

Notice of Meeting

Surrey Local Pension Board



Date and Time

Friday, 21 February
2025 at 10.00 am

Place

Woodhatch Place, 11
Cockshot Hill,
Reigate RH2 8EF

Contact

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Board Members:

Tim Evans (Independent Chair), Jeremy Webster (Vice-Chair) (Employer Representative), Brendan Bradley (Employer Representative), Chris Draper (Employer Representative), Lisa Fogerty-Scott (Member Representative), Siobhan Kennedy (Employer Representative), William McKee (Member Representative), Trevor Willington (Member Representative), Vacancy (Employer Representative)

If you would like a copy of this agenda or the attached papers in another format, e.g. large print or braille, or another language, please email Toby Nash at toby.nash@surreycc.gov.uk.

This meeting will be held in public at the venue mentioned above and may be webcast live. Generally the public seating areas are not filmed. However, by entering the meeting room and using the public seating area or attending online, you are consenting to being filmed and recorded, and to the possible use of those images and sound recordings for webcasting and/or training purposes. If webcast, a recording will be available on the Council's website post-meeting. The live webcast and recording can be accessed via the Council's website:

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If you would like to attend and you have any special requirements, please email Toby Nash at toby.nash@surreycc.gov.uk. Please note that public seating is limited and will be allocated on a first come first served basis.

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:

(Pages
7 - 16)

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 (17 February 2025).
2. The deadline for public questions is seven days before the meeting (14 February 2025)
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 GLOSSARY, ACTIONS TRACKER, FORWARD PROGRAMME OF WORK

(Pages
17 - 42)

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

6 SURREY PENSION FUND COMMITTEE SUMMARY UPDATE

(Pages
43 - 48)

This report provides the Local Pension Board (the Board) with a summary of the Surrey Pension Fund Committee (the Committee) meeting held, 13 December 2024; held since the last meeting of the Board.

- | | | |
|-----------|--|-------------------------|
| 7 | SURREY PENSION TEAM OVERVIEW - DASHBOARD UPDATE | (Pages
49 - 60) |
| | <p>This paper is an overview of the entire service at a macro level in order to set the context for the following micro level reports from each area. The One Pensions Team Dashboard is the primary vehicle for providing this overview. The dashboard covers the period October – December 2024.</p> | |
| 8 | CHANGE MANAGEMENT UPDATE | (Pages
61 - 66) |
| | <p>This paper details the Change Team Quarterly Report of activity for the period October – December 2024.</p> | |
| 9 | SERVICE DELIVERY OVERVIEW | (Pages
67 - 84) |
| | <p>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.</p> | |
| 10 | RISK REGISTER UPDATE 2024/25 QUARTER 3 | (Pages
85 -
112) |
| | <p>This report considers the changes made to the Risk Register for the Surrey Pension Team during Quarter 3 of 2024/25.</p> | |
| 11 | COMMUNICATIONS POLICY REVIEW | (Pages
113 -
134) |
| | <p>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.</p> | |
| 12 | TRAINING POLICY REVIEW | (Pages
135 -
154) |
| | <p>Surrey Pension Fund recognises the importance of providing appropriate training to both Pension Fund Committee and Local Pension Board Members, as well as Officers in relation to the operation of the Pension Fund. This report introduces the Pension Fund training policy.</p> | |
| 13 | CONFLICTS OF INTEREST REVIEW | (Pages
155 -
180) |
| | <p>Surrey Pension Fund recognises the importance of providing appropriate training to both Pension Fund Committee and Local Pension Board Members, as well as Officers in relation to the operation of the Pension Fund. This report introduces the Pension Fund training policy.</p> | |

- 14 SURREY PENSION FUND INTERNAL AUDIT PROGRESS REPORT - QUARTER 3 (01/10/2024 - 31/12/2024)** (Pages 181 - 188)

The purpose of this progress report is to inform the Board of the work completed by Internal Audit in Quarter three of 2024/25 and provide an update on any high priority actions due for implementation.

- 15 LGPS - BACKGROUND REPORT** (Pages 189 - 196)
- This report considers recent developments in the Local Government Pension Scheme (LGPS).

- 16 DATE OF THE NEXT MEETING**

The date of the next meeting is 23 May 2025.

Terence Herbert
Chief Executive
Published: 13 February 2025

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

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Thank you for your co-operation.

QUESTIONS AND PETITIONS

Cabinet and most committees will consider questions by elected Surrey County Council Members and questions and petitions from members of the public who are electors in the Surrey County Council area.

Please note the following regarding questions from the public:

1. Members of the public can submit one written question to a meeting by the deadline stated in the agenda. Questions should relate to general policy and not to detail. Questions are asked and answered in public and cannot relate to “confidential” or “exempt” matters (for example, personal or financial details of an individual); for further advice please contact the committee manager listed on the front page of an agenda.
2. The number of public questions which can be asked at a meeting may not exceed six. Questions which are received after the first six will be held over to the following meeting or dealt with in writing at the Chairman’s discretion.
3. Questions will be taken in the order in which they are received.
4. Questions will be asked and answered without discussion. The Chairman or Cabinet members may decline to answer a question, provide a written reply or nominate another Member to answer the question.
5. Following the initial reply, one supplementary question may be asked by the questioner. The Chairman or Cabinet members may decline to answer a supplementary question.

MINUTES of the meeting of the **SURREY LOCAL PENSION BOARD** held at 10.00 am on 15 November 2024 at Woodhatch Place, 11 Cockshot Hill, Reigate RH2 8EF.

These minutes are subject to confirmation by the Board at its meeting on Friday, 21 February 2025.

(* present)

Members:

- Brendan Bradley (attended virtually)
- * Chris Draper
- * Tim Evans (Chair)
- * Siobhan Kennedy
- * William McKee
- * Jeremy Webster
- Trevor Willington
- * Lisa Fogerty- Scott

52/24 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Trevor Willington.

Brendan Bradley joined the meeting virtually.

The Chair acknowledged the resignation of David Lewis from the Board due to ill health. On behalf of the Board, the Chair expressed gratitude to David Lewis for his valuable contributions and service during his tenure.

53/24 MINUTES FROM THE PREVIOUS MEETING: 26 JULY 2024 [Item 2]

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

54/24 DECLARATIONS OF INTEREST [Item 3]

None.

55/24 QUESTIONS AND PETITIONS [Item 4]

There were none.

56/24 GLOSSARY, ACTION TRACKER & FORWARD PROGRAMME OF WORKS [Item 5]

Witnesses:

Neil Mason, Assistant Director, LGPS Senior Officer

Key points raised during the discussion:

1. The Chair introduced the glossary, action tracker and forward programme of works.
2. The LGPS Senior Officer explained the items for further discussion would be informed by the agreement of the strategic plan and the accompanying business plans.

Actions/ further information to be provided:

None.

Recommendations:

The report and annexes were noted with no recommendations made to the Pension Fund Committee.

57/24 SUMMARY OF THE PENSION FUND COMMITTEE MEETING OF 13 SEPTEMBER 2024 [Item 6]

Witnesses:

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

Key points raised during the discussion:

1. The Chairman of Surrey Pension Fund Committee highlighted areas from the report including:
 - a. That the Surrey Pension Fund was well-funded, partly due to changes in the discount rate. However, it was emphasised that a certain degree of judgement was involved in these projections.
 - b. Performance was good but slightly behind benchmark.
 - c. At the previous meeting, the Committee reviewed the real estate portfolio.
2. The Chair asked if the recent election of President Trump in the United States of America would have any impact on future performance. The Chairman of Surrey Pension Fund Committee acknowledged they saw a rise in US stocks following the election but explained that it was not possible to predict the overall effect.
3. The LGPS Senior Officer stated that he had recently shared the council's investment consultant's views with members of the Board. He summarised that while President Trump's tax proposals could potentially lead to higher returns, they also introduced risks associated with a more mercantilist approach to economic policy. These risks would be assessed in consultation with advisors.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the content of the report.

58/24 IMPROVING THE GOVERNANCE OF THE SURREY PENSION FUND UPDATE [Item 7]

Witnesses:

Neil Mason, Assistant Director, LGPS Senior Officer

Key points raised during the discussion:

1. The Chair introduced the agenda item as an update, emphasising its importance.
2. The Senior LGPS Senior Officer provided an overview of the governance improvements discussed previously by the Board and endorsed by the Committee. He explained that the key focus was to formally recognise the distinct relationship between the Pension Fund and Surrey County Council as two independent but related entities. The Board noted the proposals as outlined in the report.
3. The LGPS Senior Officer further noted that the proposals were approved at the meeting of the County Council during its most recent meeting. Additionally, the officer highlighted the Government's consultation response on pension governance regulations, issued the previous day, aligned with the changes already implemented.
4. It was further stated that independent advice from Barnett Waddingham, recommendations from internal audit, the Scheme Advisory Board's Good Governance Guidance, and the Pension Regulator's General Code of Practice had all been considered to improve governance arrangements for the Pension Fund.
5. The Chair added that the Surrey Pension Fund served over 300 employers, not just Surrey County Council, reinforcing the significance of maintaining and demonstrating independence.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the content of the report.

59/24 SURREY PENSION TEAM OVERVIEW - QUARTER 2 [Item 8]**Witnesses:**

Neil Mason, Assistant Director, LGPS Senior Officer
Colette Hollands, Head of Accounting and Governance

Key points raised during the discussion:

1. The LGPS Senior Officer, supported by the Head of Accounting and Governance, introduced the report and highlighted the following points:
 - a. The Fund value had increased over 3 months, 1 year and 3 years. However, individual mandates had underperformed their specific benchmarks, leading to an underperformance of the Fund overall. The growth in asset value, to £6bn, and an increase in the discount rate have combined to drive the funding ratio up to 143%.
 - b. That Service Delivery performance was above target and the legacy reduction rate continued to perform strongly.
 - c. 61% of legacy line items from the old ledger system had been cleared following their transfer to the new system. The Accounting & Governance team, working with EY, had been identifying and resolving the remaining items to ensure they were addressed within the financial year and did not carry forward.

- d. The third Pulse staff survey, a key measure of progress against the strategic plan's people and culture elements, closed on 30 June 2024. Results showed slight variations but remained positive, indicating the team was on track.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the report.

60/24 CHANGE MANAGEMENT UPDATE [Item 9]

Witnesses:

Neil Mason, Assistant Director, LGPS Senior Officer
Nicole Russell - Head of Change Management (virtual)

Key points raised during the discussion:

1. The Head of Change Management introduced the report and highlighted the following points:
 - a. During the last quarter, the Communications team met all planned communication timelines as per the Communication Policy and progressed with implementing the Amplifying Our Presence plan.
 - b. That the Surrey Pension Team won the 'Impact Investing Principles Adopter' at the Pensions for Purpose Awards.
 - c. The Team had delivered Pension Awareness Week materials to employers and shared resources with members via the Surrey Communication Working Group.
 - d. The team had produced and launched two brief video interviews outlining the Surrey Pension Team's future plans and workforce strategy.
 - e. The Staff Pulse Survey results were generally positive, similar to the previous survey, with notable improvement in development opportunities identified to enhance development plans and focus on Equality, Diversity, and Inclusion (EDI).
 - f. The residential Board and Committee training event was finalised and completed. Feedback from the event was gathered to enhance next year's training plan.
 - g. A comprehensive training programme for the Extended Leadership Team (ELT) had been launched.
 - h. In regard to project management, it was noted that the most significant projects currently on the agenda were McCloud, GMP and evolving the funds governance and identity.
 - i. The tendering process for an external consultant to support the Year 2/3 digital transformation strategy was underway.
 - j. Initiatives to evolve SPT's culture continued, including a session on "The Journey of the Pound Coin," highlighting the team's role in delivering pension services.
 - k. To enhance team cohesion, a Social Committee was established and successfully hosted several events over the summer.

2. The Chair thanked the officers for their efforts and noted the team's energy and commitment to making improvements.
3. The Head of Change Management outlined plans to engage two consultants to support the digital transformation strategy. One consultant would focus on the later stages of the strategy, providing insights into emerging technologies, such as artificial intelligence, and their potential applications in pension services. The second consultant would address immediate technical challenges, such as automating manual processes like reconciling employer payments with submitted data. These improvements aimed to enhance efficiency and reduce errors.
4. The Chairman of Surrey Pension Fund Committee highlighted that the information on page 91 of the agenda was outdated. While it referred to a potential member consultation on the RI policy, a major consultation had already been conducted, receiving approximately 7,000 responses from members, employers, and other stakeholders. The Board noted the error and correction.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the report.

61/24 SERVICE DELIVERY OVERVIEW [Item 10]

Witnesses:

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

Key points raised during the discussion:

1. The Head of Service Delivery introduced the report and highlighted the following key points:
 - a. The performance levels in the period had achieved an overall score of 92%, an increase of 7% on the previous quarter.
 - b. The team continued to exceed the expected target for cases such as transfers, refunds, deferred benefits and issuing the acknowledgement of members who have passed away.
 - c. Performance improved in key areas that had been below expected levels in the last quarter. Retirement and ill health cases had both met and exceeded targets in this quarter.
 - d. The improvement in performance across all case types validated the decision to reorganise the team earlier this summer. This involved merging the Immediate and Future Benefit Teams into two blended Benefit Teams.
 - e. In September, all targets were achieved or exceeded, with everything marked green on the annexes on page 101. Looking ahead, October also saw all targets met, marking two consecutive months of success. November appeared to be following the same positive trend, indicating the desired consistency in team performance.

2. A Member of the Board congratulated the team for their ongoing performance improvements.
3. A Board Member raised concerns about diminishing returns in efficiency improvements. The Head of Service Delivery acknowledged the challenge of achieving further efficiency gains beyond a certain point due to human limitations and highlighted the benefits of using digital tools. Moving forward, the focus was on improving systems and processes to help the team reach the next level of efficiency, while maintaining consistent performance. Further to this, the LGPS Senior Officer stressed the importance of deeply understanding customer needs and ensuring that the organisation was effectively meeting them.
4. The Chair noted that, given the size of the membership, the number of complaints was relatively small and there appeared to be no consistent patterns, indicating that these were isolated incidents arising from the administration of the pension scheme.
5. Members noted that work had progressed with the legacy case reduction. The completion progress as of 30 September 2024 stood at 86%, as noted in the report, and stood at 93% by the time of the meeting.
6. Members noted details related to the Overseas Pensioner Check as outlined in the report.
7. A Board Member agreed with a previous discussion point on diminishing returns in efficiency improvements, stating that while the team was in the amber and red zones, focusing on KPIs might not be productive at this stage. However, they suggested reviewing internal performance standards to see how they compare with industry standards. Further to this, officers stated that the company, CEM Benchmarking, was being used not only for investment purposes but also for administration, communications, and digital services. This was the second year officers had used the report, and the Head of Service Delivery stated that he planned to review it to assess where the Fund stood in comparison to its peers.
8. Cllr Jeremy Webster updated the Board on his recent visit to the pension team, expressing admiration for the work he observed. He suggested holding a future meeting at Dakota to give the Board an opportunity to observe the team's work. The Chair agreed to explore this option for a future meeting.

