained within the report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

40. Any relevant financial and value for money implications have been considered and are contained within the report.

DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL

41. The Director of Corporate Finance and Commercial is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

42. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY

43. There are no equality or diversity issues.

OTHER IMPLICATIONS

44. There are no other implications.

WHAT HAPPENS NEXT

45. The following next steps are planned:

- a) Further updates will be provided to the Board at its next meeting.

Contact Officers:

Tom Lewis – Head of Service Delivery

Consulted:

Local Pension Board Chair

Annexes:

Annexe 1 – Performance Summary
Annexe 2 – Performance Trend Analysis
Annexe 3 – Terminated Case Summary
Annexe 4 – Complaints Summary
Annexe 5 – CRT Top 5 Query Summary

KPI Performance: Sept - Dec 2023

Case Type	Performance standard	Tolerable performance	A % completed within SLA	B Case opening balance	C New cases received	D Cases completed	F Closing balance	E Terminated Cases	G Future Workload (days)
DEATH NOTIFICATION (tPR)	5 working days	90%	84%	8	208	212	5	5	1
SURVIVOR'S PENSIONS (tPR)	10 working days	90%	82%	21	90	94	10	13	6
DEATH BENEFITS PAYABLE (tPR)	10 working days	90%	79%	27	65	63	25	3	24
BALANCE OF PAYMENTS (tPR)	10 working days	90%	86%	46	184	175	54	8	19
RETIREMENT (COMPLETE) (tPR)	15 working days	85%	76%	331	582	572	275	90	29
ILL HEALTH RETIREMENT (COMPLETE) (tPR)	15 working days	90%	75%	1	14	12	3	-	15
REFUNDS (tPR)	20 working days	80%	99%	360	973	1,085	171	315	9
RETIREMENT (INITIAL NOTIFICATION)	15 working days	80%	92%	464	788	898	265	187	18
ILL HEALTH RETIREMENT (INITIAL)	15 working days	90%	76%	13	23	21	9	7	26
DEFERRED STATUS	40 working days	80%	93%	816	1,023	1,020	699	213	41
EMPLOYER ESTIMATE	10 working days	80%	65%	20	77	81	9	18	7
LGPS TRANSFER IN (ESTIMATE)	20 working days	80%	97%	154	718	633	196	242	19
NON-LGPS TRANSFER IN (ESTIMATE)	20 working days	80%	100%	8	18	16	7	10	26
LGPS TRANSFER OUT (ESTIMATE)	20 working days	80%	98%	100	262	276	69	59	15
NON-LGPS TRANSFER OUT (ESTIMATE)	20 working days	80%	98%	21	60	55	22	19	24
LGPS TRANSFER IN (ACTUAL)	20 working days	80%	94%	264	629	600	233	141	23
NON-LGPS TRANSFER IN (ACTUAL)	20 working days	80%	97%	23	31	30	19	4	38
LGPS TRANSFER OUT (ACTUAL)	20 working days	80%	91%	96	182	158	107	22	41
NON-LGPS TRANSFER OUT (ACTUAL)	20 working days	80%	90%	4	28	19	10	8	32
NEW STARTER	30 working days	80%			1,376	1376			
TOTAL CASE NUMBERS			88%	2,777	7,331	7,396	2,188	1,364	

Summary

Survivor's Benefits process investigation has been completed and improvement noted in this area.

The improvement plan has significantly reduced the future workload allowing the teams to concentrate on the incoming work.

This has led to a modest improvement in the figures for Q3, with full results expected in Q4, this will be closely monitored.

LGPS & Non LGPS Transfer Out estimate cases have been affected by recent changes due to the McCloud ruling and some placed on hold.

Teams are monitoring these cases and working on those unlikely to be affected by the McCloud ruling.

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Performance Trend Analysis

Case Type	KPI Performance Comparison				Future Workload Time Comparison			
	2022/23	2023/24			2022 / 23	2023/24		
	Q4 % completed within SLA	Q1 % completed within SLA	Q2 % completed within SLA	Q3 % completed within SLA	Q4 Future Workload	Q1 Future Workload	Q2 Future Workload	Q3 Future Workload
DEATH NOTIFICATION (tPR)	89%	92%	78%	84%	1 day	0.5 days	1 day	1 day
SURVIVOR'S PENSIONS (tPR)	79%	69%	75%	82%	10 days	20 days	10 days	6 days
DEATH BENEFITS PAYABLE (tPR)	91%	79%	79%	79%	24 days	25 days	24 days	24 days
BALANCE OF PAYMENTS (tPR)	94%	86%	88%	86%	14 days	16 days	14 days	19 days
RETIREMENT (COMPLETE) (tPR)	91%	79%	74%	76%	40 days	52 days	40 days	29 days
ILL HEALTH RETIREMENT (COMPLETE)	100%	94%	43%	75%	24 days	15 days	24 days	15 days
REFUNDS (tPR)	98%	96%	98%	99%	7 days	15 days	7 days	9 days
RETIREMENT (INITIAL NOTIFICATION)	85%	83%	77%	92%	33 days	44 days	33 days	18 days
ILL HEALTH RETIREMENT (INITIAL)	75%	70%	60%	76%	23 days	69 days	23 days	26 days
DEFERRED STATUS	88%	89%	64%	93%	10 months	212 days	10 months	41 days
EMPLOYER ESTIMATE	89%	71%	51%	65%	16 days	41 days	16 days	7 days
LGPS TRANSFER IN (ESTIMATE)	85%	86%	89%	97%	81 days	122 days	81 days	19 days
NON-LGPS TRANSFER IN (ESTIMATE)	97%	100%	100%	100%	215 days	210 days	215 days	26 days
LGPS TRANSFER OUT (ESTIMATE)	93%	89%	93%	98%	24 days	69 days	24 days	15 days
NON-LGPS TRANSFER OUT (ESTIMATE)	90%	90%	100%	98%	62 days	125 days	62 days	24 days
LGPS TRANSFER IN (ACTUAL)	85%	94%	85%	94%	60 days	110 days	60 days	23 days
NON-LGPS TRANSFER IN (ACTUAL)	92%	60%	84%	97%	60 days	71 days	60 days	38 days
LGPS TRANSFER OUT (ACTUAL)	84%	75%	78%	91%	36 days	168 days	36 days	41 days
NON-LGPS TRANSFER OUT (ACTUAL)	83%	90%	100%	90%	41 days	20 days	41 days	32 days
Average Score	89%	84%	80%	88%				

KPI Table Key

% Completed within SLA	A	Percentage of cases completed in period within SLA.
Case Opening Balance	B	Total cases open at the start of the period (this may vary from the previous month closing balance due to terminated cases).
New cases received	C	Total cases received in reporting period (including terminated). Not all cases are due for completion within period.
Cases completed	D	The total cases completed during period (excluding terminated cases)
Terminated Cases	E	Cases terminated in period due to duplication or set up incorrectly
Closing Balance	F	Cases remaining from period less terminated cases
Future Workload	G	Total number of estimated days to process closing balance cases (F/D*60 working days)
Assumed tolerance of performance SLA		<p>Green = tolerable performance measure met</p> <p>Amber = within 10% of tolerable performance measure</p> <p>Red = more than 10% of tolerable performance measure</p>
Future workload tolerance		<p>Green = less than 1 times the performance standard</p> <p>Amber = within 1 - 2 times more than the performance standard</p> <p>Red = more than 2 times the performance standard</p>

Service Delivery – Terminated Case Overview – Annexe 3

Terminated Case Overview

This is a summary of where cases have been closed (not completed) during this quarter. The below tables includes categories where 50 or more case types have been terminated in this period.

Case Type	Case Numbers
Refunds	315
LGPS Transfer In (Estimate)	242
Deferred Status	213
Retirement (Initial Notification)	187
LGPS Transfer In (Actual)	141
Retirement Complete	90
LGPS Transfer Out (Estimate)	59

*Numbers are affected by the continuation of the legacy project during this period.

The information below provides further information as to the common causes for why cases are terminated.

Categorisation change on review	<p>Most commonly due to the member requiring an aggregation, concurrent or a transfer (or vice versa) rather than initial set-up as Deferred or Refund.</p> <p>This is the same for concurrent cases, whereby the record may actually require deferring or a transfer.</p>
Categorisation change on transition from estimate to actual	<p>Most common cause is due to the receipt of correspondence from a member or employer and, is then set up in the system as an estimate, whereby it is actually ready to be processed as an actual (or vice versa).</p> <p>Other causes are whereby a member has returned their forms to the incorrect authority. The case is then closed, and the member is notified.</p>
Categorisation change on requirement for processing	<p>Noted as Retirement Notifications – most commonly due to the member actually requiring an estimate at this stage.</p>