Actions/ further information to be provided:

A6/24 - The Chairman to explore the possibility of holding a future Board meeting at Dakota House to provide the Board with an opportunity to observe the Pension Team's work.

Recommendations:

The Board noted the report.

62/24 RISK REGISTER UPDATE 2024/25 QUARTER 2 [Item 11]

Witnesses:

Colette Hollands, Head of Accounting and Governance
Neil Mason, Assistant Director, LGPS Senior Officer

Key points raised during the discussion:

1. The Head of Accounting and Governance introduced the report and raised the following points:
 - a. That the work completed was a team effort.
 - b. Annexe 1 detailed the process followed to carry out this review, which resulted in the five Sub IDs being individually reviewed and re-rated across the board.
 - c. Annexe 2 provided details of how the process was undertaken, including the approach used, and presented tables showing how the individual sub-risks were subsequently amended
 - d. The main addition was the extension of item 16 on the risk register, which previously covered only MySurrey. This was subsequently broken down into ten MySurrey sub-items.
 - e. Annex 3 included the usual written summary, comprising a service delivery perspective and an accounting and governance perspective. These summaries outlined the issues that remained ongoing with certain aspects of MySurrey.
 - f. The next steps were agreed through Pension Senior Leadership Team (PSLT) and the extended leadership team, establishing that individual team risk registers would be created and managed by team managers, who would identify the risks specific to their respective areas. Monthly reviews of these individual team risks would be conducted, with quarterly updates feeding through the service to the senior leadership team and then to the board and committee
2. A Member commented that the board pack was outstanding and highlighted the fantastic sense of progress evident in the reporting. They expressed their gratitude to those involved.
3. A Member pointed out that one area which seemed less reflective of ongoing work compared to others was the conflict of interest work, particularly in relation to the relationship with Surrey County Council and the Surrey Pension Fund. The officer thanked the Member and agreed, noting that work was underway to consolidate the three existing conflict policies into one unified policy.
4. A Member suggested that the risk report should focus more on the five key risks that could destabilise the organisation, especially those showing changes since the last review. They emphasised that the report should highlight whether the risk environment had become riskier and how the organisation was responding. The officer agreed, noting that with the new approach of drilling down into smaller team risk registers and monthly reviews, a clearer narrative could be developed. This would allow for a more detailed presentation of the key risks and their changes when reported quarterly.
5. Members noted details related to Annexe 3 and thanked officers for their detailed report.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the contents of the report, Annexe 1, Annexe 2 and Annexe 3.

63/24 THE PENSIONS REGULATOR GENERAL CODE OF PRACTICE [Item 12]

Witnesses:

Neil Mason, Assistant Director, LGPS Senior Officer
Colette Hollands, Head of Accounting and Governance

Key points raised during the discussion:

1. The Head of Accounting and Governance introduced the report. The officer explained that the General Code of Practice, published earlier in the year, provided a basis for self-assessment of adherence to the Code. Previously, there were 10 separate codes for UK pension schemes, with Code of Practice 14 applying to public sector schemes. Now, there was one comprising five streams and 51 modules. The officer noted that of the 11 chapters covered, three chapters remained to be addressed. Two of those were related to best practice items only, and the third focused on IT and cybersecurity. The officer acknowledged that the organisation was slightly behind on IT and cybersecurity but noted that this was being addressed through a separate initiative.
2. The officer outlined the next steps, noting that the remaining three chapters would be completed. They also planned to review areas within the 51 modules where partial compliance had been achieved and develop a plan to reach full compliance.
3. Members noted that there was no requirement to submit the assessment to the regulator. However, officers expressed a desire to have an independent review conducted, and they planned to work with the actuary to achieve that validation.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the update on compliance with TPR's General Code of Practice and actions identified.

64/24 ACTUARIAL UPDATE 2025 VALUATION PLANNING [Item 13]

Witnesses:

Colette Hollands, Head of Accounting and Governance
Neil Mason, Assistant Director, LGPS Senior Officer

Key points raised during the discussion:

1. The Head of Accounting and Governance introduced the report and provided a brief summary.
2. The Board were informed that Hyman's were offering three training sessions,. The first session was to be held online on 25 November 2024, followed by two more sessions. The officer encouraged both committee and board members to attend if they wished.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the content of the report regarding the timeline for the triennial valuation work during 2024/25.

65/24 SURREY PENSION FUND INTERNAL AUDIT PROGRESS REPORT - QUARTER 2 (01/07/24 - 30/09/24) [Item 14]

Witnesses:

Neil Mason, Assistant Director, LGPS Senior Officer
Liam Pippard, Principal Auditor

Key points raised during the discussion:

1. The officer provided a brief update for the quarter, highlighting a key issue regarding the banking controls follow-up. Although scheduled for this quarter, discussions with the service and others revealed that, due to delays with the MySurrey implementation, there had not been enough progress to proceed. It was agreed to review the situation in March, by which point the MySurrey work should be completed, allowing for the implementation of the necessary actions. A report will be provided at the end of the fourth quarter. Members noted further details of ongoing audit work as outlined in the report.
2. The Chair thanked officers for their work and said they he looked forward to reviewing the upcoming audit details when available.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the report.

66/24 SURREY PENSION FUND - EXTERNAL AUDIT UPDATE [Item 15]

Witnesses:

Neil Mason, Assistant Director, LGPS Senior Officer

Key points raised during the discussion:

1. The officer explained that the report was initially written without the attachment, as work with EY to complete the audit by 6 November 2024 was not possible. EY's progress report provided updates on the six main areas of the audit originally planned. The progress report was due to be presented to the Audit and Governance Committee on 20 November 2024. Members noted further updates as outlined in the published report.

2. Members noted that the cost of the EY audit would incur a small additional fee due to the need for extra resources.

Actions/ further information to be provided:

None.

Recommendation:

The Board noted the report.

67/24 LGPS - BACKGROUND PAPERS [Item 16]

Witnesses:

Neil Mason, Assistant Director, LGPS Senior Officer

Key points raised during the discussion:

1. The Assistant Director, LGPS Senior Officer introduced the report and provided a brief overview. Members noted recent developments following the Chancellor's Mansion House speech which included a pensions review and government proposals. A Member suggested that once the Chancellor's statement was digested, a single-issue meeting might be needed, given the potential impact on fiduciary duties and investment strategies.

Actions/ further information to be provided:

None.

Recommendations:

The Board noted the content of the report.

68/24 DATE OF THE NEXT MEETING [Item 17]

The date of the next meeting was scheduled for 21 February 2025.

Meeting ended at: 12.05 pm

Chairman



SURREY LOCAL PENSION BOARD REPORT

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: 21 FEBRUARY 2025

LEAD OFFICER: NEIL MASON, SENIOR LGPS OFFICER

SUBJECT: GLOSSARY, ACTIONS TRACKER & FORWARD PROGRAMME OF WORK

SUMMARY OF ISSUE:

For Members to consider and comment on the actions tracker and programme of work.

RECOMMENDATIONS:

It is recommended that the Local Pension Board:

1. Notes the content of this report.
2. Makes any recommendations to the Pension Fund Committee if required.
3. Monitors progress on the implementation of recommendations from previous meetings (Annexe 2).
4. Reviews and notes any changes on the forward programme of work (Annexe 3).

REASON FOR RECOMMENDATIONS:

Background

1. A glossary has been provided as Annexe 1 for ease of reference. 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 programme of work is attached as Annexe 3 for noting.

Contact Officer:

Adele Seex, Governance Manager

Annexes:

1. Annexe 1 – Glossary
2. Annexe 2 – Actions Tracker
3. Annexe 3 – Forward Programme of Work

Sources/Background papers: None

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Glossary

FOR SURREY LOCAL PENSION BOARD REPORTS
& SURREY PENSION FUND COMMITTEE

Surrey Pension Team



Providing our customers with
a better tomorrow

Glossary

Explanation of Abbreviations and Acronyms

The following is a list of abbreviations and acronyms that have occurred in reports to the Surrey Local Pension Board or Surrey Pension Fund Committee, It is not intended to be an exhaustive list of those used throughout the Surrey Pension Fund, however it will be reviewed prior each Meeting and updated should new examples occur.

Definition - A to Z

[A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#)
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Index Definition

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AAF	Audit and Assurance Faculty
ABS	Annual Benefit Statement
ACGA	Asian Corporate Governance Association
ACS	Authorised Contractual Scheme, the collective investment scheme used by Border to Coast for asset pooling
AI	Artificial intelligence
AICPA	American Institute of Certified Public Accountants
AIFM	Alternative Investment Fund Manager
APR	Annual Percentage Rate

ARE	Asia Research Engagements
ASB	Accounting Standards Board: UK body that sets accounting standards. A subsidiary body of the Financial Reporting Council
AUM	Assets Under Management
AVC	Additional Voluntary Contributions
B	Back to Index
B of E	Bank of England
BAU	Business as usual
BBB	British Business Bank
BCE	Benefit Crystallisation Events
BCP	Business Continuity Plan
BCPP	Border to Coast Pensions Partnership
BIA	Business Impact Assessments
C	Back to Index
CARE	Career Average Revalued Earnings
CAY	Compensatory Added Years
CBRE	Coldwell Banker Richard Ellis
CCB	China Construction Bank
CDP	Climate Disclosure Projects
CETV	Cash Equivalent Transfer Value
CI	Continuous Improvements
CIO	Chief Investment Officer
CIPFA	The Chartered Institute of Public Finance and Accountancy

CLG	Communities and Local Government (former name of MHCLG)
CMA	Competition and Markets Authority
COD	Contracted Out Deduction
COO	Chief Operating Officer
COP	Conference of Parties, A UN conference on climate change
CPI	Consumer Price Index
CRC	Compliance and Reporting Committee
CRT	Customer Relationship Team
CRRF	Council Risk and Resilience Forum
CSR	Corporate Social Responsibility, a term under which companies report their social, environmental, and ethical performance

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DAA	Dynamic Asset Allocation
DCU	Deferred choice underpin
DGF	Diversified Growth Fund
DLUHC	Department for Levelling up, Housing and Communities (see MHCLG)
DWP	Department for Work and Pensions

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ECB	European Central Bank
ELT	Extended Leadership Team
EM	Emerging Markets
EMEA	Europe, The Middle East & Africa
EMT	Emergency Management Team

ESG	Environmental, Social and Governance – factors in assessing an investments sustainability
ESOG	Effective System of Governance
EU	European Union
EY	Ernst and Young
F	Back to Index
FAIRR	Farm Animal Investment Risk and Return
FCA	Financial Conduct Authority
FED	Federal Reserve
FOI	Freedom of Information
FRC	Financial Reporting Council
FSS	Funding Strategy Statement
FTA	FTSE Actuaries UK Gilts Index Series
FTSE	Financial Times Stock Exchange
FX	Foreign Exchange
G	Back to Index
GAAP	Generally Accepted Accounting Practice
GAD	Government Actuary’s Department
GCOP	General Code of Practice
GDP	Gross Domestic Product
GEM	Global Emerging Markets
GMP	Guaranteed Minimum Pension
GRESB	Global ESG Benchmark for Real Assets

H [Back to Index](#)

HMRC His Majesty's Revenue and Customs

HMT His Majesty's Treasury

I [Back to Index](#)

IAASB International Auditing and Assurance Standards Board

ICARA Internal Capital and Risk Assessment

ICGN International Corporate Governance Network

IDRP Internal Dispute Resolution Procedure

IFAC International Federation of Accountants

IIGCC Institutional Investor Group on Climate Change

INFRA. Infrastructure

IPDD Investor Policy Dialogue on Deforestation

IRR Internal Rate of Return

ISAE3402 The International Standard on Assurance Engagements (ISAE) number 3402 supersedes SAS70, "Assurance Reports on Controls at a Service Organisation", was introduced in December 2009 by the International Auditing and Assurance Standards Board (IAASB), which is part of the International Federation of Accountants (IFAC).

ISS Investment Strategy Statement

ISSB International Sustainability Standards Board

ISP integrated service providers

J [Back to Index](#)

JC Joint Committee

K [Back to Index](#)

KOSPI Korea Composite Stock Price Index

KPIs Key Performance Indicators

KRX Korea Exchange

L [Back to Index](#)

LAC Lifetime Allowance Charge

LAEF Lifetime Allowance Enhancement Factor

LAPFF Local Authority Pension Fund Forum

LGA Local Government Association

LGE Local Government Employers

LGIM Legal and General Investment Management

LGPS Local Government Pension Scheme

LIBOR London Inter Bank Offered Rate, a benchmark interest rate at which global banks lend to one another

LOLA Local Government Pension (LGPS) Scheme Online Learning Academy

LPB Local Pension Board (the Board)

LSA Lump Sum Allowance

LSDBA Lump Sum and Death Benefit Allowance

LSE London Stock Exchange

LTA Lifetime Allowance

M [Back to Index](#)

MAC Multi Asset Credit

MaPS Money and Pensions Service

MHCLG	Ministry of Housing, Communities and Local Government
MI	Management Information
MSCI	Formerly Morgan Stanley Capital International, publisher of global indexes
N	Back to Index
NED	Non-Executive Director
NRA	Normal Retirement Age
NT	Northern Trust, Global Custodian
O	Back to Index
OECD	Organisation for Economic Co-operation and Development
OOG	Officer Operations Group
ORA	Own Risk Assessment
OTA	Overseas Transfer Allowance
P	Back to Index
PASA	Pension Administration Standards Association
PCLS	Pension Commencement Lump Sum
PDP	Pensions Dashboard Programme
PF	Pension Fund
PFC	Pension Fund Committee (the Committee)
PLSA	Pensions and Lifetime Savings Association
PMI	Purchasing Managers' Index
PRI	The UN-supported Principles for Responsible Investment
PSLT	Pension Senior Leadership Team

PSPS	Public Service Pension Scheme
Q	Back to Index
QROPS	Qualifying Recognised Overseas Pension Schemes
R	Back to Index
RBCE	Relevant Benefit Crystallisation Events
RI	Responsible Investment
RPI	Retail Price Index
S	Back to Index
S&P	Standard and Poors, ratings agency and provider of equity indices
S151	An officer with responsibilities under s151 of the Local Government Act 1972.
SAB	Scheme Advisory Board
SAS70	Statement on Auditing Standards (SAS) No. 70 – relating to service organisation control reports – successor reports include information about a service organisation’s controls and risk management procedures relating to financial reporting (SSAE16/ISAE3402) or to security, availability, processing integrity, confidentiality and privacy (SOC2)
SCAPE	Superannuation Contributions Adjusted for Past Experience
SCC	Surrey County Council
SDG	Sustainable Development Goals
SEC	Security and Exchange Commission
SILB	Sterling Index Linked Bonds
SLA	Service Level Agreements
SLA	Standard Lifetime Allowance

SOC2	System and Organisation Controls type 2 - SOC 2, aka Service Organization Control Type 2, is a cybersecurity compliance framework developed by the American Institute of Certified Public Accountants (AICPA). The primary purpose of SOC 2 is to ensure that third-party service providers store and process client data in a secure manner.
SONIA	Sterling Over Night Index Average, the overnight interest rate paid by banks
SPA	State Pension Age
SPT	Surrey Pension Team
SSA16	SSAE 16, or the Statement on Standards for Attestation Engagements No. 16, is a set of auditing standards and guidance on using the standards published by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) for redefining and updating how service companies report on compliance control
T	Back to Index
TCFD	Taskforce on Climate Related Financial Disclosures
TPAS	The Pension Advisory Service (formerly OPAS)
TPO	The Pension Ombudsman
tPR	The Pensions Regulator
TPS	Teachers' Pension Scheme
TV	Transfer Value
U	Back to Index
UFPLS	Uncrystallised Funds Pension Lump Sum
UNSDGs	United Nations Sustainable Development Goals
W	Back to Index
WBA	World Benchmarking Alliance

WCA Web Content Accessibility
WDI Workforce Disclosure Initiative

Accounting Terms

Definition - A to Z

A B C D E F G H I J
K L M N O P Q R S T
U V W X Y Z

A [Back to Accounting Definitions](#)

Accounting Period

The length of time covered by the accounts. In the case of these accounts, it is the year from 1 April to 31 March.

Accrual Basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Accrued Expense

Expenses that have been incurred but not yet paid.

Accrued Revenues

Revenues that have been earned but not yet received.

Actuarial Gains and Losses

Changes in the estimated value of the pension fund because events have not coincided with the actuarial assumptions made or the assumptions themselves have changed.

Actuarial Valuation

A three yearly valuation of the Fund undertaken by the Actuary to ensure that the Pension Fund is sufficiently well managed and that its assets meet its liabilities. Employer contribution rates are set as part of the valuation process.

Actuary

A professionally qualified independent person appointed by the administering authority in order to value the Pension Fund and therefore set contribution rates.

Amortisation

A measure of the cost of economic benefits derived from intangible assets that are consumed during the period.

Asset

Any resource owned by an entity that has economic value and is expected to provide future benefits.

Audit

An independent examination of an organisation's financial statements and related operations to ensure accuracy and compliance with applicable laws and regulations.

B Back to Accounting Definitions

Balance Sheet

A financial statement that shows an organisation's assets, liabilities, and equity at a specific point in time.

Balances

These represent the accumulated surplus of revenue income over expenditure.

Book Value

The value of an asset as it appears on the balance sheet, calculated as the asset's original cost minus accumulated depreciation.

Budget

An expression, mainly in financial terms, of the Authority's intended income and expenditure to carry out its objectives.

C Back to Accounting Definitions

Capital Adjustment Account

The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance Capital expenditure. The balance on the account thus represents timing differences between the amount of the historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital

Financial assets or the financial value of assets such as cash, equipment, and property.

Capital Expenditure

Payments for the acquisition, construction, enhancement, or replacement of non-current assets that will be of use or benefit to the Authority in providing its services for more than one year.

Cash Equivalents

Short term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Cash Flow Statement

A financial statement that shows the cash inflows and outflows from operating, investing, and financing activities.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the main professional body for accountants working in public services.

Contingent Liability

A contingent liability is either:

- A possible obligation arising from a past event whose existence will be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Authority; or
- A present obligation arising from past events where it is not probable that there will be an associated cost, or the amount of the obligation cannot be accurately measured.

Creditors

Amounts owed by the Authority for work done, goods received, or services rendered, for which payment has not been made at the balance sheet date.

Current Service Cost

Current Service Cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits "earned" by employees in the current year's employment.

D [Back to Accounting Definitions](#)

Debit

An entry that represents an increase in assets and a decrease in liabilities or equity. It represents the ownership interest.

Debtors

Amounts due to the Authority that have not been received at the balance sheet date.

Depreciation

The measure of the consumption, wearing out or other reduction in the useful economic life of non-current assets that has been consumed in the period.

E [Back to Accounting Definitions](#)

Employee Benefits

Amounts due to employees including salaries, paid annual leave, paid sick leave, and bonuses. These also include the cost of employer's national insurance contributions paid on these benefits, and the cost of post-employment benefits, i.e. pensions.

Equity

The residual interest in the assets of an entity after deducting liabilities. It represents the ownership interest.

Expected Rate of Return on Pensions Assets

The average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the pension scheme.

F [Back to Accounting Definitions](#)

Fair Value

The amount for which an asset could be exchanged, or a liability settled, in an orderly transaction between market participants at the measurement date.

Fair Value Hierarchy and Inputs

In measuring fair value of assets and liabilities, the valuation technique used is categorised according to the extent of observable data that is available to estimate the fair value – this is known as the fair value hierarchy. Observable inputs refers to publicly available information about actual transactions and events in the market. Unobservable inputs are used where no market data is available and are developed using the best information available. The fair value hierarchy has three levels of inputs: Level 1: Quoted prices for identical items in an active market – i.e. the actual price for which the asset or liability is sold; Level 2: Other significant observable inputs – i.e. actual prices for which similar assets or liabilities have been sold; Level 3: Unobservable inputs – i.e. where market data is not available and other information is used in order to arrive at a best estimate of fair value.

Financial Accounting

The branch of accounting focused on recording summarizing and reporting an organisation's financial transactions to external users.

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.

Financial Ratios

Metrics used to evaluate a company's financial performance and Liquidity such as current ratio, debt to equity ratio, and return on equity.

G [Back to Accounting Definitions](#)

General Fund

The main revenue fund of the Authority which is used to meet the cost of services paid for from the Pension Fund for which the Authority is the administering authority.

General Ledger

A complete record of all financial transactions of a business organised by accounts.

Goodwill

The excess of the purchase price of a business over the fair value of its identifiable assets and liabilities.

I [Back to Accounting Definitions](#)

Income Statement

A financial statement that shows an organisation revenues, expenses and net income or loss over a specific period.

Intangible Assets

Assets that do not have physical substance but are identifiable and controlled by the Authority. Examples include software and licences.

Interest Cost

For defined benefit pension schemes, the interest cost is the present value of the liabilities during the year as a result of moving one year closer to being paid.

J [Back to Accounting Definitions](#)

Journal Entry

The recording of a financial transaction in the accounting system.

Journal

The record where all financial transactions are initially recorded before they are posted to ledger accounts.

L [Back to Accounting Definitions](#)

Leasing

A method of acquiring the use of capital assets for a specified period for which a rental charge is paid.

Liability

An amount due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are those that are payable within one year of the balance sheet date.

N [Back to Accounting Definitions](#)

Net Book Value

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value, less the cumulative amount provided for depreciation.

Non-Current Asset

An item that yields benefit to the Authority for a period of more than one year.

O [Back to Accounting Definitions](#)

Operating Expenses

Expenses incurred in the ordinary course of business such as rent, salaries and utilities.

Overhead

The indirect costs of running a business such as administrative expense and utilities.

P [Back to Accounting Definitions](#)

Past Service Cost

Past service costs arise from decisions taken in the current year but whose financial effect is derived from service earned in earlier years.

Prepaid Expenses

Expenses paid in advance which will be recognised as expense in future accounting periods.

R [Back to Accounting Definitions](#)

Reserves

The residual interest in the assets of the Authority after deducting all of its liabilities. These are split into two categories, usable and unusable. Usable reserves are those reserves that contain resources that an authority can apply to fund expenditure of either a revenue or capital nature (as defined). Unusable reserves are those that an

authority is not able to utilise to provide services. They hold timing differences between expenditure being incurred and its financing e.g. Capital Adjustment Account.

Retained Earnings

The cumulative earnings of a company that have not been distributed to shareholders as dividends.

Revenue Expenditure

Spending incurred on the day-to-day running of the Authority. This mainly includes employee costs and general running expenses.

S [Back to Accounting Definitions](#)

Statement of Retained Earnings

A financial statement that shows the changes in retained earnings over a specific period, including net income, dividends and prior period adjustments.

T [Back to Accounting Definitions](#)

Tax Accounting

The branch of accounting focused on calculating and managing taxes owed by an organisation to governmental agencies.

Trial Balance

A list of all the account balances in the ledger to check the accuracy of the debits and credits

U [Back to Accounting Definitions](#)

Useful Economic Life

The period over which the Authority expects to derive benefit from non-current assets.

W [Back to Accounting Definitions](#)

Write off

The difference between current assets and current liabilities representing the short-term financial health of a business.

Working Capital

The difference between current assets and current liabilities, representing the short-term financial health of a business.

Further definitions A- Z glossary of pension terms and abbreviations and what they mean can be found on the [Surrey Pension website](#)

**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
A6/24	Service Delivery Overview	The Chairman to explore the possibility of holding a future Board meeting at Dakota House to provide the Board with an opportunity to observe the Pension Team's work.	Chairman	N/A	Officers working to identify a suitable date and time for Board Members to observe Pension Team's work at Dakota.	Ongoing

COMPLETED (Will be deleted from tracker for next meeting)

Date of meeting and reference	Item	Recommendations/Actions	To	By When	Response	Progress

Standing Item for each meeting

Item Number	Report Title	Responsible Service within Pensions
1.	<i>Glossary, Actions Tracker, Forward Programme of Work</i>	A&G
2.	<i>Change Programme Update</i>	CM
3.	<i>Surrey Pension Team Overview – Dashboard update</i>	All – A&G, I&S, CM, SD
4.	<i>Pension Committee Summary including Border to Coast update (Summary Paper)</i>	A&G
5.	<i>Service Delivery Overview</i>	SD
6.	<i>Legacy Update (inc. in Service Delivery Overview Report)</i>	SD
7.	<i>Risk Overview (Risk Register) (inc MySurrey update from SD/A&G)</i>	A&G
8.	<i>Internal Audit Update</i>	A&G
9.	<i>External Audit 2023/24 Audit Update</i>	A&G
10.	<i>LGPS – Background report</i>	A&G

Key

Accounting & Governance (A&G)

Investment & Stewardship (I&S)

Change Management (CM)

Service Delivery (SD)

Date:21 February 2025

Item Number	Report Title	Responsible Service within Pensions
11.	Communication Policy Review	CM
12.	Training Policy Review	CM
13.	Administration strategy – draft (Inc.as part of Service Delivery Overview Report)	SD
14.	Scheme Return (Inc as part of Surrey Pension Team Overview)	A&G
15.	Conflicts of Interest Review	A&G

Date:23 May 2025

Item Number	Report Title	Responsible Service within Pensions
16.	Valuation update	A&G
17.		
18.		

Date 25 July 2025

Item Number	Report Title	Responsible Service within Pensions
19.	Draft Annual Report	A&G
20.		
21.		

Date 14 November 2025

Item Number	Report Title	Responsible Service within Pensions
22.	LPB Draft Annual Report Update (Inc as part of Pension Committee Summary	A&G
23.		
24.		

Date 20 February 2026

Item Number	Report Title	Responsible Service within Pensions
25.	Communication Policy Review	CM
26.	Training Policy Review	CM
27.		

Key

Accounting & Governance (A&G)

Investment & Stewardship (I&S)

Change Management (CM)

Service Delivery (SD)



SURREY LOCAL PENSION BOARD REPORT

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: 21 FEBRUARY 2025

LEAD OFFICER: NEIL MASON, LGPS SENIOR OFFICER

SUBJECT: SUMMARY OF THE PENSION FUND COMMITTEE MEETING OF 13 DECEMBER 2024

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 Local Pension Board:

1. Notes the content of this report.
2. Makes any recommendations to the Pension Fund Committee if required.

REASON FOR RECOMMENDATIONS:

Background

The Committee met on 13 December 2024. This report provides a summary of this meeting, and decisions made.

DETAILS:

Glossary, Actions Tracker, Forward Programme of Work

1. The Committee reviewed the Glossary, Actions Tracker and Forward Programme of Work.
2. The LGPS Senior Officer highlighted the up-and-coming training from the Fund Actuary, for Committee members on 15 January and 21 March 2025 on the assumptions surrounding the valuation and related climate risk.
3. Item 23 on the programme of work should be consideration for 25/26 Strategic Plan accompanying the service business plans and budget.
4. The Chair brought to the attention of the Committee, page 37 7/24 action, relating to the continuing issues with MySurrey, Unit 4 and asked the Section 151

Officer for comment to seek reassurance that this is a high priority, and the Committee's concerns are being taken seriously. The Section 151 Officer agreed to share with the Pension Fund Committee future Audit and Governance updates, relating to pensions.

5. The Head of Service Delivery provided an update on material improvements that have been carried out since the last update.

Summary of the Local Pension Board Meeting

6. The Board report was presented by the Chair of the Board who provided a summary of administration and governance issues reviewed at the last meeting on 15 November 2024. This included MySurrey, the GMP and McCloud projects, along with the extended Risk Register and steps undertaken to review the risk register.

Surrey Pension Team Overview – Quarter 2

7. The Committee received an update on the Surrey Pension Team activities for the last quarter (July to September 2024). This included the snapshot in the weekly update provided by the LGPS Senior Officer.
8. The LGPS Senior Officer highlighted the Surrey Pension Team dashboard metrics on page 128, the enablers, "our people" specifically mentioning the high score for retention of staff. The December pulse survey for the Surrey Pension Team had just been released and feedback analysis will be provided to the Committee at the next meeting.