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Annexe 4

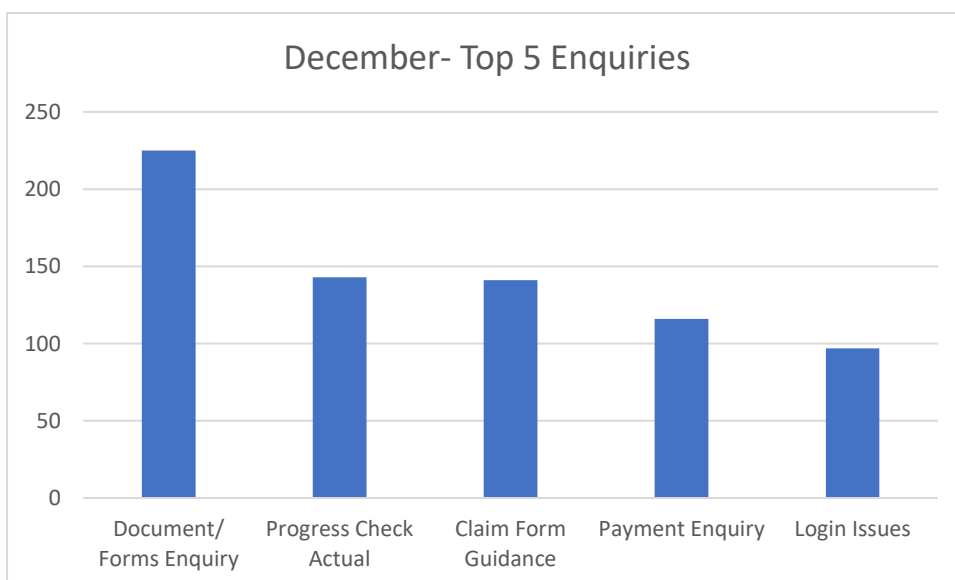
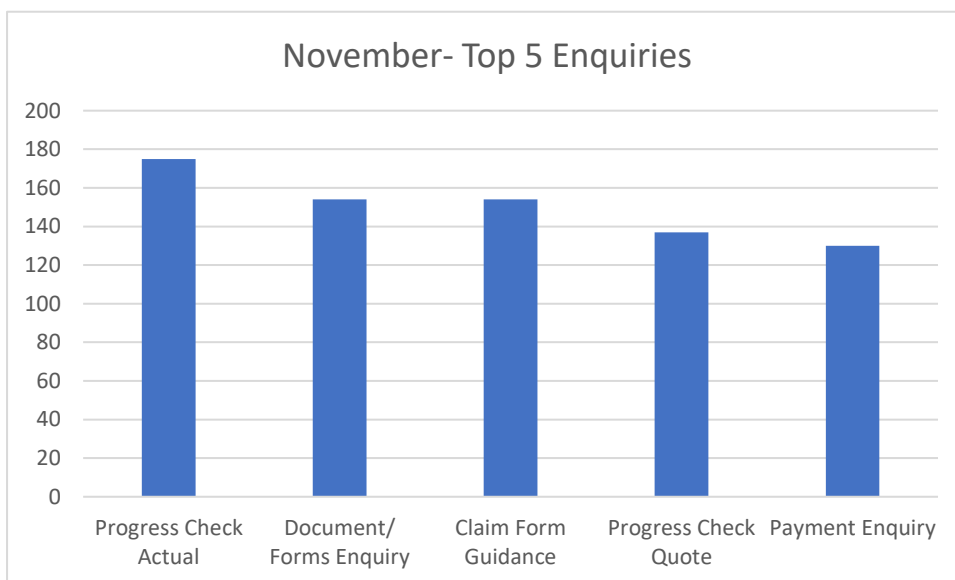
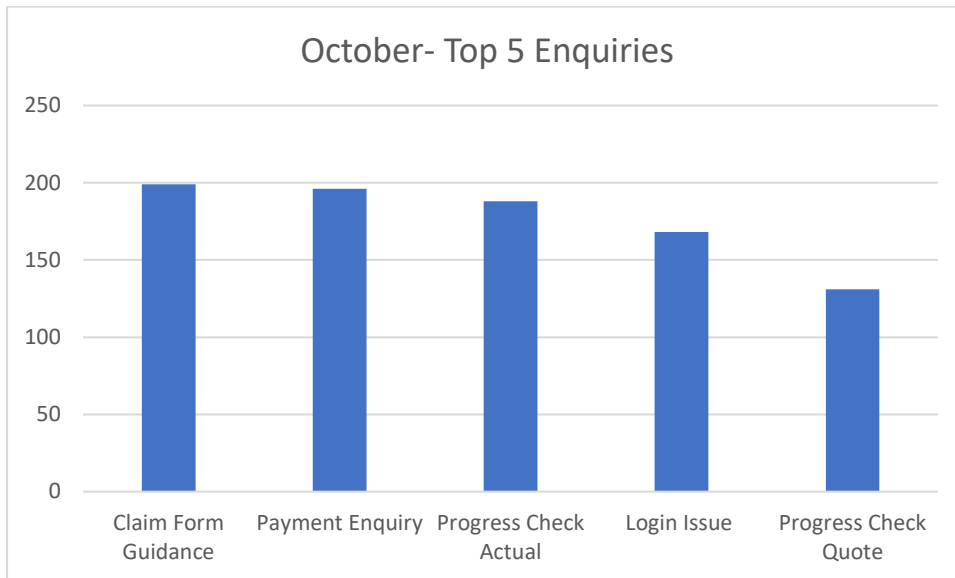
Annex – Complaints from October 1 to December 31 2023			
Case number	Date Received	Root Cause	Details of Complaint
SUR617166	05/10/23	Service Quality / Delivery	<p>Member was chasing their refund payment. The delay due to us not having information from payroll. They could have actually refunded through payroll, as only 2 days service. Refund now calculated and claim sent</p> <p>Resolution Date: 18/10/2023- Agreed Actions: Advice/Information Given</p>
SUR588491	19/10/23	Service Quality / Delivery	<p>Complaint regarding the management of the AVC fund with Prudential, and also providing a pension quotation.</p> <p>SPT are not responsible for management of AVC fund, and Prudential have reviewed this complaint already which was not upheld although an award for non-financial injustice was allegedly paid.</p> <p>Member initially requested a pension quote but then told us to put it on hold until further notice by the member, which was the cause of delay in providing the quotation.</p> <p>Complaint not upheld. Resolution Date: 09 Nov 2023</p>
SUR360071	26/10/23	Poor Communication	<p>Delay to pension due to SPF needing to clarify members wishes in claim form. Apology and pension now calculated and confirmed to member with arrears included and lump sum.</p> <p>Resolution Date: 08 Nov 2023 Agreed Actions: Advice/Information Given and Apology</p>
SUR725334	26/10/23	Administrative Error	<p>Complaint due to delays in handling the post, pension claim form for trivial commutation was archived without scanning to record. Member recompleted forms, only for original forms to be found later, which prompted concerns for data protection.</p> <p>No evidence of breach of data, human error meant documents were not scanned.</p> <p>Apology for inconvenience issued payment made via BACS to member to resolve situation. Complaint upheld.</p> <p>Resolution Date: 07 Nov 2023 Agreed Actions: Apology and Service provided</p>
SUR197448	01/11/23	Poor Communication	<p>Delay in retirement benefits. Two letters did not reach the member. Investigated with Docmail but due to retention policy unable to confirm they were sent. Forms resent.</p> <p>Complaint upheld Resolution Date: 14 Nov 2023 Agreed Actions: Apology</p>

Annexe 4

SUR481971	07/11/23	Unit 4	<p>Delay to member receiving Pension Options. Necessary data from Payroll received after escalation on November 15, 2023. Benefits calculated and provided by 7th December 2023.</p> <p>Resolution Date: 08 Dec 2023</p> <p>Outcomes: Partially upheld</p> <p>Agreed Actions: Advice/Information Given Response Out of Time: Delay Receiving Payroll Information</p>
SUR379258	16/11/23	Administrative Error	<p>Complaint about access deferred pension online via MSS.</p> <p>Member left SPF on 30/09/2020, however transfer in from East Sussex was not complete was left as Status 2 Undecided Leaver. As a result, could not access MSS for pension value to support mortgage application.</p> <p>Complaint upheld as transfer was overlooked for 3 years until completed as part of complaint resolution.</p> <p>Resolution Date: 11 Dec 2023</p>
SUR166878	25/11/23	Service Quality / Delivery	<p>The complaint pertains to a delayed response to the initial pensions claim and a delay in disbursing benefits from Prudential AVCs. The complainant highlights a period of over four months from the submission of pension claim forms to the receipt of the full pension entitlement payment. The member is seeking a more detailed explanation for the prolonged delay, the complainant also requests compensation for time spent on follow-up calls and additional costs incurred.</p> <p>A holding email has been sent to the complainant, acknowledging the extended investigation timeline and assuring them that a thorough examination of the matter is underway.</p>
SUR432975	27/11/2023	Service Quality / Delivery	<p>The complaint is currently on hold. It pertains to the delayed submission of a Pension Savings Statement for the tax year 2021/22 and the resulting tax charges related to pension growth. Immediate Benefits Manager is actively communicating with the member, having already met with them for discussion. Ongoing communication is in progress to facilitate resolution. The complaint was paused on December 14, 2023.</p>
SUR013656	11/12/2023	Service Quality / Delivery	<p>Complaint due to delay in providing a pension saving statement outlining Pension Input Amounts for 2019/20, 2020/21 & 2021/22.</p> <p>Complaint upheld, AA information provided with an apology for the delay.</p> <p>Resolution Date: 14 Dec 2023 Agreed Actions: Advice/Information Given and Apology</p>

Customer Relationship Team: Q3 Query Summary

A breakdown of the top 5 enquiries per month are demonstrated below:



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SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: 16 FEBRUARY 2024

LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL

SUBJECT: RISK REGISTER UPDATE 2023/24 QUARTER 3



SUMMARY OF ISSUE:

This report considers changes made to the Risk Register for the Surrey Pension Team during Quarter 3 of 2023/24.

RECOMMENDATIONS:

The Board is recommended to:

Note the content of this report and the Risk Register (Annexe 1).

Make recommendations to the Pension Fund Committee if required.

REASON FOR RECOMMENDATIONS:

The Public Sector Pensions Act 2013 requires Local Pension Boards to assist the Scheme Manager in securing compliance with the Local Government Pension Scheme (LGPS) Regulations and requirements imposed by the Pensions Regulator. This report provides the Board with insight into the activities of the Surrey pension function and furthers the successful collaboration of the Committee and Board in managing risk and compliance and promoting effective governance.

DETAILS:

Background

1. A quarterly assessment of the Pension Risk Register gives the Board the opportunity to influence and drive the risk management process.
2. The risk management policy of the Surrey Pension Team is to adopt best practice in the identification, evaluation and control of risks in order to ensure that the risks are recognised, and then either eliminated or reduced to a manageable level. If neither of these options is possible, then the means to mitigate the implications of the risks are established.
3. Risk areas have been assessed in terms of their impact on the Fund as a whole, on the fund employers, and on the reputation of the Pension Fund Committee and Surrey County Council as the administering authority. Assessment has also been made of the likelihood of the risk.

Changes to risk scores in this quarter

- Following review, the risk scores have not changed from quarter 2. However, mitigating actions in the sections relating to Investment & Stewardship have been updated. Additionally, the ongoing issues previously reported relating to Unit4/MySurrey financial system implemented in June 2023 remain largely unchanged – primarily access or configuration issues (especially in relation to payroll interfaces). Hence the score of 16 remains (see para 5 below).

Top risk areas commentary

- Commentary is provided below on the risk areas in the risk register with the highest combined likelihood and impact scores.

Risk	Skills / knowledge gaps lead to inefficiency and poor performance	Work volume mismatch with operational capacity leading to backlogs	Implementation of new financial systems leads to delayed processing, data integrity issues or financial loss
Risk ID	9	11	16
Score	16	16	16
Comment	This risk remains with some potential single points of failure within the organisational structure.	Legacy issues have been highlighted as a result of recent improvement focus.	Ongoing issues with MySurrey
Action	<p>A preliminary review of the organisational structure has been undertaken for resilience and succession planning.</p> <p>A workforce plan is in preparation, with early actions on high priority elements.</p> <p>Preliminary talent development plans are in preparation.</p> <p>Further work is planned on organisational structure.</p>	<p>Backlogs across the whole service are receiving priority attention and identified for action in the Business Plan.</p> <p>Progress reporting is now part of the team dashboard.</p>	<p>Engagement with project team continues.</p> <p>Reporting issues have shown further progress – but some standard reports remain outstanding.</p> <p>Intercompany transactions generated within the system remain an issue.</p> <p>Consequential issues from ongoing payroll interface challenges continue.</p>
Residual risk	Remains a risk – pending completion of actions arising from workforce and talent plans.	Remains a risk pending progress on resolution of legacy issues.	Remains a risk pending progress on resolution of issues

CONSULTATION:

6. The Chair of the Local Pension Board has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

7. Any relevant risk related implications have been considered and are contained within the report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

8. Any relevant financial and value for money implications have been considered and are contained within the report.

DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL COMMENTARY

9. The Director of Finance, Corporate and Commercial is satisfied that relevant, material financial and business issues and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

10. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY

11. There are no equality or diversity issues.

OTHER IMPLICATIONS

12. There are no other implications.

WHAT HAPPENS NEXT

13. The risks will be regularly monitored and reporting to the Board will be undertaken.

Contact Officers:

Siva Sanmugarajah
Paul Titcomb

Risk & Compliance Manager
Head of Accounting and Governance

Consulted:

Local Pension Board Chair

Annexes:

Risk Register (January 2024) – Annexe 1

Sources/background papers:

None.

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LIKELIHOOD						
5	Very Likely					
4	Likely				<p>9 Skills / knowledge gaps lead to inefficiency and poor performance</p> <p>11 Work volume mismatch with capacity leading to backlogs</p> <p>16 Implementation of new financial systems leads to delayed processing, data integrity issues or financial loss</p>	
3	Possible			<p>10 Data administration failure / fraud leads to data integrity issues</p> <p>3 Funding requirements higher due to actuarial assumptions materially different to experience</p>	<p>5 Investment strategy/implementation affects performance</p> <p>6 Investment returns impacted by mkt volatility/performance</p> <p>7 Investment returns impacted by 3rd party performance/default</p> <p>13 Impact from lack of regulatory/legal compliance</p> <p>14 Reputational issues due to inaccurate public domain info</p>	
2	Unlikely	<p>8 Insufficient liquidity to meet obligations for rebalancing / payments</p>	<p>2 Employers delay making payments</p>	<p>1 Employers unable/unwilling to make payments</p> <p>12 Business interruption/cyber security breach</p> <p>15 Internal protocols for governance not followed</p>		
1	Rare				<p>4 Investment performance impacted by insufficient attention to ESG</p>	
IMPACT		Minimal 1	Minor 2	Moderate 3	Major 4	Severe 5

Pension Team Risk Summary

January 2024

Risk ID	Risk Title	Risk Owner	Risk with current mitigation controls in place			Curr q mvt	qtr -1 mvt	qtr -2 mvt
			Likelihood (1-5)	Impact (1-5)	Overall Score			
9	Skills / knowledge gaps lead to inefficiency and poor performance	SD	4	4	16			
11	Work volume mismatch with operational capacity leading to backlogs	SD	4	4	16		↑	
16	Ongoing issues (access, training, reporting etc.) following implementation of new financial system leading to delayed processing, data integrity issues, financial loss and build up of backlogs.	A&G	4	4	16		↓	↑
5	Investment strategy and proposed implementation materially affects investment performance	I&S	3	4	12			
6	Investment returns impacted by market volatility/ performance	I&S	3	4	12			
7	Investment returns impacted by third party or counter party performance/default	I&S	3	4	12			
13	Scheme is financially or reputationally impacted by failure to adhere to (changes in) regulatory and legislative compliance requirements	SD	3	4	12			
14	Reputational issues due to inaccurate public domain information (external stakeholder relationships / comms) or inefficient service	A&G	3	4	12			
3	Funding requirements higher due to actuarial assumptions materially different to experience	A&G	3	3	9		↓	
10	Data administration failure / fraud leads to data integrity issues	SD	3	3	9			
1	Employers unable/unwilling to make payments	A&G	2	4	8			
12	Business interruption or cyber security breach leads to data integrity issues or financial loss	SD	2	4	8			
15	Internal protocols for governance not followed	A&G	2	4	8			
2	Employers delay making payments	A&G	2	3	6			
4	Investment performance materially impacted by insufficient attention to ESG factors	I&S	1	4	4			
8	Insufficient liquidity / lack of cash to meet obligations for collateral rebalancing / payments out	A&G	2	2	4			↑

Key: A&G Accounting and Governance
 SD Service Delivery
 I&S Investment and Stewardship

Risk ID	Risk Title	Risk Area	Risk sub-ID	FSS x-ref	Causes	Effect	Risk Owner	Likelihood (1-5)	Impact (1-5)	Overall Score	Key Existing Management Controls	Planned Enhancements to Controls (Actions)	Target Date
1	Employers unable/unwilling to make payments	A&G - Funding	1A	C5-1	Structural changes in an employer's membership or an employer fully/partially closing the scheme. Employer bodies transferring out of the pension fund or employer bodies closing to new membership. An employer ceases to exist with insufficient funding or adequacy of bond.	Insufficient funding	A&G	2	4	8	TREAT/TOLERATE 1) Administering Authority actively monitors prospective changes in membership. 2) Maintain knowledge of employer future plans. 3) Contributions rates and deficit recovery periods set to reflect the strength of the employer covenant. 4) Periodic reviews of the covenant strength of employers are undertaken and indemnity applied where appropriate. 5) Risk categorisation of employers implemented as part of 2022 actuarial valuation. 6) Monitoring of gilt yields for assessment of pensions deficit on a termination basis. 7) Required standard of data from employers		
		A&G - Funding	1B	C2-6	Shortfall in assets of 'orphaned' employer	Shortfall shared across existing employer population					TREAT 1) Pension Team monitors and understands aggregate exposure 2) Appropriate cessation debt sought on exit 3) Possibly seek guarantee from alternative employer		
2	Employers delay making payments	Service Delivery	2A	C3-3	Rise in ill health retirements	Impact on employer organisations leading to delay in payments	A&G	2	3	6	TREAT 1) Self-insurance implemented across the fund 2) Reactive reposition investment strategy if necessary		
		Service Delivery	2B	C3-3	Rise in ill health retirements	Rise in self insurance costs impact employer organisations leading to delay in payments					TREAT 1) Pension Fund monitors ill health retirement awards which contradict IRMP recommendations		
		A&G - Funding	2C		Employer issues with affordability and/or cashflow	Delay in payments					TREAT 1) Pension Team monitors covenant of employers 2) Engagement with employers on delay of receipt of payment notifications - with objective to improve timely application of funds to relevant employer accounts. 3) Review structure of contractors and consider pass-through arrangements		
3	Funding requirements higher due to actuarial assumptions materially different to experience	A&G - Funding	3A	C2-4	Price inflation is significantly more or less than anticipated	An increase in CPI inflation by 0.1% would increase the liability valuation by 1.4%	A&G	3	3	9	TOLERATE- 1) The assumptions of the Fund actuary are prudent and allow for variations in inflation and interest rate fluctuations. 2) The fund regularly monitors and acts on inflation exposure.		
		A&G - Funding	3B	C3-1	Members living longer	Adding one year to life expectancy would approximately increase the liability by 3-5%.					TOLERATE- 1) The Fund Actuary uses long term longevity projections in the actuarial valuation process. 2) SCC has joined Club Vita, which allows monitoring of mortality rates that are employer and postcode specific.		
		A&G - Funding	3C	C2-4	Pay increases are significantly more than anticipated for employers within the Fund.	Pension liability increases (for pre-2014 liabilities)					TREAT / TOLERATE- 1) Fund employers should monitor own experience. 2) Assumptions made on pay and price inflation should be long term assumptions, any employer specific assumptions above the actuaries long term assumption would lead to further review. 3) Employers to be made aware of generic impact that salary increases can have upon final salary linked elements of LGPS benefits. 4) Proportion of liabilities linked to final salary diminishing over time.		
		A&G - Funding	3D	C2-5	Actuarial work determines the need for increases to employer contributions	Employers need to pay additional funds into the scheme					TREAT- 1) Officers to consult and engage with employer organisations in conjunction with the actuary. 2) Actuary will assist where appropriate with stabilisation and phasing in processes. 3) Stabilisation modelling undertaken early in the valuation cycle.		
		A&G - Funding	3E	C3-2	Future member population and/or demographic changes as a result of government policy	Employers need to pay additional funds into the scheme					TREAT / TOLERATE- 1) The Fund actuary uses prudent assumptions on future of workforce (full replacement assumed for active employers). The fund has regular communications with employer to allow them to flag up major changes in workforce. 2) Need to consider worst case assumptions about diminishing workforce when carrying out the actuarial valuation.		
		A&G - Funding	3F	C4-2	HM Treasury and Scheme Advisory Board cost management process has an implied increase in employer contributions.	Employers need to pay additional funds into the scheme					TREAT / TOLERATE - 1) The Fund actuary stabilises employer contribution, which reduces the impact of conditions which could otherwise produce spikes in contribution rates. 2) Communicate with employers and explore the opportunity for the strengthening of their covenant by the provision of additional security to the Fund. 3) Advice from Fund actuary on issues related to Section 13 analysis		