Change Programme Update – Quarter 2

9. The Head of Change Management presented an overview of activities for the period July to September 2024. Reporting to the Committee that team is two years into the Strategic Plan. Highlights this quarter include winning an award at the Pension for Purpose Awards for "Impact Investing Principles Adopter" award and the production and launching of a suite of videos on LinkedIn regarding our workforce strategy.

The Government's Consultation on the future of the Local Government Pension Scheme (LGPS)

10. The LGPS Senior Officer provided an overview on key implications for the Surrey Pension Fund following the publication of the government's consultation entitled "Local Government Pension Scheme (England and Wales) Fit for the Future".
11. In order to respond to the consultation, there will be an online meeting on 6 and 7 January 2025 for members of the Local Pension Board and Pension Fund Committee to discuss a draft response.

Investment Manager Performance and Asset/ Liabilities Update

12. The Deputy Head of Investment and Stewardship introduced the report confirming the success in being shortlisted for Best Investment Innovation award at the annual LAPF Investment Awards, along with winning the Impact Investing Principles Adopter award from Pension for Purpose.
13. It was confirmed that the current funding ratio is 142% with a discount rate slightly lower at 6.4%. The best performing funds are multi asset credit and listed alternatives, taking advantage of the rate cut expectations quite positively. This outperformance was offset by below benchmark returns in three out of the four actively managed equity funds as well as real estate and private markets. Private markets in real estate underperformance was mostly due to a weaker U.S. dollar.
14. The Global Equity Alpha Fund underperformed; a separate paper was discussed in part two of the meeting.

Company Engagement & Voting Update

15. The Deputy Head of Investment and Stewardship introduced the report highlighting the engagement activities from this quarter of Local Authority Pension Fund Forum (LAPFF), Robecco and direct engagement from BCPP.
16. A growing trend is the move to green hydrogen and the processes being developed to create green steel. This quarter LAPFF engaged with Ryanair on their optimistic plans and on another growing topic of interest, sustainable airline fuel (SAF).
17. Border to Coast is in collaboration with Royal London Asset Management and the London School of Economics for transition to net zero for UK Banks. Border to Coast is chairing a new working group with the Institutional Investors Group on Climate Change to integrate just transition into the Net Zero investment framework.
18. Another collaboration is taking place with Royal London, participating in engagement with UK water companies, taking a lead role with Yorkshire Water and Northumbrian Water.
19. In respect of direct voting this was a quiet quarter, following the AGM season. The Fund voted on 91 resolutions and one remuneration at Richemont receiving a shareholder dissent of nearly 24%.

Investments Strategy – Fiduciary Duty and Investment Beliefs Update

20. The Deputy Head of Investment and Stewardship provided the Committee with a report on the plans to review and consider changes to the current investment beliefs. The third session training is planned to take place in the fourth quarter (January – March 2025).

21. The Committee agreed for the sub-committee to meet again to consider how its fiduciary duty in law relates to the objectives of the Fund and reconsider the investment beliefs.
22. Any proposed changes to the investment beliefs by the sub-committee will be brought back to the Committee for consideration.

Asset Class Focus – Private Markets

23. As part of good governance, the Committee periodically reviews the performance of the Fund's investments. This report concentrates on Private Markets and specifically the exposure to renewable energy.
24. The Committee noted the Funds private markets renewable energy exposure, along with the review provided in Annexe 1 by the Fund's independent investment advisor.

LGPS Update (Background Paper)

25. The LGPS Senior Officer introduced the report, which summarises the LGA LGPS Bulletins. The main recent development is the launch of the consultation on the future of the LGPS, with the pools taking a stronger role, as discussed under Item 7 of the agenda.

Procurement of Pension Administration Software

26. The Committee endorsed the outcome of the recent procurement tender for the Pension Administration Software.

Responsible Investment Update

27. The Deputy Head of Investment and Stewardship introduced the report which sets out the annual review of Border to Coast Pensions Partnership (BCPP) Responsible Investment (RI) Policy, Climate Policy and Corporate Governance & Voting Guidelines annually.
28. The Chair of the Committee highlighted that for this year the review was "light touch". A request was made to include an update on engagement with consequences for the next update.
29. The Committee agreed to support the revised BCPP RI Policy, Corporate Governance & Voting Policy and Climate Change Policy

Competition & Markets Authority (CMA) Investment Consultant Strategic Objectives

30. The Committee were provided with a report which sets the strategic objectives for the Investment Consultant (IC) provider.
31. The Committee noted compliance of the IC provider for 2024 against the Fund's revised Strategic Objectives for Investment Consultants, as approved in June 2024.

32. The Committee approved the submission of the CMA Compliance Statement and Certificate for 2024

BCPP Global Equity Alpha Update

33. The Committee were provided with a report which explored a better understanding of the investment philosophy, process and people behind the Alpha Fund. The Committee agreed to further review this investment.

Border to Coast

34. The Committee received an update from the LGPS Senior Officer, on the current activity of BCPP, including Progress made by the Officer Operations Group (OOG), Joint Committee (JC) and BCPP Shareholder Board in the drive to maintain a fully functioning asset pool, which will manage the Surrey Fund assets.
35. The Committee noted the minutes of the Border to Coast Joint Committee meeting of 26 September and 26 November 2024, included in the background papers.

CONSULTATION:

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

RISK MANAGEMENT AND IMPLICATIONS:

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

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

38. Any relevant financial and value for money implications have been considered and are contained within the report. The cost of the resources necessary for implementing the changes recommended above and for delivering the administering authority role is met from the Pension Fund (under Regulation 4(5) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009).

LEGAL IMPLICATIONS – MONITORING OFFICER:

39. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY:

40. There are no equality or diversity issues.

OTHER IMPLICATIONS:

41. There are no other implications.

NEXT STEPS:

42. The following steps are planned:

- a) Further updates will be provided to the Board at its next meeting on 23 May 2025.

Contact Officer:

Colette Hollands, Head of Accounting and Governance

Annexes:

1. None

Sources/Background papers:

1. None



SURREY LOCAL PENSION BOARD REPORT

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: 21 FEBRUARY 2025

LEAD OFFICER: NEIL MASON, LGPS SENIOR OFFICER

SUBJECT: SURREY PENSION TEAM OVERVIEW – QUARTER 3

SUMMARY OF ISSUE:

This paper is an overview of the entire service at a macro level. The Surrey Pension Team Dashboard is the primary vehicle for providing this overview. The dashboard covers the period October – December 2024. This report also provides brief updates on items completed or previously reported to the Board. However, to achieve brevity, it is not considered a separate report is necessary.

RECOMMENDATIONS:

It is recommended that the Local Pension 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 macro–Surrey Pension Team activities.

DETAILS:

Surrey Pension Team Dashboard

1. The dashboard can be viewed on slide 2 of Annexe 1.
2. The Surrey Pension Fund (the Fund) value has increased over 3 months, 1 year and 3 years. However, individual mandates have underperformed their specific benchmarks, leading to an underperformance of the Fund overall. The growth in asset value, to £6bn, and a change in the discount rate have combined to drive the funding ratio up to 142%.
3. The KPI performance levels within Service Delivery have increased by 5% to 97% overall. All case types have exceeded their performance standard target levels and, in some cases, such as ill health retirement and transfers, have a 100% success rate.

4. The legacy case work as of 30th December 2024 has reached a 97% success rate. Remaining cases are pending a response from employers and will continue to be monitored.
5. Two internal audits were completed this quarter (Business Continuity Plan and overseas pensioner life certification), both of which received reasonable assurance ratings (both with 3 medium recommendations). There are two audits still to complete this year. One further audit (admission agreements) has been deferred and will be undertaken as part of the 2025/26 audits.
6. Contributions in this quarter are lower (Q3 £49.60m vs Q2 £55.40m) due to current unallocated receipts that will be reflected in Q4. Contributions out are higher this quarter (Q3 £71.90m vs Q2 £62.90m) because more members transferred out their accrued benefits and, on average, the cash value of those transfers was greater than the average in Q2.
7. The legacy reduction in Accounting and Governance is unchanged, at 82%. The outstanding legacy items will be cleared in this financial year as part of the 2024/25 Fund reconciliation.
8. The majority of the Change Management metrics are measured via the pulse staff survey, which was still live in December 2024. The results will be analysed in January 2025 and an update will be included in the next report. The metric for retention is measured monthly and, in this report, has declined slightly, i.e. 1 to 2 people have resigned. Overall, the Surrey Pension Team retention rate is very strong compared to the wider pension industry, which was at 15% in 2024.

The Pensions Regulator's Scheme Return

9. Public service pension schemes are legally required to complete an annual scheme return for the Pensions Regulator (TPR). Notification from TPR to submit the 2023-24 scheme return was received on 11 October 2024. The Scheme Return was submitted on 22 November 2024 and a copy is available on request.

The Pensions Regulator's General Code of Practice

10. Following the report to the Board on 15 November 2024, work has continued reviewing and evidencing compliance with the General Code of Practice (GCOP). Officers have concentrated on completing the last three remaining chapters on Administration: IT & Cyber Security, Funding and Investment: Investment (best practice only) and Governing Body: Advisers and Service Providers (best practice only). Of the eleven chapters completed, three modules were considered not met. These have been reviewed and are now partially met.
11. The next steps are to review each of the modules and identify the actions required to turn partially compliant areas to fully compliant.

Surrey Pension Fund External Audit Update

12. The Board will recall receiving an update on the progress of the external audit of the 2023/24 Financial Statement at its last meeting. The date for sign off of the Surrey County Council (including the Fund) financial statement had been deferred to January 2025. The audit of the financial statement is not yet complete, and it is now expected that the audit opinion will be issued and sign off will now happen in February. The Audit & Governance Committee, at its meeting on 22 January 2025, delegated authority to sign off the financial statement to the Section 151 Officer.

CONSULTATION:

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

RISK MANAGEMENT AND IMPLICATIONS:

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

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

15. Any relevant financial and value for money implications have been considered and are contained within the report. The cost of the resources necessary for implementing the changes recommended above and for delivering the administering authority role is met from the pension fund (under Regulation 4(5) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009).

LEGAL IMPLICATIONS – MONITORING OFFICER:

16. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY:

17. There are no equality or diversity issues.

OTHER IMPLICATIONS:

18. There are no other implications.

NEXT STEPS:

19. The following steps are planned:

- a) The dashboard will continue to be updated on a monthly basis.
- b) It will continue to be included in the LGPS Senior Officer's updates once every four weeks.

Contact Officer:

Neil Mason, Assistant Director - LGPS Senior Officer

Annexes:

1. Surrey Pension Team Dashboard – Annexe 1

Sources/Background papers:

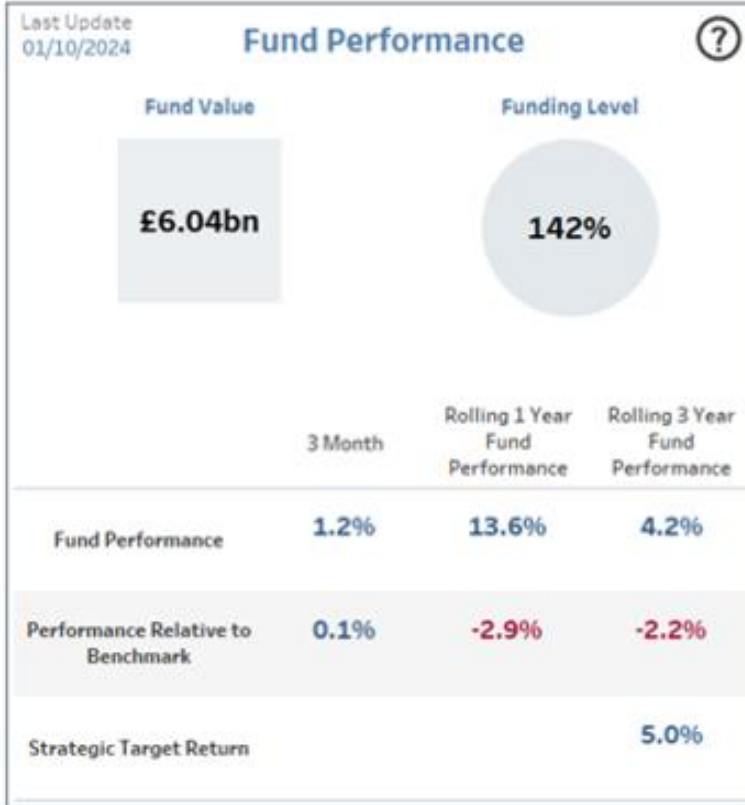
1. None

Surrey Pension Team Dashboard Metrics

1 January 2025

Surrey Pension Team Dashboard

Surrey Pension Team Dashboard: Surrey Pension Team Dashboard - Tableau Server (surreycc.gov.uk)



Metrics Glossary

Fund Performance

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

Measure of the previous quarter's fund performance percentage.

Indicates percentage difference between actual performance and the benchmark performance percentage

Positive numbers are indicated in blue and negative numbers in red.

Last Update 01/10/2024

Fund Performance

	3 Month	Rolling 1 Year Fund Performance	Rolling 3 Year Fund Performance
Fund Value	£6.00bn		
Funding Level	143%		
Fund Performance	1.8%	11.6%	4.2%
Performance Relative to Benchmark	-0.8%	-4.3%	-2.3%
Strategic Target Return	5.0%		

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

Measure a rolling 3-year fund performance percentage rate

Measure a rolling 1-year fund performance percentage rate.