Risk ID	Risk Title	Risk Area	Risk sub-ID	FSS x-ref	Causes	Effect	Risk Owner	Likelihood (1-5)	Impact (1-5)	Overall Score	Key Existing Management Controls	Planned Enhancements to Controls (Actions)	Target Date
4	Investment performance materially impacted by insufficient attention to ESG factors	Investment	4A	C7	Insufficient attention to environmental, social and governance (ESG) factors	Insufficient attention, including to regulatory changes, leads to underperformance and reputational damage.	I&S	1	4	4	TREAT- 1) The Fund has established its own Responsible Investment policy and engaged with the equity managers on implementation. 2) Fund managers are chosen on the basis that all material ESG factors are integrated into their investment decision-making processes. This requires teams to be well resourced and aware of regulatory changes, as with any other investment factor. 3) The Fund is a member of the Local Authority Pension Fund Forum (LAPFF) and all assets held with BCPP are monitored by Robeco, this raises awareness of ESG issues and facilitates engagement with investee companies. 4) The Fund has approved a new share voting policy which reflects global best practice and accepted the BCPP voting policy. 5) The Fund accepted the BCPP Responsible Investment Policy after enhancement were made to it following lobbying from the Fund. 6) The Fund has a dedicated Responsible Investment sub-committee and an RI up-date is a standing item in Committee meetings. 7) The Fund engages with ESG lobbying groups such as Surrey Pensions Act Now. 8) Actuarial modelling undertaken (climate change impacts on longevity outcomes in prospect). 9)The Fund has set a Net Zero date of 2050 or sooner.	1) The RI policy will be reviewed annually, as will the investment universe regarding the Net Zero date. 2) The Fund is applying to become a signatory to the UK Stewardship Code.	
		Investment	4B		Stranded assets, regulatory fines, failing to adapt to a low carbon economy, in light of IPCC's 2021 report on Climate Change.	Detrimental impact on value of Fund's investments.					TREAT- 1) See 4A above. 2) The Fund voluntarily produces a Task Force on Climate-Related Financial Disclosures, TCFD report each year. Continued review of the carbon exposure within the portfolio. 3) The Fund is part of the BCPP TCFD working party. 4) All global systematically managed equity assets now held in the LGIM Future World Index. This fund takes 32 ESG factors into account in determining its structure. 5) The Fund is diversified across asset classes and within asset classes. 6) Performance reviewed quarterly by the Committee and an annual asset class review carried out by the Independent Advisor for all assets.		
5	Investment strategy and proposed implementation materially affects investment performance	Investment	5A	C2-2	Mismatching of assets and liabilities, inappropriate long-term asset allocation or investment strategy, mistiming of investment strategy.	Investment returns not at expected level for the risk appetite	I&S	3	4	12	TREAT- 1) Active investment strategy and asset allocation monitoring from Committee officers and consultants. 2) Investment strategy reviewed in 2023/4 in light of 2022 valuation 3) Separate source of advice from Fund's independent advisor. 4) Setting of Fund specific benchmark relevant to the current position of fund liabilities. 5) Fund manager targets set and based on market benchmarks or absolute return measures. Overall investment benchmark and out-performance target is fund specific. 6) Individual investment strategies for employer groups.		
		Investment	5B		Implementation of proposed changes to the LGPS (pooling) does not conform to plan or cannot be achieved within time scales.	Investment returns not at expected level for the risk appetite					TREAT / TOLERATE 1) Officers consult and engage with central and local government bodies, BCPP Operating Officers Group, consultants, peers, seminars, conferences. 2) Officers and advisors engage in design and planning of new products. Implementation monitored against agreed deadlines. 3) Participation in Cross Pool Collaboration Groups. 4) Government guidance continues to endorse pooling.	1)Governance and oversight of BCPP currently being reviewed by the partner funds.	
		Investment	5C		That the Border to Coast Pensions Partnership disbands or the partnership fails to produce a proposal deemed sufficiently ambitious.	Investment returns not at expected level for the risk appetite					TOLERATE- 1) Partners for the pool were chosen based upon the perceived expertise and like-mindedness of the officers and members involved with the fund to ensure compliance with the pooling requirements. 2) Ensure that ongoing fund and pool proposals are comprehensive and meet government objectives. 3) Engage with advisors throughout the process.		

Risk ID	Risk Title	Risk Area	Risk sub-ID	FSS x-ref	Causes	Effect	Risk Owner	Likelihood (1-5)	Impact (1-5)	Overall Score	Key Existing Management Controls	Planned Enhancements to Controls (Actions)	Target Date
6	Investment returns impacted by market volatility/ performance	Investment	6A	C2-1	Increased risk to global financial stability. Outlook deteriorates in advanced economies because of heightened uncertainty and setbacks to growth and confidence, leading to tightened financial conditions, reduced risk appetite and raised credit risks.	Investment returns materially impacted	I&S	3	4	12	TREAT / TOLERATE- 1) Vigilance and continued dialogue with managers as to events on and over the horizon. 2) An investment strategy involving portfolio diversification and risk control. Taking advice from advisors. 3) Investment strategy review accompanied the 2022 actuarial valuation.		
		Investment	6B			Investment markets fail to perform in line with expectations					Investment returns impacted leading to deterioration in funding levels and increased contribution requirements from employers.	TREAT / TOLERATE- 1) Diversification across equities, bonds, property and alternatives, limiting exposure to one asset category. 2) The investment strategy is continuously monitored and periodically reviewed to ensure optimal asset allocation. 3) Actuarial valuation and asset/liability study take place automatically at least every three years. Sensitivity analysis carried out. 4) The actuarial assumptions and funding ratio measures considered at every Committee meeting. 5) Actuarial calculations assess a likelihood of achieving a set of returns over the long term.	
7	Investment returns impacted by third party or counter party performance/default	Investment	7A	C2-3	Investment Managers fail to achieve performance targets over the longer term	A shortfall of 0.1% on the investment target will result in an annual impact of c£5m	I&S	3	4	12	TREAT- 1) The Investment Management Agreements clearly state SCC's expectations in terms of performance targets. 2) Investment manager performance is reviewed on a quarterly basis. 3) The Pension Fund Committee should be positioned to move quickly if it is felt that targets will not be met. 4) Having Border to Coast as an external manager facilitates a smooth transition of assets into the pool and provides an additional layer of investment due diligence. 5) The Fund's investment management structure is highly diversified, which lessens the impact of manager risk compared with less diversified structures.		
		Investment	7B			Financial loss of cash investments from fraudulent activity.					Investment returns not at expected level	TREAT / TOLERATE - 1) Policies and procedures are in place which are regularly reviewed to ensure risk of investment loss is minimised. Governance arrangements are in place in respect of the Pension Fund. External advisors assist in the development of the Investment Strategy. Fund Managers/BCPP have to provide SAS70 or similar (statement of internal controls).	
		Investment	7C		Financial failure of a fund manager	Increased costs and service impairment.					TREAT - 1) Fund is reliant upon current adequate contract management activity. 2) Fund is reliant upon alternative suppliers at similar price being found promptly. 3) Fund is reliant on the scale and risk management opportunity offered by BCPP.		
		Investment	7D		Counterparty poor performance or default on excess funds placed with Money Market	Loss of investment return	A&G				TOLERATE - 1) Lending limits with approved banks and other counterparties are set at prudent levels 2) The pension fund treasury management strategy is based on that of SCC.		
		Investment	7E	C5-2	Poor performance or financial failure of third party supplier	Service impairment and financial loss.	I&S				TOLERATE- 1) Performance of third parties (other than fund managers) monitored. 2) Regular meetings and conversations with Northern Trust take place. 3) Actuarial work and investment work are provided by two different consultancies.		

Pension Team Risk Register

January 2024

Risk ID	Risk Title	Risk Area	Risk sub-ID	FSS x-ref	Causes	Effect	Risk Owner	Likelihood (1-5)	Impact (1-5)	Overall Score	Key Existing Management Controls	Planned Enhancements to Controls (Actions)	Target Date
8	Insufficient liquidity / lack of cash to meet obligations for collateral rebalancing / payments out		8A	C5-5	Inaccurate cash flow forecasts or drawdown payments	Shortfalls on cash levels and borrowing becomes necessary to ensure that funds are available.	A&G	2	2	4	TOLERATE / TREAT- 1) Borrowing limits with banks and other counterparties are set at levels that are more than adequate should cash be required at short notice. 2) Cashflow analysis of pension fund undertaken quarterly. 3) Annual Cash flow analysis undertaken by Actuary. 4) Source of funds from investments identified. Income received from BCPP Multi-Asset credit fund and CBRE. 5) Pension Team banking controls under review		
9	Skills / knowledge gaps lead to inefficiency and poor performance	Service Delivery	9A		Lack of capability of the admin system	Inefficiency and disruption.	SD	4	4	16	TREAT/TOLERATE 1) Ensure system efficiency is included in the annual improvement review. 2) Monitor system review and provide extra resource where business case supports it.		
		Service Delivery	9B		Gaps in skills and knowledge due to key person/single point of failure and different skill requirements.	Inefficiency and poor performance.					TREAT 1) 'How to' notes in place. 2) Development of team members & succession planning needs to be improved. 3) Officers and members of the Pension Fund Committee will be mindful of the proposed CIPFA Knowledge and Skills Framework when setting objectives and establishing training needs. 4) Skills Matrices completed by all staff and standardised Personal Development Plans being introduced.		
		Service Delivery	9C		Lack of productivity	Impaired performance.					TREAT 1) Regular appraisals with focused objectives for pension fund and admin staff 2) Productivity outputs are being measured and reported on a monthly basis. 3) Enhance performance management		
		Service Delivery	9D		Concentration of knowledge in small number of officers and risk of departure of key staff.	Poor performance and disruption					TREAT- 1) 'How to' notes in place. 2) Development of team members & succession planning needs to be improved. 3) Officers and members of the Pension Fund Committee and Local Pension Board will be mindful of the proposed CIPFA Knowledge and Skills Framework and appropriate IPR Codes of Conduct when setting objectives and establishing training needs. 4) Skills Matrices completed by all staff and standardised Personal Development Plans being introduced.	Workforce plan considering resilience and succession planning in preparation	Mar-24
10	Data administration failure / fraud leads to data integrity issues	Service Delivery	10A		Incorrect data due to employer error, user error or historic error.	Service disruption, inefficiency and conservative actuarial assumptions.	SD	3	3	9	TREAT 1) Update and enforce admin strategy to assure employer reporting compliance. 2) Pension Fund team, Pension Fund Committee and Local Board members are able to interrogate data to ensure accuracy.		
		Service Delivery	10B		Poor reconciliation process	Incorrect contributions.					TREAT 1) Ensure reconciliation process notes are understood by Pension team. 2) Ensure that the Pension team is adequately resourced to manage the reconciliation process. 3) Officers to undertake quarterly reconciliation to ensure contributions are paid on time. With a view to moving to monthly reconciliation as employers engage with I-connect.		
		Service Delivery	10C		Unit 4 - Payments made manually outside of monthly payroll were integrated between SAP & Altair since Jan 2021 with SCC's banking processes to offer sound financial controls. However, SCC's ERP system has changed to Unit 4 in June 2023 and the integration between Unit 4 and Altair for monthly and daily payments is yet to be developed.	Process errors leading to incorrect contributions or benefits					TREAT 1) Develop an automated process whereby the Altair payment log updated by the administration team, is then converted into a journal template on a daily basis. This is then processed onto Unit 4 to ensure that all payments processed manually through Altair are accounted for and payments are then subject to the standard financial controls. Integration between Unit 4 and Altair for monthly and daily payments need to be developed.		

Risk ID	Risk Title	Risk Area	Risk sub-ID	FSS x-ref	Causes	Effect	Risk Owner	Likelihood (1-5)	Impact (1-5)	Overall Score	Key Existing Management Controls	Planned Enhancements to Controls (Actions)	Target Date
11	Work volume mismatch with operational capacity leading to backlogs	Service Delivery	11A		Processes do not all have a standardised approach	This could lead to inefficiencies	SD	4	4	16	TREAT 1) Review processes to ensure workflows are in line with regulatory requirements. 2) Document processes and ensure guidance and checklists are in place. 3) Report updates to the Local Pension Board.		
		Service Delivery	11B	C5-3	Failure to follow up on outstanding issues	Inefficiency and damaged reputation.					TREAT 1) Include monitoring of task follow-up times as part of the revised service standards in the Administration Strategy.		
		Service Delivery	11C		Backlog cases in the administration system are not dealt with in a timely manner and require careful management to see a reduction moving forward.	Inefficiency and poor performance.					TREAT 1) Ensure total backlog is recorded accurately (backlog should include cases in Altair). 2) Ensure completed BAU cases are recorded in Key Performance Indicators. 3) Ensure total number of backlog cases is correctly recorded on the system and presented accurately in the quarterly Administration Performance Report. 4) Continuously work towards improving the accuracy of the reported figures. 5) Backlog to be closely monitored by the management board.	Backlogs across the whole service receiving priority attention	Mar-25
		Service Delivery	11D		Operational capacity impacted by unavailability of key resources through industrial action, illness or other causes	Inefficiency and poor performance.					TREAT/TOLERATE 1) Assessment of potential impacts ahead of time. 2) Prioritisation of activities with reduced resources. 3) Business continuity plans regularly reviewed.		
12	Business interruption or cyber security breach leads to data integrity issues or financial loss	Service Delivery	12A		Inability to respond to a significant event	Prolonged service disruption and damage to reputation.	SD	2	4	8	TREAT/TOLERATE 1) Disaster recovery plan to be closely monitored by the management board. 2) Ensure system security and data security is in place 3) Business continuity plans regularly reviewed, communicated and tested 4) Internal control mechanisms should ensure safe custody and security of LGPS assets. 5) Gain assurance from the Fund's custodian, Northern Trust, regarding their cyber security compliance 6) Tolerate consequences of McCloud judgement.	Business Continuity plan in development	May-24
		Service Delivery	12B		Failure to implement proper cyber security policies.	Prolonged service disruption and damage to reputation.					TREAT 1) Ensure the Fund's memorandum of understanding and privacy notice is compliant with current legislation. 2) Regularly engage with the host authority IT team to ensure security protocols are up to date. 3) Maintain a central registry of key partners' business continuity plans when developed. 4) Ensure staff are aware of their roles and responsibilities under Surrey's cyber security policy. 5) Ensuring members data is remotely and securely backed up.	Cyber Security Internal Audit completed	Feb-24
		Service Delivery	12C		Failure to hold personal data securely.	Personal financial impact and damage to reputation.					TREAT- 1) Data encryption technology is in place, which allow the secure sending of data to external service providers. 2) Phasing out of holding records via paper files. 3) Any hardcopy pension admin records are locked daily in a secure place. 4) SCC IT data security policy adhered to. 5) SCC carries out Security Risk Assessments. 6) Custodian proactively and reactively identifies and responds to cyber threats.		

Risk ID	Risk Title	Risk Area	Risk sub-ID	FSS x-ref	Causes	Effect	Risk Owner	Likelihood (1-5)	Impact (1-5)	Overall Score	Key Existing Management Controls	Planned Enhancements to Controls (Actions)	Target Date
13	Scheme is financially or reputationally impacted by failure to adhere to (changes in) regulatory and legislative compliance requirements	Service Delivery	13A	C4-1	Non-compliance with regulation changes relating to the pension scheme or data protection	Fines, penalties and damage to reputation.	SD	3	4	12	TREAT 1) There are generally good internal controls with regard to the management of the fund. These controls are assessed on an annual basis by internal and external audit as well as council officers. 2) Through strong governance arrangements and the active reporting of issues, the Fund will seek to report all breaches as soon as they occur in order to allow mitigating actions to take place to limit the impact of any breaches. 3) Ensure processes are completed in a timely manner and that post 2014 refunds are paid within 5 years.		
		Service Delivery	13B		Failure to identify GMP liability	Data or calculation errors leading to incorrect benefits and ongoing costs for the pension fund					TREAT 1) GMP to be closely monitored by the management board. 2) Stage 1 reconciliation reviews have been completed. 3) Mercer have been appointed to carry out an interim stage 2 review 4) GMP Reconciliation project is being progressed by Mercer (formerly JLT). 5) Separate updates being issued.		
		Service Delivery	13C		Additional resources required to deal with consequences of McCloud judgement	Backlog of processes; data or calculation errors leading to incorrect benefits and ongoing costs for the pension fund					TOLERATE/TREAT 1) The Pension Fund Team can allocate additional funds / resources to mitigate the impact and avoid reputational damage. 2) The proposed remedy will require additional resource and members who have already left will be prioritised.		
		A&G - Funding	13D		Additional resources required to deal with consequences of McCloud judgement; additional costs required to pay higher benefits	Backlog of processes; data or calculation errors leading to incorrect benefits and ongoing costs for the pension fund; possible impact on employers with additional contributions required					TOLERATE / TREAT - 1) Depending on DLUCH's response to the ruling, the actuary may reconsider the funding position, the investment advisers may reposition assets to compensate and the Service Delivery Team may need more resource but ultimately, it is likely to have an impact on employers' contribution rates.		
		A&G - Technical	13E	C4-1 & C4-3	Failure to comply with changes in LGPS and/or HMRC regulations (including any changes related to particular employer participation)	Incorrect benefits and ongoing costs for the pension fund; possible impact on employers with additional contributions required					TREAT / TOLERATE- 1) Impact on contributions and cashflows are subject to annual review by the Actuary. 2) Fund will respond to consultations and statutory guidance. 3) Impact of LGPS (Management of Funds) Regulations 2016 to be monitored.		
		A&G - Governance	13F		Failure to comply with legislative requirements e.g. ISS, FSS, Governance Policy, Freedom of Information requests.	Backlog of processes; data or calculation errors leading to incorrect benefits and ongoing costs for the pension fund					TREAT- 1) Publication of relevant documents on external website. 2) Managers monitored on their compliance with ISS and IMA. 3) Pension fund committee and Local Pension Board self-assessment to ensure awareness of all relevant documents. 4) Annual audit review. 5) Pension team reorganisation has provided additional resource in this area.		
		Service Delivery	13G		Additional resources required to deal with consequences of Dashboard implementation	Backlog of processes; data or calculation errors leading to incorrect benefits disclosed; system interfaces inoperative or introducing errors					TOLERATE/TREAT 1) The Pension Fund Team can allocate additional funds / resources to mitigate the impact and avoid processing issues or reputational damage.	Technical team to engage with consultations on proposed framework	Mar-24