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

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

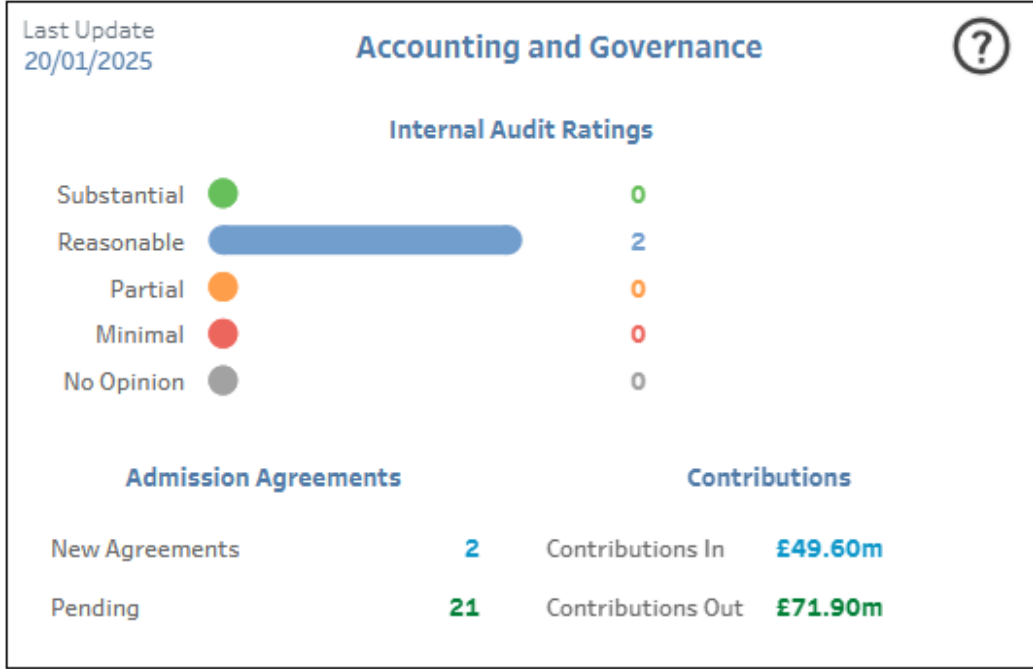
No Opinion indicates further audit work required to produce rating.

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

The number of internal audit ratings by category.

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 and sealing process, the majority of which requiring 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



Contributions In = Receipts from paying into the pension fund.

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

Update Frequency:
Quarterly: Admission Agreements; Contributions
Annually: External Audit
Quarterly: Internal Audit Ratings

The number of Admission Agreements Pending processing, and the number of Admission Agreements that have been added to the queue since the last update.

The goal is to reduce the number of agreements pending processing.

Down/Up Arrow = Indicates Increase (Up arrow) / decrease (Down arrow) compared to the previous update of data

Indicates % increase / decrease compared to the previous update of data

Percentage completed within SLA. Red line to show target %

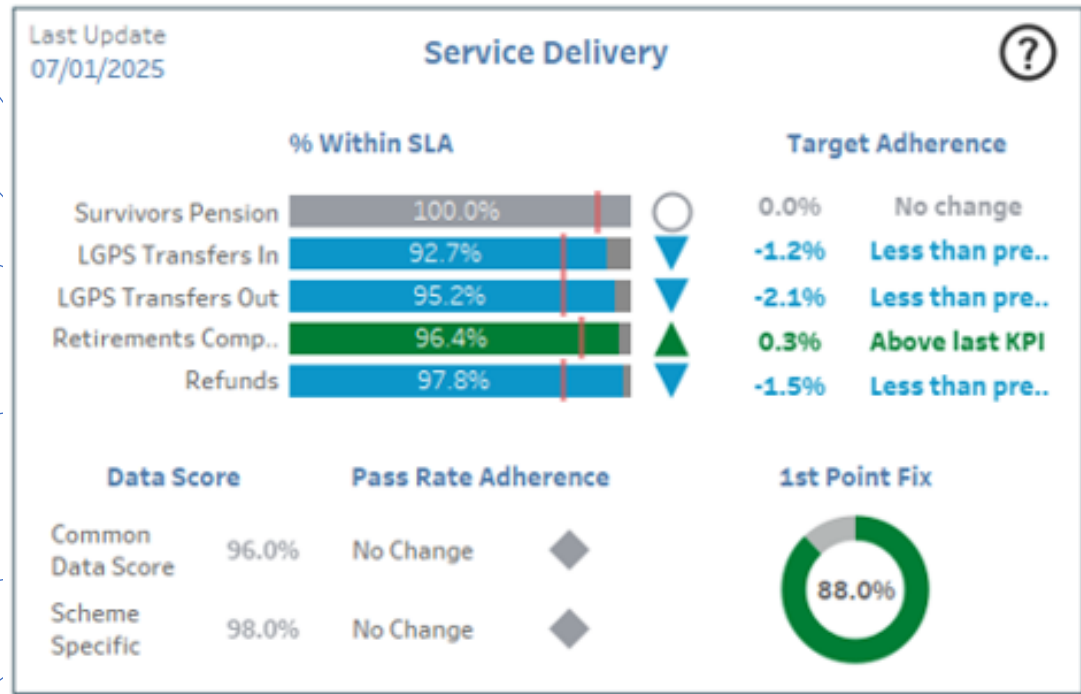
The percentage of Survivor Benefits processed within the Service Level Agreement (SLA)

The percentage of LGPS Transfers In processed within the SLA

The percentage of LGPS Transfers Out processed within the SLA

Consists of the percentage of Retirements Complete within the SLA

The percentage of Refunds processed within the SLA



On Target = At or above 90%

On Target = At or above 80%

On Target = At or above 80%

On Target = At or above 85%

On Target = At or above 80%

Non-targeted percentage of cases resolved with the first point of contact in the Customer Relationship Team

Data scoring for data including member NI Number, Name, Gender, DOB, Status, Commencement Date & Address

Data accuracy scoring for data including Member Details, Member Benefits, CARE, HMRC, and Contracting Out.

Data Scores Achieved on report from Heywood Analytics run on our member data. The % of member data that passed the checks made.

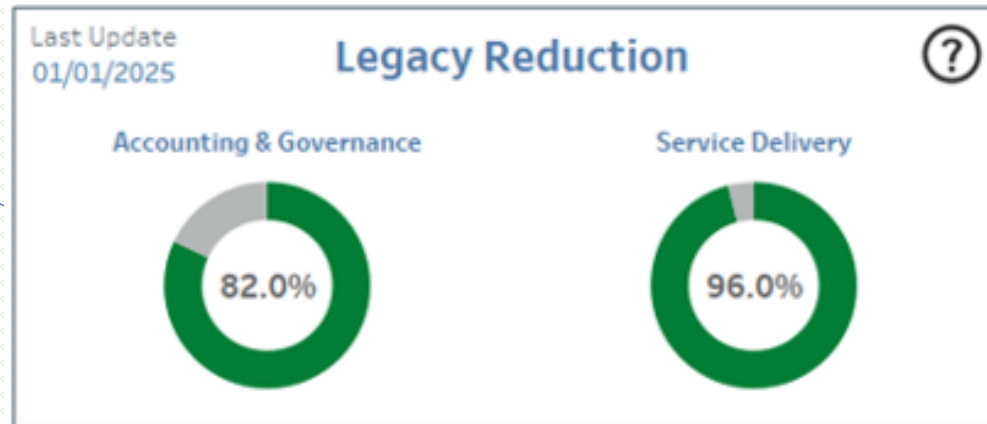
Indicates whether the data set exceeded the Pass Rate (Pass) or was below the Pass Rate (Below Target)

Down/Up Arrow = Indicates less or more % Data Score achieved than the target % amount

Update Frequency :
 - Annually: Data Scores
 - Monthly: All other Measures

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

Updated 01/01/25

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

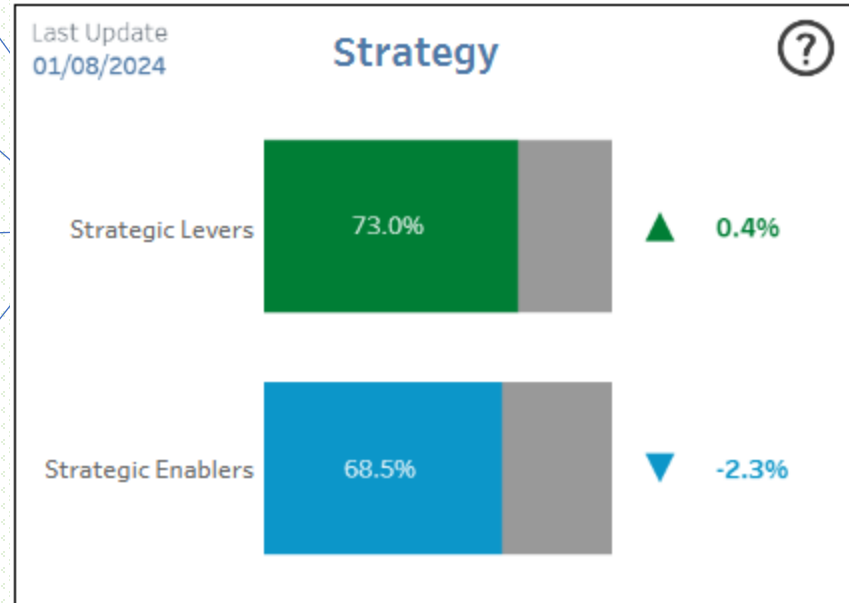
Update Frequency:
Every 6 Months: All Measures

* PULSE Survey Questions on Page 8

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 numbers of responders divided by weighted responses.

Benchmark = 70% +

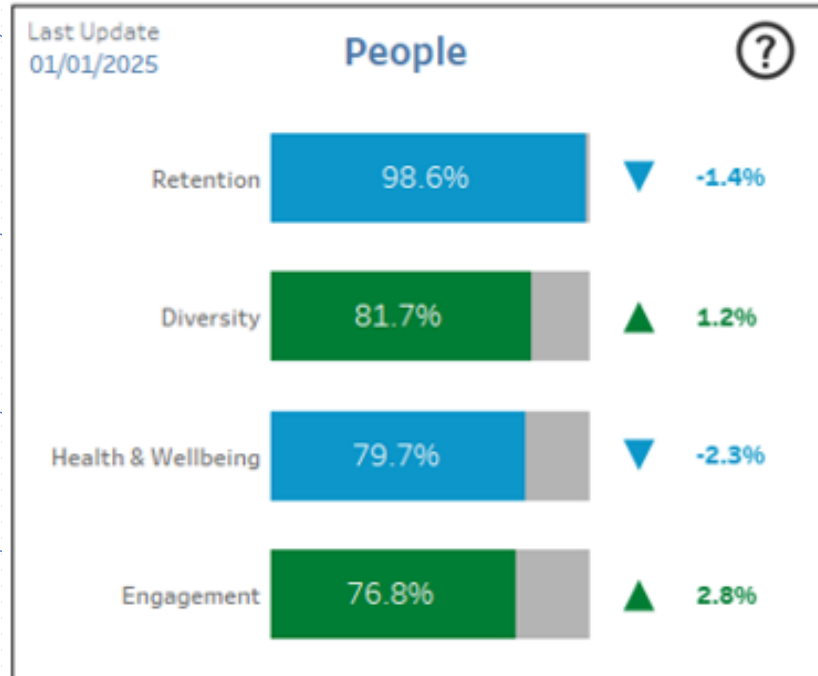
System & Processes:
Weighted percentage average based on responses to the following questions from the PULSE survey: 64*

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

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

Employee retention rate for the most recent quarter.

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



Indicates percentage change since previous set of data

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*

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 response.

Benchmark =70% +

Update Frequency:
Every 6 months : PULSE Survey Measures
Quarterly: Retention

* PULSE Questions listed on Page 6



SURREY LOCAL PENSION BOARD REPORT

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: 21 FEBRUARY 2025

LEAD OFFICER: NEIL MASON, LGPS SENIOR OFFICER

SUBJECT: CHANGE MANAGEMENT UPDATE

SUMMARY OF ISSUE:

This paper details the Change Team Quarterly Report of activity for the period October - December 2024.

RECOMMENDATIONS:

It is recommended that the Local Pension Board:

1. Note 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. This report details the following areas of interest:
2. Communications
 - a) Over the last quarter the Communications team have sent out all planned communications within the agreed timelines as set out by the Communication policy.
 - b) The Surrey Pension Team were nominated for the Defined Benefit Scheme of the Year award at the 2025 Pension Age Awards. The awards ceremony will be held in early March 2025.
 - c) Produced and launched the second in a suite of video interviews in line with the priorities set out in our Strategic Plan. The [video](#) describes Surrey Pension Team's views on Responsible Investment.
 - d) Created a Communications calendar and social media plan for 2025.
 - e) A findings report from the Employer Customer Insight project was shared with Employers.

3. Learning & Development

- a) The Staff Pulse Survey was launched in December and the results will be reported at the next Board meeting.
- b) A Lunch and Learn session was presented on Unconscious Bias, which happens when an individual is unaware of a prejudice but tends to form opinions about others, based on stereotypes or past experiences, without having enough relevant information.
- c) The residential Board & Committee training event took place as planned and feedback was very positive. We are looking to plan the next residential event for October 2025.
- d) We have started work on the Continuous Improvement programme and have formed a working group to progress this.
- e) A proposal to evolve our Trainee programme was presented to PSLT.
- f) The first session of our second year of Talking Talent took place, where individuals' development aspirations were discussed and actions to facilitate these agreed.

4. Project Management

- a) 1 project has been completed.
- b) 6 projects are still ongoing and are on track. Further information is provided in Annexe 1.
- c) The most significant projects currently on the agenda are McCloud and GMP.
- d) We are revamping the Project Review Board format to improve visibility of all projects across the Surrey Pension Team which will launch in January 2025.

5. Transformation

- a) We have now appointed 2 external suppliers to support our Digital transformation plans. The first will assist with horizon scanning to inform the outer years of our digital transformation plans. The second will complete discovery analysis to advise on a digital solution for digitising common customer forms and removing manual reconciliation processes in Accounting and Governance.
- b) We are currently recruiting for a Service Level Manager to discover and codify the systems and services we receive from SCC. This will enable us to set service level agreements.
- c) A programme of "High Performance" team workshops was kicked off to allow teams to focus on ensuring they are laser focused on what they deliver to their internal customers and also to allow them to establish team ways of

working. This programme will run for circa 3 –4 months spanning all teams in the service.

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. The cost of the resources necessary for implementing the changes recommended above and for delivering the administering authority role is met from the pension fund (under Regulation 4(5) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009).

LEGAL IMPLICATIONS – MONITORING OFFICER:

9. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY:

10. There are no equality or diversity issues.

OTHER IMPLICATIONS:

11. There are no other implications.

NEXT STEPS:

12. The following steps are planned:

- a) Work will commence on the Digital Transformation strategy utilising the external vendors.
- b) The High Performance Teams programme will continue throughout the next quarter.
- c) Training will be created for processing McCloud tasks.
- d) The revised Project Review Board will be launched.
- e) Further Lunch and Learn sessions to support our workforce strategy will be delivered.
- f) The revised 'New Joiner' webinars will be organised and begin for 2025.
- g) New materials for members will be produced covering the new online retirement process.
- h) 4th Staff Pulse Survey results will be analysed, actioned and shared.

Contact Officer:

Nicole Russell, Head of Change Management

Annexes:

1. Projects October - December 2024 Annexe 1

Sources/Background papers:

1. None

Projects October - December 2024

Projects completed:

1. Consumer Insights:

Understand our current service provision and areas of improvement. Procure provider to undertake independent customer feedback across the whole one pensions team.

Status: Feedback received from the Focus Groups has been analysed with work being carried out to improve the member experience. There will be a second phase of this project in 2025.

Ongoing projects:

2. Internal Documents & Standards:

There was no standardisation of document storage location. With the removal of the G drive, it is an appropriate time to look at moving documents from the G drive to an agreed location moving forward, where standardisation can be developed. A new SharePoint site has been created and the majority of teams are now using this for document storage.

Status: Final team will be moving to the new SharePoint site shortly. Then to liaise with IT to change the G Drive to read-only.

3. Lunch & Learn programme: Fortnightly sessions held virtually to cover both wellbeing topics alternated with more technical/topical work-related topics.

Status: Lunch & Learn sessions still well attended and sessions into 2025 are being scheduled.

4. GMP:

There is a requirement to establish a guaranteed minimum pension for all members, recalculation and updating records required. This work is being carried out by Mercer alongside the Surrey Pension Team.

Status: Working with Mercer on a plan for the works to be carried out by February 2025.

5. McCloud:

As a result of the McCloud case judgement, all public sector pension schemes must revisit their CARE schemes to revise underpinning calculations. There are two stages: the first to gather information from employers/payroll providers. This was validated using a third-party provider (ITM). The second stage will be the updating of records now that regulation has been finalised, with 2 years to correct records from that point.

Status: Testing of the Altair interface currently underway. The team are working on errors which have arisen before moving to the next stage and plan to go live.

6. Digital Transformation:

Digital transformation is a key ingredient to our strategic plan to ensure that we continue to innovate and use our resources as efficiently and effectively as possible. The SCC Digital Design Team have completed their discovery process to understand the improvement areas and opportunities that will enable us to be innovative and fit for purpose with particular reference to those where a digital solution will have a beneficial impact.

Status: To address key recommendations based on the outcomes of the SCC Digital Design Team discovery report.

7. Governance:

It is crucial for the SPF to minimise conflicts of interests with its Local Authority and to ensure it is isolated from a changing political landscape to effectively enact its role as guardians and stewards of the pension fund in perpetuity. Additionally, the Fund wishes to have the autonomy to lead the fund in the best interests of its people and customers. This project seeks to understand how we can achieve these aims by examining changes to our governance, people, systems, and infrastructure. The first phase will concentrate on identifying potential changes to our governance then conducting stakeholder engagement to get buy in to these principles.

Status: The business case was noted and approved at SCC Corporate Leadership Team and Full Council in October.



SURREY LOCAL PENSION BOARD REPORT

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: 21 FEBRUARY 2025

LEAD OFFICER: NEIL MASON, LGPS SENIOR OFFICER

SUBJECT: SERVICE DELIVERY OVERVIEW

SUMMARY OF ISSUE:

This paper provides the Local Pension Board (Board) with updates on progress relating to a number of key administration projects and planned improvements.

RECOMMENDATIONS:

It is recommended that the Board:

1. Note the content of this report.
2. Make any recommendations to the Pension Fund Committee if required.

REASON FOR RECOMMENDATIONS:

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

Performance

3. The performance levels in this period have achieved an overall score of 97%, an increase of 5% on the previous quarter.
4. The team have exceeded the expected target for all cases in this period, achieving 100% in several areas such as ill health retirement and transfers.
5. There has been consistent improvement across other areas where benefits were due to be paid including retirement, death grants and refunds all exceeding target.
6. The introduction of Online Retirements has begun to see an uptake in its use, with members now having the ability to initiate their retirement through a self-service function.
7. Since its launch in November 2024 there has been 60 quotations processed and 16 processed into payment. The average process time for those using the online service has been 2 days which compares to 9.5 days for the standard approach.
8. Plans are underway to expand the customer engagement of this new online service using our existing communication channels with members, employers and via the SPF website.
9. 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.
10. Additional information has also been supplied within Annexe 3 that presents a summary of the most common categories of cases being terminated.

Complaints

11. During this period there were 6 complaints received, 1 Complaint added from Q2. Details of these can be found at Annexe 4.

Internal Dispute Resolution Procedure (IDRP) and Pensions Ombudsman Cases

12. Stage one appeals determined: One has been raised.
 - a) Member raised a complaint about the time taken for delay in providing an estimate and payment of LGPS benefits, interest paid on lump sum, AVC and miss-selling of AVC. Appeal upheld only regarding delay in providing estimate and member offered compensation in recognition of this.
13. Stage two appeals determined: None have been raised.

Pensions Ombudsman Appeals

14. Two appeals have been raised during this period.
- a) Former member trying to trace benefits as they received three annual deferred benefit statements for 1985, 1986 and 1987 giving updated value of deferred pension following pensions increase. There is no record of these held on the Surrey Pension Team's electronic database, and the member was informed of this and, that the benefit must have been transferred out. Subsequently, documentary evidence of employment was provided by the HMRC, and it would appear the member would have received a part refund, with a small amount of membership deferred in the LPGS. The complaint is being dealt with as part of the Pensions Ombudsman's Early Resolution Service.
 - b) Member retired, paid in-house AVC's and at retirement elected to take 100% of AVC as tax free cash. The member is claiming loss of AVC value upon disinvestment due to delays from the Surrey Pension Team. The complaint is being dealt with initially as part of the Penson Ombudsman's Early Resolution Service.
15. One update on a Pensions Ombudsman appeal was received in this period.
- a) A member was part of a TUPE transfer and since the transfer, has been trying to request flexible retirement. An estimate has been sent to the employer however, the member is uncertain of the process to be followed. The complaint was dealt with as part of the Pensions Ombudsman's Early Resolution Service, and the employer has now granted flexible retirement and the member's pension is now in payment.
16. Redress for non-financial injustice is assessed in line with the Pensions Ombudsman guidance. Further information about this can be found by clicking on this [link](#).

Breaches Log Update

17. There are no new breaches to report in this period.

Customer Relationship Team (CRT) Update

18. During this period the CRT managed a total of 10,562 enquiries. At the initial point of contact 91% of these were successfully resolved, a 1% decrease on the previous quarter.
19. There has been an increase of approximately 400 customer interactions in this period.
20. The queries managed by the CRT during this period are grouped into the following categories:

Communication Channel	Volume
Call backs	127
Telephone	4322
Email	6113
Total	10,562

Guaranteed Minimum Pension (GMP)

21. Work has progressed with the reconciliation work, with SPF Officers and representatives from Mercer carrying out extensive analysis of the data and agreeing the full rectification requirements.
22. The final calculation data for pensioners is expected from Mercer the week commencing 18th February 2025. This data will confirm the necessary adjustments to be made to members benefits and will undergo a series of quality assurance checks before its use.
23. Where any member benefits require a recalculation that may result in an under or overpayment, these will be made inline with the LGA guidance as follows:
 - a) Where a member has been underpaid their pension benefit, the increased amount will be corrected retrospectively to the appropriate date and any underpaid pension will be paid accordingly.
 - b) Where a member has been overpaid their pension benefit, the reduced amount will be corrected to the payroll period month in which the change is applied (expected March 2025) and no historic overpayments will be recovered.
24. The financial impact of both the under and overpaid amounts are expected to be confirmed in February 2025 once the data has been received.
25. The correspondence that will be issued to members confirming the necessary changes to their pension benefit is being reviewed and communication plans are being drawn up. Letters to affected members are expected to be issued at least one month in advance of any changes to payment.

McCloud Remediation

26. Much of the work in this quarter has seen the team carry out thorough data analysis and cleansing in support of the system configuration work previously undertaken.

27. Much of the focus has centred around updating member records in bulk to ensure their service dates are accurate and any gaps in data are reconciled accordingly. This has led to several iterations of testing for data uploads, reconciliation reporting and document configuration during this period.
28. This detailed level of testing has proven to be beneficial and allowed the team to refine various process steps that will be required to carry out the remediation works. In addition to this, it has been essential in understanding where any data validation gaps may exist and where more in depth investigation maybe required, all of which has offered some key insight when planning for the live run later this year.
29. For reference, I have included the indicative number of cases that were presented last quarter that may require action:

Member Status	Provisional Underpin Applies	Final Underpin Applies
Active	526	
Undecided	115	
Deferred	750	
Pensioner	248	470
Widow/Dependent	15	16
Grand Total	1654	486

* Figures as of November 2024

30. The provisional underpin is calculated at the point the member's final salary benefits will have applied and, the final underpin is at the point the benefits came into payment.
31. Where a provisional has been identified at this stage, it does not mean the member will qualify for a final underpin at the point in which the benefit is claimed.

Monthly Employer Returns (iConnect) Roll Out

32. As of Dec 2024, the roll out figures remain the same with 248 out of 370 (67%) employers having been onboarded to iConnect, which represents circa 28,200 (81%) of the active membership.
33. The pause to onboard more employers remains in place for two reasons:
 - a) Support is being given to those employers who have, or are, currently onboarding. This is ensuring the employer roles, responsibilities and functions are fully understood and, to streamline any internal business processes that will support the continued roll out.
 - b) The increased focus on carrying out the retrospective monthly submissions for Surrey County Council. The Pension Payroll and Data Quality Teams

made excellent progress during this period, with the submissions now up to date and the number of legacy cases identified.

Legacy Case Reduction

34. Work has steadily progressed with the legacy case reduction. The completion progress as of 30 December 2024 stood at 96%.
35. The remaining cases consist mostly of deferred and aggregations which require further information from employers. These cases will continue to be managed in parallel to the newly created Surrey County Council backlog cases, caused as a result of the payroll system.
36. The number of cases identified for Surrey County Council as an employer stand at 2100. These cases will be treated in the same way as the Legacy Project work and will be segregated from the main day to day work, allowing for transparency between operational and backlog works.
37. Progress reports on this work will be included in future Board and Committee reports.

Procurement of the Pension Administration System

38. Surrey Pension Fund is currently contracted with Heywood Pension Technologies until 31st March 2026 for its administration system. As part of the Service Delivery business plan for 2024/25 the procurement was to be carried out 18 months in advance of the contract expiry, leaving sufficient time to support a migration to a new software provider should this be required.
39. In June 2024 the decision was taken to begin the procurement process using the Pension Administration Software Framework, which resides within the LGPS National Framework. This specific framework has 3 approved suppliers, all of which have met the necessary specification requirements in line with the scheme regulations, IT / Security standards and core functionality to calculate benefits and process payments.
40. Whilst the framework offers assurances that the fundamental requirements are met across all suppliers, it also offers the ability to customise where appropriate. This allows funds to ensure that the system can meet the broader needs to deliver its strategic objectives in line with its vision and mission.
41. Working collaboratively with officers from Orbis Procurement Services and having taken their advice, it was agreed that a 2-stage process would be carried out for the formal tendering approach, placing a high focus on the quality of the system.
 - a) Stage 1 required the suppliers to answer 12 Yes or No screening questions and if any were answered with a 'No', it would be at the discretion of the fund as to whether the supplier would move to the next stage.

- b) If successful at stage 1, the suppliers were then invited to provide a written response to an additional six questions and carry out a demonstration of the system.
42. Of the 3 registered suppliers, 2 of those submitted a tender response and after a robust moderation process was undertaken, Heywood Pension Technologies (our incumbent provider) have been successful in winning the tender for an initial 5-year contract.
43. Work is now in progress to finalise the contract terms.

Benchmarking

44. For the second consecutive year, CEM Benchmarking Ltd carried out a benchmarking exercise for areas within Service Delivery. The exercise provides insight into some of the service provisions we offer through a customer centric lens, rather than that of the key performance measures.
45. The benchmarking exercise sees SPF included as part of a peer group consisting of other LGPS funds and similar schemes. The data allows SPF to understand where its service offerings compare with other funds in the industry, including areas such as customer relations, customer engagement and digital services for example.
46. Below are some of the key findings from the 2023/24 report that maybe of interest:
- a) As a fund we invest more into our contact centre functions, which sees our telephony service achieve a much higher score than our peers
 - b) Our administration costs per member was £38.83, £1.67 above the peer average, which is not unexpected given the investment in our customer relationship team and our commitment to reduce legacy cases.
 - c) Our project costs per member were £1.73, £ 1.34 under the peer average. Some of these project costs will have been accounted for in administration head count, which correlates with the slightly raised costs in point b.
 - d) Our cost per member indicated a 16.3% increase from last year however, this is a result of more detailed data having been supplied this year due to an improved budget oversight model.
 - e) The average remuneration per FTE was £40,846, 1.2% less than the peer average. This is very subjective given the geographical locations of the peer group.
 - f) The overall service level score increased by 6 points to 53 from last year, much of which is attributed to the increased customer engagement undertaken.

47. In summary, whilst the results indicate some increase in operating costs for 2024, the service is operating a decent service based on the CEM service effectiveness scoring model.
48. These results do not consider any key performance indicator levels in its scoring, it has a specific focus on customer centric measures, which is something SPF are keen to expand over the next 12 months.
49. Whilst this report has offered some useful insight to where things are working well and where improvements can be made, the report is to be considered in line with other service metrics that form the fund performance dashboard, rather than used in isolation. This ensures SPF has a comprehensive set of data to determine its overall performance.

Administration Strategy Review

50. Work has begun to carry out a full review of the existing administration strategy, ensuring it remains relevant and suitable for our scheme employers.
51. This review will set out to clarify scheme employers' responsibilities under the scheme regulations, set out the service standards, introduce any revised changes in line with any changes in process and to enhance employer engagement.
52. This review is expected to be carried out over the coming months and in due course will undergo a consultation period before any changes are implemented. The revised strategy is expected to be in place by the end of quarter 1 in 2025/26.

CONSULTATION:

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

RISK MANAGEMENT AND IMPLICATIONS:

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

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

55. Any relevant financial and value for money implications have been considered and are contained within the report. The cost of the resources necessary for implementing the changes recommended above and for delivering the administering authority role is met from the pension fund (under Regulation 4(5) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009).