Pension Team Risk Register

January 2024

Risk ID	Risk Title	Risk Area	Risk sub-ID	FSS x-ref	Causes	Effect	Risk Owner	Likelihood (1-5)	Impact (1-5)	Overall Score	Key Existing Management Controls	Planned Enhancements to Controls (Actions)	Target Date
14	Reputational issues due to inaccurate public domain information (external stakeholder relationships / comms) or inefficient service	A&G - Comms	14A		Inaccurate information in public domain	Damage to reputation and loss of confidence.	A&G	3	4	12	TREAT- 1) Ensure that all requests for information (Freedom of Information, Member & Public questions at Council, etc) are managed appropriately and that Part 2 items remain so. 2) Maintain constructive relationships with employing bodies to ensure that communication is well managed. 3) Update website information as and when required and at least quarterly.		
		Service Delivery	14B		Poor data processing, manipulation and transfer	Incorrect contributions or benefits					TREAT - 1) Improve metrics to better measure performance and monitor the pension administration service.		
15	Internal protocols for governance not followed	A&G - Governance	15A		Failure to take difficult decisions inhibits effective Fund management.	Inefficiency and poor performance.	A&G	2	4	8	TREAT- 1) Ensure activity analysis encourages decision making on objective empirical evidence. 2) Ensure that basis of decision making is grounded in ISS/FSS/Governance statement/Responsible investment policy and that appropriate advice is sought. 3) Ensure the Governance Matrix is made visible to all stakeholders in the pension team enabling clear identification of roles and responsibilities.		
		A&G - Governance	15B		Change in membership of Pension Fund Committee or Local Pension Board leads to dilution of member knowledge and understanding.	Inefficiency and poor performance.					TREAT 1) Ongoing training of Pension Fund Committee and Local Pensions Board members. 2) Pension Fund Committee and Local Pensions Board new member induction programme. 3) Enhance the training for the new and existing Pension Fund Committee and Local Board members. As each bodies members are new to their respective roles.	Knowledge assessment undertaken to inform 2023/24 training plans	Mar-24
		A&G - Governance	15C		Failure to comply with recommendations from the local pension board, resulting in the matter being escalated to the scheme advisory board and/or the pensions regulator.	Damage to reputation and loss of confidence.					TOLERATE - 1) Ensure that a cooperative, effective and transparent dialogue exists between the pension committee and local pension board. 2) Officers to carry out annual measurement against TPR code of conduct.		
		A&G - Governance	15D		Procurement processes may be challenged if seen to be non-compliant with OJEU rules. Poor specifications lead to dispute. Unsuccessful fund managers may seek compensation following non compliant process	Damage to reputation and financial loss					TREAT / TOLERATE - 1) Ensure that assessment criteria remains robust and that full feedback is given at all stages of the procurement process. 2) Use the National LGPS or other established procurement frameworks.		
16	Ongoing issues (access, training, reporting etc.) following implementation of new financial system leading to delayed processing, data integrity issues, financial loss and build up of backlogs.	A&G - Funding	16A		Insufficient opportunity to specify pension requirements and detailed testing of new systems prior to 'go live' leading to system not working as expected and teething issues remaining unresolved. This in turn combined with restricted access to the new system, lack of focussed training for relevant staff and limited or absence of reporting facility have caused processing delays and build up of backlogs which will require additional resources for remediation work. Inadequate system configuration has led to workarounds in some areas, delayed processing and/or data integrity issues.	Prolonged financial service disruption, lack of visibility of transactions, potential financial loss and inadequate reporting to senior management. Possible impact on year-end (March 2024) processing if payroll interfaces are not adequately progressed in time.	A&G	4	4	16	TREAT 1) Clear specification for pensions in My Surrey, the new system and test the 'live' system to the extent possible. 2) Ensure adequate/competent resources are made available for testing the 'live' system for correct data migration from SAP to My Surrey and remains accurate at cutover and correct reporting facilities are available to users. 3) Ensure system users are adequately trained and given the required access. 4) Reconciliation of opening position to be agreed. 5) Monitoring of use/capability of new system. 6) Communication with stakeholders with respect to potential issues.		

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SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD



DATE: 16 FEBRUARY 2024

LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL

SUBJECT: BUSINESS CONTINUITY PLAN – INTERIM UPDATE

SUMMARY OF ISSUE:

This report highlights the current work in progress to establish a pension fund specific Business Continuity Plan (BCP).

RECOMMENDATIONS:

The Board is recommended to:

Note the content of this report.

REASON FOR RECOMMENDATIONS:

This report provides the Board with insight into the activities of the Surrey pension function and outlines future governance proposals.

DETAILS:

Background

1. Surrey County Council's Emergency Management Team (EMT) is supporting the Surrey Pension Fund (SPF) in developing a SPF specific BCP. The Council's Risk and Resilience Forum (CRRF) in which SCC services are represented is co-ordinated and operated by the EMT. The CRRF meets quarterly to provide updates and advice to services and in return the services provide their up-to-date risk registers and BCPs with EMT.
2. The SPF has recently joined the CRRF and the EMT has provided guidance and template documents on Business Impact Assessments (BIA) and BCP. The work is to be progressed in 2 stages as follows:

Stage 1 – Complete the BIA via the identification of critical activities; and
 Stage 2 – Complete the BCP following the determination of matrix of dependencies (see para 3 below).

Work undertaken to date

3. The Board was provided with a proposed timetable below in November 2023 to produce the Pension specific BCP and it remains subject to review, pending the completion of initial steps.

Q3 2023/24	Aggregation of contracts into a single location - currently work in progress. Review of any extant Business Continuity Plans on which the Surrey Pension Team currently places reliance using the Council's Risk and Resilience Forum (CRRF).
Q4 2023/24	Review of contracts for required business continuity arrangements. Establish matrix of dependencies. Draft pension specific Business Continuity Plan.
May 2024	Board review of pension specific Cyber Security arrangements and Business Continuity Plan.

4. While the aggregation of contracts for Pensions to be in a single location is progressing, the BIA template and guidance documents have been shared with teams within Pensions as a first step to capture the critical activities in priority order for Pensions.
5. It is proposed that the contracts will be reviewed in this quarter to determine their respective BCP arrangements. This work combined with the critical activities identified in para 4 above should enable the matrix dependencies to be established and a draft BCP to be developed and tested.

CONSULTATION:

6. The Chair of the Local Pension Board has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

7. Any relevant risk related implications have been considered and are contained within the report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

8. Any relevant financial and value for money implications have been considered and are contained within the report.

DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL COMMENTARY

9. The Director of Finance, Corporate and Commercial is satisfied that relevant, material financial and business issues and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

10. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY

11. There are no equality or diversity issues.

OTHER IMPLICATIONS

12. There are no other implications.

WHAT HAPPENS NEXT

13. The Board will receive a progress report at its meeting in May 2024 if testing has not been fully completed.

Contact Officers:

Siva Sanmugarajah

Risk & Compliance Manager

Consulted:

Local Pension Board Chair

Annexes:

None

Sources/background papers:

None.

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SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD



DATE: 16 FEBRUARY 2024

**LEAD OFFICERS: DAVID JOHN, AUDIT MANAGER
LIAM PIPPARD, PRINCIPAL AUDITOR**

SUBJECT: INTERNAL AUDIT PROGRESS REPORT FEBRUARY 2024

SUMMARY OF ISSUE:

The purpose of this progress report is to inform the Board of the work completed by Internal Audit in quarter one and provide an update on any high priority actions due for implementation.

RECOMMENDATIONS:

It is recommended that the Local Pension Board:

1. Note the report and consider any further action required in their response to issues raised.

REASON FOR RECOMMENDATIONS

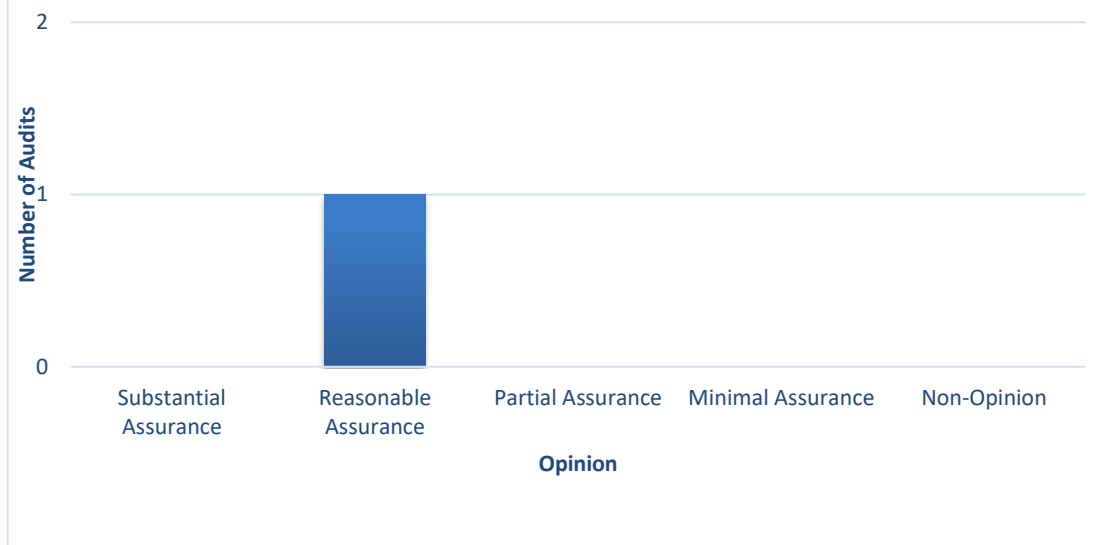
The Local Pension Board's has a key role in overseeing the activity of the Pension Fund, therefore it is important that the Board receives appropriate independent assurance of the activities of the Surrey pension function. This report provides the Board with an independent summary of the review of activities by Orbis Internal Audit in our delivery of an annual programme of audit work of the Surrey Pension Fund.

DETAILS:

Background

1. Key audit findings from final reports issued during quarter three are summarized in Appendix A.
2. Reviews completed in this quarter included planned audits only. Overall, the one formal assignment finalised during quarter three received 'Reasonable Assurance' as illustrated in the graph below.

Summary of Audit Opinions Issued Quarter 3 2023-24



CONSULTATION:

3. The Chairman of the Local Pension Board has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

4. There are no direct implications (relating to finance, equalities, risk management or value for money) arising from this report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

5. N/A

DIRECTOR OF CORPORATE FINANCE, CORPORATE AND COMMERCIAL COMMENTARY

6. The Director of Finance, Corporate and Commercial is satisfied that all material, financial and business issues and potential risks have been considered and mitigated to the extent possible.

LEGAL IMPLICATIONS – MONITORING OFFICER

7. None

EQUALITIES AND DIVERSITY

8. There are no equality or diversity issues.

OTHER IMPLICATIONS

9. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

10. See recommendations above.
-

Contact Officers:

Liam Pippard, Principal Auditor (Surrey County Council)

David John, Audit Manager (Surrey County Council)

Consulted:

Local Pension Board Chairman and Vice-Chairman

Annexes:

1. Surrey Pension Fund Internal Audit Progress Report February 2024

Sources/background papers:

1. None
-

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Internal Audit and Counter Fraud

Surrey Pension Fund Internal Audit

Progress Report for Quarter Three 2023-24

February 2024

CONTENTS

1. Summary of Completed Audits
2. Action Tracking
3. Pension Fund Audit Plan Update

1. Summary of Completed Audits

Pension Fund Cyber Security Arrangements

- 1.1 An audit of the cyber security arrangements within the Surrey Pension Fund was completed in October 2023.
- 1.2 This audit, part of the agreed 2023/24 plan, set out to assess and provide assurance that the Surrey Pension Fund has sufficient controls in place and complies with the pension regulators cyber security principles for pension schemes. The principles provide guidance over the following areas:
 - Governance
 - Controls
 - Incident response
 - Managing evolving risk
- 1.3 We found that there was a high level of compliance with the principles set out by the Pensions Regulator. Alongside this we identified there is a robust approach to managing the risk to the Pension Fund associated with cyber security and preventing loss of data and unauthorised access to key systems and data.
- 1.4 Overall, we concluded that the opinion in this area should be of **Reasonable Assurance**, and we agreed one action with management (one medium priority) to secure improvements in the training process for staff.