LEGAL IMPLICATIONS – MONITORING OFFICER:

56. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY:

57. There are no equality or diversity issues.

OTHER IMPLICATIONS:

58. There are no other implications.

NEXT STEPS:

59. The following steps are planned:

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

Contact Officer:

Tom Lewis – Head of Service Delivery

Annexes:

1. Quarterly Performance Summary Annexe 1
2. Quarterly Performance Trend Analysis Annexe 2
3. Terminated Case Summary Annexe 3
4. Complaints Summary Annexe 4

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KPI Performance: Oct - Dec 2024

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%	99%	2	239	240	1	11	0
SURVIVOR'S PENSIONS (tPR)	10 working days	90%	95%	18	86	85	18	9	13
DEATH BENEFITS PAYABLE (tPR)	10 working days	90%	91%	26	62	70	17	3	15
BALANCE OF PAYMENTS (tPR)	10 working days	90%	96%	44	179	174	44	19	15
RETIREMENT (COMPLETE) (tPR)	15 working days	85%	95%	130	507	525	104	53	12
ILL HEALTH RETIREMENT (COMPLETE) (tPR)	15 working days	90%	100%	1	13	13	1	-	5
REFUNDS (tPR)	20 working days	80%	99%	83	1,018	855	240	265	17
RETIREMENT (INITIAL NOTIFICATION)	15 working days	80%	98%	166	462	569	52	120	5
ILL HEALTH RETIREMENT (INITIAL)	15 working days	90%	100%	2	13	14	0	1	0
DEFERRED STATUS	40 working days	80%	96%	519	1,174	963	687	165	43
EMPLOYER ESTIMATE	10 working days	80%	96%	13	42	48	6	3	8
LGPS TRANSFER IN (ESTIMATE)	20 working days	80%	95%	159	428	387	176	138	27
NON-LGPS TRANSFER IN (ESTIMATE)	20 working days	80%	100%	6	21	19	10	11	32
LGPS TRANSFER OUT (ESTIMATE)	20 working days	80%	100%	64	268	258	64	66	15
NON-LGPS TRANSFER OUT (ESTIMATE)	20 working days	80%	100%	23	74	71	24	14	20
LGPS TRANSFER IN (ACTUAL)	20 working days	80%	93%	262	594	652	186	63	17
NON-LGPS TRANSFER IN (ACTUAL)	20 working days	80%	89%	16	31	35	16	1	27
LGPS TRANSFER OUT (ACTUAL)	20 working days	80%	96%	76	226	209	78	45	22
NON-LGPS TRANSFER OUT (ACTUAL)	20 working days	80%	100%	3	11	10	4	2	24
NEW STARTER	30 working days	80%			466	466			
TOTAL CASE NUMBERS			97%	1,613	5,914	5,663	1,728	989	

Summary

First full quarter of new team structure

Performance is exceeding or meeting expected levels across the board

Online retirements were implemented at the end of November, with 60 quotations, and 16 pensions put into payment up to the end of the quarter

Future workload shows the impact of quicker case completion

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Performance Trend Analysis

Case Type	KPI Performance Comparison				Future Workload Time Comparison			
	2023/24		2024/25		2023/24		2024/25	
	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)	98%	97%	99%	99%	1 day	1 day	1 day	1 day
SURVIVOR'S PENSIONS (tPR)	85%	68%	82%	95%	10 days	14 days	14 days	13 days
DEATH BENEFITS PAYABLE (tPR)	72%	58%	76%	91%	30 days	29 days	28 days	15 days
BALANCE OF PAYMENTS (tPR)	88%	73%	77%	96%	18 days	23 days	11 days	15 days
RETIREMENT (COMPLETE) (tPR)	85%	66%	85%	95%	25 days	48 days	11 days	12 days
ILL HEALTH RETIREMENT (COMPLETE) (tPR)	92%	80%	88%	100%	days	36 days	4 days	5 days
REFUNDS (tPR)	99%	100%	100%	99%	6 days	19 days	5 days	17 days
RETIREMENT (INITIAL NOTIFICATION)	91%	74%	85%	98%	30 days	40 days	14 days	5 days
ILL HEALTH RETIREMENT (INITIAL)	67%	92%	94%	100%	33 days	28 days	7 days	1 day
DEFERRED STATUS	90%	95%	97%	96%	21 days	25 days	57 days	43 days
EMPLOYER ESTIMATE	72%	66%	96%	96%	23 days	12 days	15 days	8 days
LGPS TRANSFER IN (ESTIMATE)	93%	95%	96%	95%	18 days	23 days	30 days	27 days
NON-LGPS TRANSFER IN (ESTIMATE)	100%	100%	95%	100%	30 days	48 days	18 days	32 days
LGPS TRANSFER OUT (ESTIMATE)	99%	95%	97%	100%	14 days	9 days	20 days	15 days
NON-LGPS TRANSFER OUT (ESTIMATE)	96%	100%	100%	100%	17 days	15 days	29 days	20 days
LGPS TRANSFER IN (ACTUAL)	83%	90%	92%	93%	33 days	19 days	36 days	17 days
NON-LGPS TRANSFER IN (ACTUAL)	100%	87%	91%	89%	30 days	34 days	29 days	27 days
LGPS TRANSFER OUT (ACTUAL)	90%	92%	98%	96%	30 days	16 days	28 days	22 days
NON-LGPS TRANSFER OUT (ACTUAL)	77%	95%	100%	100%	11 days	21 days	9 days	24 days
Average Score	88%	85%	92%	97%				

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		Green = tolerable performance measure met Amber = within 10% of tolerable performance measure Red = more than 10% of tolerable performance measure
Future workload tolerance		Green = less than 1 times the performance standard Amber = within 1 - 2 times more than the performance standard Red = more than 2 times the performance standard

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	265
Deferred Status	165
LGPS Transfer In (Estimate)	138
Retirement (Initial Notification)	120
Concurrent Service	72
LGPS Transfer Out (Estimate)	66
LGPS Transfer In (Actual)	63
Retirement Complete	53

*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

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.

This is the same for concurrent cases, whereby the record may actually require deferring or a transfer.

Categorisation change on transition from estimate to actual

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).

Other causes are whereby a member has returned their forms to the incorrect authority. The case is then closed, and the member is notified.

Categorisation change on requirement for processing

Noted as Retirement Notifications – most commonly due to the member actually requiring an estimate at this stage.

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Complaints from Oct – Dec 2024			
Case number	Date Received	Root Cause	Details of Complaint
SUR682035 (added from Q2)	10/09/2024	Service Quality	<p>The complaint related to the processing of the member's pension benefits, including delays in response, administration of the AVC details, and the interest paid on the lump sum.</p> <p>An apology for the time delays was initially provided to the member, and an interest payment issued, along with a letter explaining the calculation.</p> <p>Outcome: This case has subsequently moved to an IDRPs Resolution Date: 30th October 2024 Actions: Apology given and IDRPs guidance issued</p>
SUR969312	09/10/2024	Customer Enquiry	<p>This complaint relates to a member struggling to locate their benefits following the transfer to Aegon in 2005. While we have confirmed that the payment was made to Aegon at the time, we unfortunately do not have the supporting paperwork on file. To assist further, we have offered to contact Aegon to verify they received the payment.</p> <p>Outcome: The complaint is not justified, as we have evidence confirming the payment to Aegon in 2005. However, further investigation has been offered due to the lack of supporting documentation.</p> <p>Resolution Date: 11th November 2024 Agreed Actions: Advice and information provided.</p>
SUR860501	14/10/2024	System	<p>This complaint pertains to an SCC Non-LGPS (Injury-Only or TPS Compensation) record where a payment failed through the BACS route. The issue was resolved in collaboration with Heywood, and the payment was successfully credited to the member's account by 31st October.</p> <p>Resolution Date: 15th October 2024 Agreed Actions: Advice and information provided.</p>
SUR684480	23/10/2024	Decision	<p>This complaint concerns the decision made regarding a death grant payment. Information has been provided to the complainant; however, the matter has now progressed to an IDRPs Stage 1 and is also under police investigation.</p> <p>Resolution Status: Ongoing.</p>
SUR430389	01/11/2024	System	<p>The complaint concerned an overpayment on a non-LGPS record. While the payment solution was successfully run and the immediate payment processed, no payment was sent, and no documents were generated. The issue was escalated to our system supplier as a high-priority case on 29th November. The</p>

			<p>payment has since been sent, and an apology along with information was provided to the complainant.</p> <p>Resolution Date: 17th December Agreed Actions: Apology and information provided.</p>
SUR764991	28/11/2024	Service Quality / Delivery	<p>The complaint concerned a delay in paying LGPS pension benefits and an LGPS AVC annuity. While we informed the member that the LGPS benefits would be paid on 28th November 2024 and the AVC annuity would follow, the pension was not authorised in Altair Payroll, resulting in no payment being made on the promised date.</p> <p>Outcome: The complaint was upheld as we failed to meet our written commitment. Payment of the LGPS Main Scheme benefits and AVC annuity was eventually made on 19th December 2024, one month later than originally stated. An apology was issued to the member.</p> <p>Resolution Date: 20th December 2024 Agreed Actions: Apology issued, and service provided.</p>
SUR45605	06/12/2024	Service Quality / Delivery	<p>The complaint concerned a delay in responding to an AVC query from the IFA. The query was addressed on the same afternoon the complaint was raised. An apology was issued, and appropriate advice was provided.</p> <p>Resolution Date: 6th December 2024 Agreed Actions: Apology issued, and information provided.</p>



SURREY LOCAL PENSION BOARD REPORT

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: 21 FEBRUARY 2025

LEAD OFFICER: NEIL MASON, LGPS SENIOR OFFICER

SUBJECT: RISK REGISTER UPDATE 2024/25 QUARTER 3

SUMMARY OF ISSUE:

The Surrey Pension Team's Risk Register previously presented to the Local Pension Board at its meeting on 15 November 2024 has remained unchanged in Q3.

However, as previously indicated to the Board work has been progressing in the background to develop the team risk registers. This report provides an update on the work that has been undertaken to date along with brief narrative on the current top 5 risks from the Risk Register as requested by the Board.

RECOMMENDATIONS:

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

1. Notes the content of this report.
2. Makes any 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 Fund 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 are possible, then the means to mitigate the implications of the risks are established.

Top 5 risks

3. Members requested at the last meeting to see the top 5 risks within the risk register using the Q2 Risk Register (Annexe 1). These have been identified as those with risk scores of 16 and 12.
4. The Q2 Risk Register with 16 Risk IDs (and 61 Risk sub-IDs) has remained unchanged due to the ongoing work as detailed below on developing the team risk registers.
5. Risk score of 16 relating to MySurrey risks is highest risk for Surrey Pension Team's operations. This is being addressed by the Stabilisation Programme and an update on progress can be found in Annexe 2 of this report.
6. Several areas of risks fall within the second highest risk score of 12 and these are summarised below:
 - a) Failure to correctly identify GMP liabilities as part of the GMP Reconciliation project and delays in implementing the McCloud judgement in a timely manner may have financial and legal consequences as well as cause reputational damage to Surrey Pension Fund.
 - b) In the Investment and Stewardship area, the mismatch of assets and liabilities, under performance of BCPP, increased global financial instability, poor performance of markets and/or Investment Managers not meeting performance targets can affect the Surrey Pension Fund. However, most of these are due to external factors and the actions that could be taken to mitigate the impact may be limited.
 - c) If the actuarial assumptions are not aligned with actual experience, it may lead to increased employer contributions and higher funding requirements.
 - d) If inaccurate information is held in the public domain, it can result in reputational damage and poor data processing and transfer of information from external third parties.

Work in progress

7. Work has commenced with the teams in each service area (Accounting and Governance, Investment and Stewardship, Service Delivery and Change Management) reviewing the current risk register to separate the risks relevant to each team. This ensures risks are identified with greater granularity.
 - a) The work completed to date has identified:
Risks unique to a particular team (e.g. investment strategy and performance)

- b) Risks shared by more than one team (e.g. MySurrey)
- c) Risks common to all the teams (e.g. skills/knowledge gaps of staff),
- d) Risks relating to the whole service (e.g. changes to governance and legislation)
- e) New risks which were not previously included in the risk register (e.g. Change Management risks) have been identified.

Future Work Plan

- 8. The next steps leading to comprehensive team risk registers are:
 - a) Reviewing service process notes to identify potential control weaknesses and risks and document and score those risks
 - b) For those risks that have inter dependencies between teams, identifying suitable mitigating actions
 - c) To establish a timetable for the regular review of the team risk registers, the expectation is monthly.
- 9. On completion of the team risk registers and the risk scores, the material risks will be considered for inclusion in a Fund risk register. The Fund risk register will be reviewed by the Senior Leadership Team and presented to the Board each quarter.

CONSULTATION:

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

RISK MANAGEMENT AND IMPLICATIONS:

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

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

- 12. Any relevant financial and value for money implications have been considered and are contained within the report. The cost of the resources necessary for implementing the changes recommended above and for delivering the administering authority role is met from the pension fund (under Regulation 4(5) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009).