2. Action Tracking

- 2.1 We seek written confirmation from the Pensions team that all high priority actions due for implementation are complete. Where follow-up audits are undertaken, we reassess the progress of all agreed actions (low, medium, and high priority). Periodically we may also carry out random sample checks of all priority of actions.
- 2.2 All high-priority actions due to be implemented by management by the end of December have been implemented.

3. Pension Fund Audit Plan Update

- 3.1 In accordance with proper professional practice, the Internal Audit annual plan for Surrey Pension Fund is kept under regular review to ensure that we continue to focus our resources in the highest priority areas based on an assessment of risk.
- 3.2 Below is an overview including relevant updates of the Fund's Internal Audit Plan for 2023/24:

Audit Name	Audit Status	Audit Opinion (If Applicable)
Cyber Security	Completed – Final Report Issued	Reasonable Assurance
i-Connect Application Control	Fieldwork underway	
Administration Review – Transfers In	Draft Report Issued	Reasonable Assurance anticipated at draft report stage
Pension Investments	Not yet started – carry forward to 2024/25	
Admission Arrangements	Not yet started – carry forward to 2024/25	
Follow Up of the LGPS Performance Management Review	Completed – Final Report Issued	Substantial Assurance
Follow up of the Banking Controls Review	Initial Review Completed as part of 22/23 audit plan - Interim Final Report issued in Q1 this year, further review work will be needed later in the year due to delays associated with the MySurrey implementation	No opinion given at this stage - However, further follow up work will be completed later in the year as appropriate.

Audit Opinions and Definitions

Opinion	Definition
Substantial Assurance	Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Reasonable Assurance	Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Partial Assurance	There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
Minimal Assurance	Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD



DATE: 16 FEBRUARY 2024

**LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE,
CORPORATE AND COMMERCIAL**

SUBJECT: EXTERNAL AUDIT UPDATE

SUMMARY OF ISSUE:

This report provides an update to the External Audit of the 2022/23 Financial Statements.

RECOMMENDATIONS:

It is recommended that the Board notes the status of the External Audit work.

REASON FOR RECOMMENDATIONS:

The Board needs to be aware of the activities and outputs of the external audit providing insight into the production and assurance of the financial position of the fund.

DETAILS:

Background

1. The external auditor, Grant Thornton, carries out an annual audit of the Fund's financial statements including its assets and liabilities. The auditor for the 2023/24 statements will change to Ernst & Young (EY).

Audit of 2022/23 Financial Statements

2. The team has continued to work diligently through the audit testing requirements. Further queries were raised during December and January, and these have been prioritised for completion.

Delegated authority for sign-off

3. Delegated authority has been provided to the Chair of the Pension Fund Committee for final approval of the accounts and compliance with any other process required of the Council Audit & Governance Committee.
4. The accounts were put to the Council Audit & Governance Committee in January. No material amendments to Council and Pension accounts are anticipated. Unqualified audit opinions are expected once all final issues have been cleared.
5. We provided a version of the Pension Fund Annual Report (unaudited) to the Scheme Advisory Board before the deadline of 1 December 2023.

CONSULTATION:

6. The Chair of the Local Pension Board has been consulted on the current position.

RISK MANAGEMENT AND IMPLICATIONS:

7. Risk related issues have been discussed and are contained within the report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

8. The process of the audit of the Pension Fund does present potential financial and value for money implications depending on efficiency and effectiveness.

DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL COMMENTARY

9. The Director of Finance, Corporate and Commercial is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

10. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY

11. There is no requirement for an equality analysis, as there is no major policy, project or function being created or changed.

OTHER IMPLICATIONS

12. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

13. The following next steps are planned:
- a) Officers to work with the audit team to progress the audits to completion.
 - b) Further updates to be brought to the Board as necessary.

Contact Officer:

Keevah Dumont
Paul Titcomb

Finance Manager
Head of Accounting and Governance

Consulted:

Local Pension Board Chair

Annexes:

None

Sources/background papers:

None

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD



DATE: 16 FEBRUARY 2024

LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL

SUBJECT: THE PENSIONS REGULATOR – GENERAL CODE OF PRACTICE

SUMMARY OF ISSUE:

The Pensions Regulator (tPR) has published its new General Code of Practice ('the Code'). This is the final response to the consultation on a new code of practice that brings together and updates the existing codes of practice into a single set of clear, consistent expectations on scheme governance and administration. The Code was laid before Parliament on 10 January. The new code replaces the Code of Practice (no.14) for Public Service Pension Schemes.

The code is expected to come into force on 27 March 2024.

RECOMMENDATIONS:

It is recommended that the Board notes the content of this report.

REASON FOR RECOMMENDATIONS:

The Board needs to be aware of changes to the scheme governance and administration.

DETAILS:

1. The General Code of Practice consolidates the previous tPR codes into a single code. It also introduces new topics such as Cyber Security and Pension Scams.
2. The five main areas of the code are: -
 - a) The Governing Body (Scheme Manager for LGPS funds i.e., the Administering Authority and its 'delegates'.)
 - b) Funding and Investment
 - c) Administration
 - d) Communications and disclosure
 - e) Reporting to tPR.
3. The code makes explicit the need for an "effective system of governance" (ESOG), setting out in detail the expectations around this. Pension Schemes, including LGPS Funds, will also be required to produce an "own risk assessment" (ORA) to review how well their system of governance is working.

4. The Surrey Pension Fund responded to the 2021 consultation and the response is available as a background paper.
5. The response specifically addressed tPR's proposed designation of a pension scheme's governing body to accommodate either a scheme manager, a local pension board, a committee or a composite of all three in the public sector. tPR has recognised that combining the roles of scheme manager and pension board made the obligations placed on the parties difficult to disentangle and as such has removed the pension board from the definition of governing body.
6. Paragraph 14 sets out the next steps to measure and action compliance with the new general code of practice.

CONSULTATION:

7. The Chairs of the Local Pension Board and Committee have been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

8. There are no risk related issues.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

9. The performance of administration and governance presents potential financial and value for money implications to the Pension Fund. There are no financial or risk related issues.

DIRECTOR OF CORPORATE FINANCE COMMENTARY

10. The Director of Finance, Corporate and Commercial is satisfied that all material, financial and business issues have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

11. Any legal implications or legislative requirements have been considered.

EQUALITIES AND DIVERSITY

12. There are no equality or diversity issues.

OTHER IMPLICATIONS

13. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

14. Officers to work with advisors to consider the changes from the previous code and understand tPR's expectation in relation to the new code.
 15. Consider the modules and areas that the administering authority /scheme needs to action,
 16. Commence plans to determine how to assess and demonstrate compliance with the general code of practice.
-

Contact Officer:

Adele Seex – Governance Manager

Consulted:

Local Pension Board Chair

Annexe:

Sources/background papers:

1. AON Spotlight tPR \General Code Jan 2024
2. Response to Consultation on a new Single Code for the Pensions Regulator – May 2021
3. [Single code of practice consultation | The Pensions Regulator](#)

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SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD



DATE: 16 FEBRUARY 2024

**LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE,
CORPORATE AND COMMERCIAL**

SUBJECT: THE PENSIONS REGULATOR – SCHEME RETURN

SUMMARY OF ISSUE:

Public service pension schemes are legally required to complete an annual scheme return for the Pensions Regulator (tPR).

Notification from tPR was received on 2 November 2023 that the 2022-23 scheme return had to be submitted by 25 January 2024. The scheme return was submitted on 8 January 2024 and a copy is available on request.

RECOMMENDATIONS:

It is recommended that the Board notes the content of this report.

REASON FOR RECOMMENDATIONS:

The Public Sector Pensions Act 2013 requires Local Pension Boards to assist the Scheme Manager in securing compliance with the Local Government Pension Scheme (LGPS) Regulations and requirements imposed by the Pensions Regulator. This report provides insight into the activities of the Board and furthers the successful collaboration of the Committee and Board in managing risk and compliance and promoting effective governance.

This meets the Fund's strategic governance and delivery objectives.

DETAILS:

Background

1. Managers of public service pension schemes are legally required to provide 'registrable information' to tPR, and to keep this information up to date. This information includes the scheme name, address and scheme type, membership data, and name and addresses of its participating employers.
2. The tPR scheme return gathers information about schemes to maintain a register of schemes and identify any risks or potential risk to members' benefits. The information is used to calculate the annual levy charges and shared with the [Pension Protection Fund](#) and the [Pension Fund Tracing Service](#).

3. The following information (summarised below) has been provided to the tPR

Reference	Section	Summary of Information provided
1	Scheme details	<ul style="list-style-type: none"> a) Scheme name and address b) Scheme status and HMRC reference c) Scheme membership as at 1 April 2021 to 31 March 2022 and 1 April 2022 to 31 March 2023 (active deferred, pensioner and total of all members) d) Record Keeping - Quality of scheme data, as assessed within the last three years.
2	Governance details	<ul style="list-style-type: none"> a) Manager of the Scheme b) Pension Board Members
3	Employer details	<ul style="list-style-type: none"> a) List of Employers we hold for the scheme and advising any employer who is no longer part of the scheme.
4	Service Provider details	<ul style="list-style-type: none"> a) In house administrator b) Auditor contact details
5	Contact details	<ul style="list-style-type: none"> a) Scheme return contact. b) Pension tracing service contact c) Consent to electronic service

CONSULTATION:

4. The Chairs of the Local Pension Board and Committee have been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

5. There are no risk related issues.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

6. The performance of administration and governance presents potential financial and value for money implications to the Pension Fund. There are no financial or risk related issues.

DIRECTOR OF CORPORATE FINANCE COMMENTARY

7. The Director of Finance, Corporate and Commercial is satisfied that all material, financial and business issues have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

8. Any legal implications or legislative requirements have been considered.
9. The Manager of a registrable scheme has the legal duty to complete a scheme return by the deadline stated in the scheme return notice, unless the number of scheme members falls below two, or the scheme has been wound up.
10. If a scheme return is not completed and submitted to TPR by the deadline stated in the scheme return notice, this may be a breach of the Pensions Act 2004 and the fund may be at risk of being fined.

EQUALITIES AND DIVERSITY

11. There are no equality or diversity issues.

OTHER IMPLICATIONS

12. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

13. The Board notes the content of this report.

Contact Officer:

Adele Seex – Governance Manager

Consulted:

Local Pension Board Chair

Annexes: None

Sources/background papers:

The Pensions Regulator Scheme Return (available on request)

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SURREY LOCAL PENSION BOARD



DATE: 16 FEBRUARY 2024

LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL

SUBJECT: LGPS UPDATE (BACKGROUND PAPER)

SUMMARY OF ISSUE:

This report considers recent developments in the Local Government Pension Scheme (LGPS).

RECOMMENDATIONS:

The Board is asked to note the content of this report.

REASON FOR RECOMMENDATIONS:

The report provides background information for the Board.

DETAILS:**Highlights**

1 McCloud updates	The Local Government Association (LGA) publish an initial technical guide and the Teachers' Pension Scheme (TPS) to start contacting employers for affected members with excess service. More information on McCloud in paragraphs 7 to 10, 13 and 25.
2 Lifetime Allowance (LTA) to be abolished	Following the Autumn Statement, the Finance Bill set to legislate abolition of LTA. More information can be found in paragraphs 6, 24 and 26.
3 General Code of Practice published	The Pension Regulator (tPR) has published and laid before parliament the General code of practice to replace the existing codes. More information can be found in paragraph 29.

LGPS updates

4. The Department for Levelling Up, Housing and Communities (DLUHC) have published the [LGPS statistics for England and Wales: 2022 to 2023](#).
5. On 22 November DLUHC published its [response](#) to the consultation LGPS: Next steps on investments, confirming they will proceed with the proposed reforms relating to investments of the LGPS.

6. On the same day the Chancellor announced in the [Autumn Statement](#):
 - Establishing a deadline for the accelerated consolidation of LGPS assets into pools.
 - Progression of reforms set out at Mansion House, to improve pension savers' returns and boost growth in the UK.
 - The Lifetime Allowance (LTA) will be removed from 6 April 2024 through legislation in the Autumn Finance Bill.
 - The triple lock will remain in place for State Pensions.

McCloud

7. The LGA have published the first instalment of a [McCloud technical guide](#) for administrators, together with a member factsheet.
8. The DLUHC have confirmed that payments to other LGPS Funds may continue for affected members and the payment will not need to be revisited once the updated guidance has been issued, but the expectation is data sent should include the relevant information necessary to perform underpin calculations.
9. The DLUHC have requested to be informed if an administering authority receives an application for compensation relating to McCloud, an example may be where a member has overpaid an annual allowance charge that His Majesty's Revenue and Customs (HMRC) will not refund.
10. The Teachers' Pension Scheme (TPS) have issued communications to employers about the McCloud remedy for teachers with excess service. This directs them to a dedicated page for [employers on the TPS website](#). There is also a section for [members on the TPS website](#). The TPS will be writing to employers between January and July 2024 with a list of members they believe are affected and will do this by region. The TPS have also contacted administering authorities confirming the timeframe and regions for the data collection. TPS have also published a [webpage](#) setting out their stepped process for managing the excess service.

Scheme Advisory Board (SAB)

11. The SAB submitted their [full response](#) to the consultation on [LGPS: Next steps on investments](#) on 2 October.
12. The SAB have published [guidance on academy conversions](#).
13. The SAB gave an update via [LGPS-Live website](#) on 6 December 2023 as well as discussing along with a panel, investment strategies for different employers and the key investment questions of the day for LGPS investors. Other recent topics include governance issues and best practice in keeping pension board and committee's knowledge and skills up to date, McCloud, audit issues and the gender pensions gap. The LGPS-Live website has recordings of previous webinars, together with registering for future webinars.
14. On 20 December 2023 the SAB issued a [statement](#) on fund surpluses.
15. The SAB has now received the commissioned report on Sharia Law and the LGPS from an Islamic finance expert. This was required to assist Counsel with a legal opinion on whether the LGPS is Sharia Law compliant and whether members opting out of the LGPS

on the basis of their religious beliefs, constitutes as unlawful discrimination. The SAB will now go back to Counsel for a follow-up opinion.

16. The Compliance and Reporting Committee are on track to issue new annual report guidance and produce a factsheet to help with the audit process in early 2024. They will then begin to work with DLUHC to implement the good governance recommendations, consider what is needed to help administering authorities meet the knowledge and skills requirements for pensions committee and board members, along with refreshing the current funding strategy statement guidance.

Pensions Dashboard Programme (PDP)

17. The PDP have published a [blog](#) addressing some common dashboard questions as well as a [blog](#) following recent queries they have received covering expected timing of publication of the standards, testing and public availability.
18. The National LGPS Technical Group have formed a sub-group to look at Additional Voluntary Contributions (AVCs) and dashboards to establish common approaches on matching and providing value data.
19. The PDP host an informal virtual connection forum via Microsoft (MS) Teams every eight to ten weeks, which can be signed up to by emailing eventsdpdp@maps.org.uk. Updates are provided to attendees together with discussion on relevant topics.
20. The PDP hosted webinars in November, December and January, providing a progress update, understanding the architecture and find and view data, connection guidance and understanding AVCs and value data. Recordings of the webinars can be found on their [website](#) along with recordings of previous webinars held.
21. The Pensions Administrations Standards Association (PASA) has published [Pensions Dashboards Connection Ready Guidance](#) explaining what 'connection ready' means and covers five main areas, governance, matching, value data, technology and administration. PASA have also published a [Call to Action](#) which lists the top five actions schemes need to take now to prepare for dashboards.
22. tPR have published a [blog](#) encouraging schemes to be prepared for pensions dashboards and to follow their checklist.
23. The LGA have published a draft LGPS Pensions Dashboard connection guide, setting out the steps required to connect to the dashboard ecosystem. A final version will be published when the Money and Pensions Service (MaPS) issues the guidance on the staged timetable for connection.

His Majesty's Treasury (HMT)

24. Following the Autumn Statement on 22 November 2023 and the announcement to fully abolish the LTA from 6 April 2024, HMT published a [policy paper](#) providing a general description of the measure and detailed proposals. On 29 November 2023 HMT published the draft [Finance Bill 2023](#) to legislate the changes.

His Majesty's Revenue and Customs (HMRC)

25. HMRC has published a further [public service pensions remedy newsletter](#) in October 2023. Included within the newsletter is the introduction of a [calculator](#) for members who may need to correct their tax position due to the McCloud remedy in respect of annual

allowance or lifetime allowance, an [interactive guide](#) for members to check if they are affected by McCloud, as well as guidance for [members](#) and [administrators](#) covering the pension tax rules.

26. In December 2023 HMRC published the [Lifetime allowance guidance newsletter](#), which provides information to help support pension schemes understand the changes.

The Pensions Regulator (tPR)

27. On 27 November 2023 tPR [published the results of their survey](#) on governance and administration practices amongst public service pension schemes.
28. tPR have revised their [cyber security guidance](#), which assists trustees and pension scheme managers meet their duties in assessing risk, ensuring controls are in place and responding to incidents. TPR now asks pension schemes to report any significant cyber-related incidents to them on a voluntary basis and as soon as is reasonably practicable to enable TPR build a better picture of the cyber risks the industry and its members are facing.
29. In January 2024 tPR published the [General code of practice](#) which has been laid before parliament and is expected to come into force on 27 March 2024. This will bring together previous TPR codes into one single code. Clarity is required to which parts specifically apply to the LGPS, what the new code means for funds and how this should be applied in practice. Whilst this provides an opportunity to review current practices it comes at what is already a busy time for the LGPS. The SAB will support funds in understanding any new requirements and where needed will produce new or update existing guidance to assist with responsibilities.

The Pensions Ombudsman (TPO)

30. The Court of Appeal has ruled in a [recent case](#) that TPO is not a 'competent court' for the purposes of enforcing a dispute regarding a monetary obligation. This could affect how overpayments are recouped and monetary obligations due to misconduct are recovered from pension benefits when there is a disagreement over the amount and an order from a County Court would be required. [TPO](#) have expressed their disappointment on the ruling and the DWP is supporting legislative changes to formally empower TPO to bring such disputes to a conclusion without the need for an order from a County Court. Meanwhile TPO has produced a [factsheet](#) providing guidance to help schemes manage such disputes.

Other news and updates

31. The Office for National Statistics announced on 18 October 2023 the Consumer Prices Index (CPI) rate of inflation for September 2023 was 6.7%. It is yet to be confirmed by the Government that this increase will apply in April 2024 to the revaluation and pensions increase that apply to LGPS active pension accounts, deferred pensions and pensions in payment.
32. The National Frameworks published a [bulletin](#) in December providing updates, which includes two new frameworks that will be launched in 2024, being integrated service providers (ISP) and member data services, and for additional voluntary contribution services.

CONSULTATION:

33. The Chair of the Local Pension Board has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

34. None.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

35. None.

DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL COMMENTARY

36. The Director of Finance, Corporate and Commercial is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

37. None.

EQUALITIES AND DIVERSITY

38. There are no equality or diversity issues.

OTHER IMPLICATIONS

39. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

40. No next steps are planned

Contact Officers:

Sandy Armstrong Technical Manager
Paul Titcomb Head of Accounting and Governance

Consulted: Local Pension Board Chair

Annexes: None

Sources/background papers: None

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