LEGAL IMPLICATIONS – MONITORING OFFICER:

- 13. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY:

14. There are no equality or diversity issues.

OTHER IMPLICATIONS:

15. There are no other implications.

NEXT STEPS:

16. Updates on the ongoing work will be provided to the Board on a regular basis.

Contact Officer:

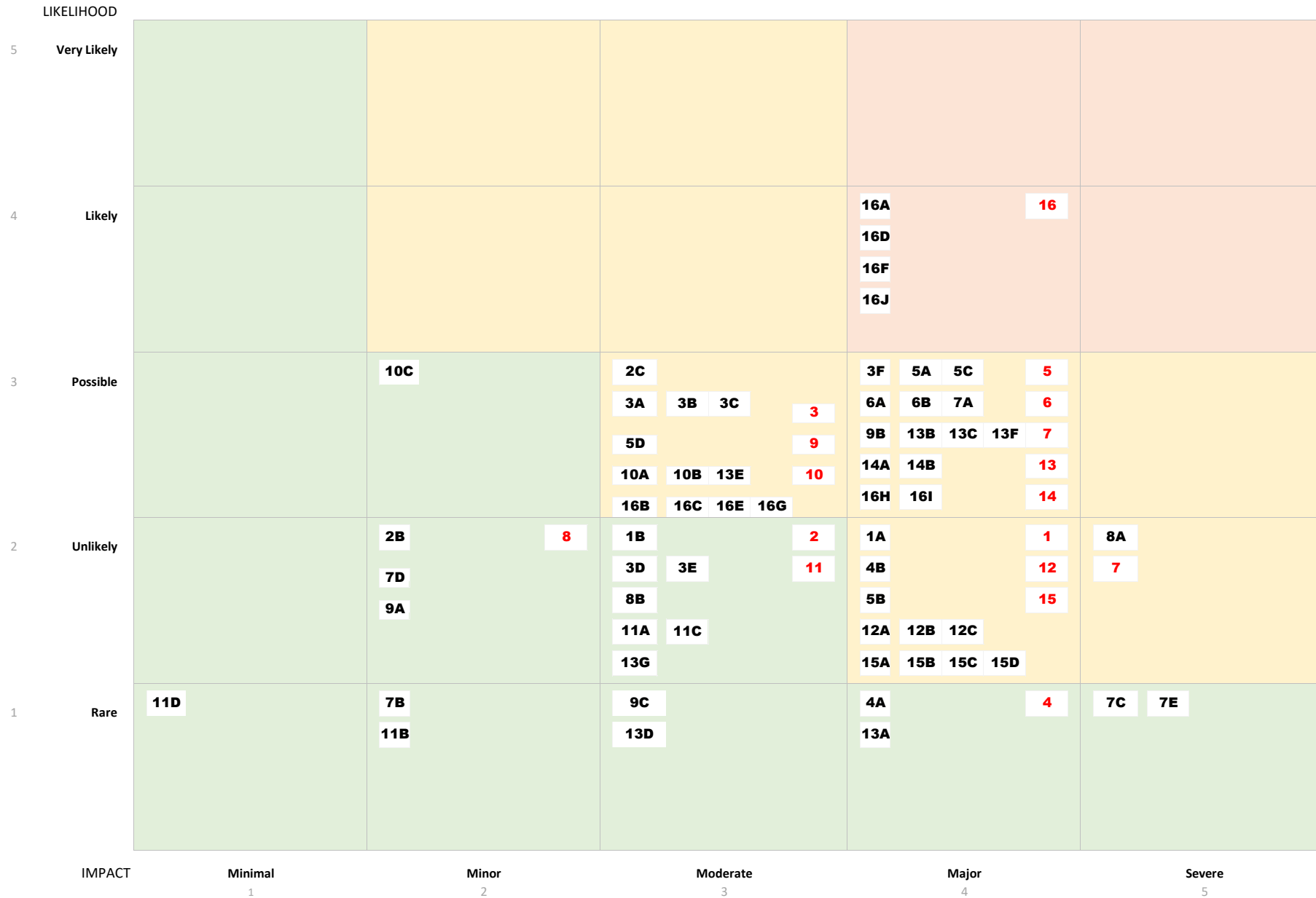
Colette Hollands, Head of Accounting and Governance

Annexes:

1. Quarter 2 Risk Register - Annexe 1
2. MySurrey position report – Annexe 2

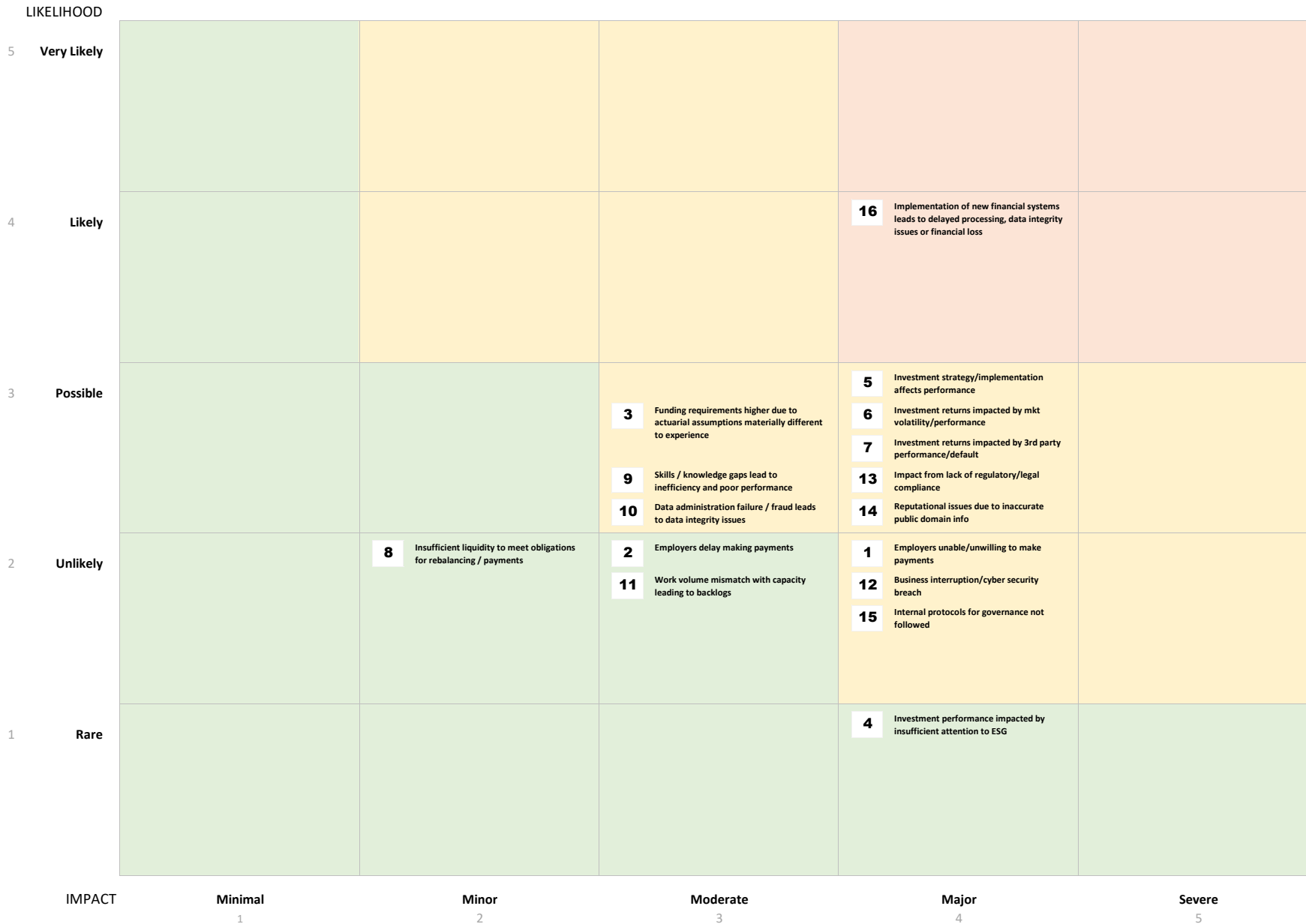
Sources/Background papers:

1. None



Pension Team Risk Heat Map

July 2024



Pension Team Risk Summary

July 2024

Risk ID	Risk Title	Risk Owner	Risk with current mitigation controls in place		Overall Score
			Likelihood (1-5)	Impact (1-5)	
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	1	4	4
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
9	Skills / knowledge gaps of officers and Members lead to inefficiency and poor performance of the Surrey Pension Team.	SD	1	3	3
10	Data administration failure / fraud leads to data integrity issues	A&G and 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
11	Work volume mismatch with operational capacity leading to backlogs	A&G, SD	2	3	6
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	5	10

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

Pension Team Risk Register

Oct-24

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			
Overall risk score											2	4	8			
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) SPT via the Actuary (Hymans) Administering Authority actively monitors prospective changes in membership. 2) Employer Team in Maintain knowledge of employer future plans. 3) Contributions rates and deficit recovery periods are set during triennial valuation 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) During each triennial valuation Risk categorisation of employers are undertaken and implemented as part of 2022 actuarial valuation . Some employer categories are reviewed more frequently. 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 with regard to number of employees. E.g Time period for Woking Community Transport is reviewed.		2	3	6	TREAT 1) Pension Team monitors and understands aggregate exposure of employers. 2) Appropriate cessation debt sought on exit i.e. Deferred debt agreement in place. 3) Possibly seek guarantee from alternative employer.					
Overall risk score											2	3	6			
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 funding 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.	A&G	2	2	4	TREAT 1) Pension Fund monitors ill health retirement awards which contradict IRMP recommendations.					
		A&G - Funding	2C		Employer issues with affordability and/or cashflow. Changes to member circumstances and LGPS Regulations. E.g. Early retirements (UCA) affecting strain costs and contributions.	Delay in payments.		3	3	9	TREAT 1) Pension Team monitors covenant of employers. 2) Engagement with employers on delay of receipt of payment notifications - with the objective to improve timely application of funds to relevant employer accounts. 3) Review structure of contractors and consider pass-through arrangements.					

Pension Team Risk Register

Oct-24

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
Overall risk score													
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%.		3	3	9	TOLERATE- 1) The Fund actuary uses long term longevity projections in the actuarial valuation process. 2) SPF 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).		3	3	9	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 actuary's 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.		2	3	6	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.		2	3	6	TREAT / TOLERATE- 1) The Fund actuary uses prudent assumptions on the future of workforce (full replacement assumed for active employers). The fund has regular communications with employers 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's and Scheme Advisory Board's cost management process has an implied increase in employer contributions.	Employers need to pay additional funds into the scheme.		3	4	12	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 to strengthen 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.		

Pension Team Risk Register

Oct-24

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
Overall risk score													
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. (Risk Score for all of Risk ID 4 = Likelihood 1, Impact 4 and overall 4)	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 is 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.		2	4	8	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 <u>34</u> 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.		

Pension Team Risk Register

Oct-24

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
Overall risk score													
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. (Risk Score for all of Risk ID 5 = Likelihood 3, Impact 4 and overall 12)	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		2	4	8	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. BCPP Funds underperform.	Investment returns not at expected level for the risk appetite		3	4	12	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.	1) See 5B above 2) New structure for mandate level oversight being deployed.	
		Investment	5D		Potential impact of Government consultation of LGPS	Imposed asset allocation or further improved structural changes. Imposed investment strategy from Central Government impacts returns.		3	3	9	TREAT / TOLERATE 1) Follow the Law. 2) Already discussing with BCPP partners. 3) Invest in the UK. 4) Forced merger of pools. 5) Buying another pool.		
Overall risk score													
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. (Risk Score for all of Risk ID 5 = Likelihood 3, Impact 4 and overall 12)	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.		3	4	12	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.		

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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			
Overall risk score											3	4	12			
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£5.5m. (Risk Score for all of Risk ID 5 = Likelihood 2, Impact 5 and overall 10)	I&S	3	4	12	TREAT- 1) The Investment Management Agreements clearly state SCCs the Fund'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 (BCPP) 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.		1	2	2	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.		1	5	5	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	2	2	4	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	1	5	5	TOLERATE- 1) Performance of third parties (other than fund managers) is monitored. 2) Regular meetings and conversations with Northern Trust take place. 3) Actuarial work and investment work are provided by two different consultancies.					
Overall risk score											2	2	4			
8	Insufficient liquidity / lack of cash to meet obligations for collateral rebalancing / payments out	A&G - Finance	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	5	10	TOLERATE / TREAT- 1) Through improved communication from Treasury Management in SCC, borrowing limits with banks and other counterparties are set at levels that are more than adequate should cash be required at short notice. SPT requirements are not known to Treasury Management resulting in borrowing elsewhere. 2) Cashflow analysis of pension fund undertaken quarterly. 3) Annual Cash flow analysis undertaken by Actuary.					
		A&G - Finance	8B		Surrey Pension Team (SPT) does not have control of the day to day operations of the Surrey Pension Fund bank account.	Shortfalls on cash levels and borrowing becomes necessary to ensure that funds are available.	A&G	2	3	6	TOLERATE / TREAT- 1) Source of funds from investments identified. Income received from BCPP Multi-Asset credit fund and CBRE. 2) Pension Team banking controls under review.	Banking Controls Project commenced to be completed by 31 March 2025	Mar-25			

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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
Overall risk score								3	3	9			
9	Skills / knowledge gaps of officers and Members lead to inefficiency and poor performance of the Surrey Pension Team.	Service Delivery	9AC		Lack of capability of the admin system	Inefficiency and disruption	SD	1	3	3	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.		Mar-25
		Service-Delivery-All SPT teams	9AB		Gaps in skills and knowledge due to key person/single point of failure and different skill requirements. Absence of procedure notes and tasks not shared compound the risk.	Training requirements not completed. Staff unaware of procedures leading to inefficiency, poor performance and build up of backlogs.	SD A&G, I&S, SD and CM	2	2	4	TREAT- 1) 'How to' notes in place for A&G, I&S, SD and CM. 2) Development of team members & succession planning need to be improved. 3) Officers and members of the Pension Fund Committee and Local Pension Board to be mindful of the proposed CIPFA Knowledge and Skills Framework and appropriate IPR Codes of Conduct when setting objectives, and establishing and meeting training needs. 4) Skills matrices to be completed by all staff and standardised Personal Development Plans being introduced; are in place. Career pathway matrix developed and performance conversations of meeting objectives and development opportunities are identified via Talking Talent to complete necessary training and succession planning.	Workforce plan considering resilience and succession planning in preparation. The 2 Benefits Teams in SD have been combined to minimise resource gaps and flex workforce easily. Process dashboard is being developed in SD? to monitor the health of key processes in SPT.	
		Service-Delivery-All SPT teams	9CB		Lack of productivity	Impaired performance.	SD A&G, I&S, SD and CM	3	4	12	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 for SD. 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.	SD				TREAT- 1) 'How to' notes in place for A&G, I&S, SD and CM. 2) Development of team members & succession planning need to be improved. 3) Officers and members of the Pension Fund Committee and Local Pension Board to be mindful of the proposed CIPFA Knowledge and Skills Framework and appropriate IPR Codes of Conduct when setting objectives, and establishing and meeting training needs. 4) Skills matrices to be completed by all staff and standardised Personal Development Plans being introduced.	Moved to 9A above - Workforce plan considering resilience and succession planning in preparation. The 2 Benefits Teams in SD have been combined to minimise resource gaps and flex workforce easily. Process dashboard is being developed in SD? to monitor the health of key processes in SPT.	
Overall risk score								3	3	9			
10	Data administration failure / fraud leads to data integrity issues	A&G and SD	10A		Incorrect data due to employer error, user error or historic error.	Service disruption, inefficiency and conservative actuarial assumptions.	A&G and 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.		
		A&G and SD	10B		Poor reconciliation process.	Incorrect contributions.		3	3	9	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. Aiming to move to monthly reconciliation as employers engage with i-connect.	Work is underway to continue the roll out of iConnect with future developments being explored to utilise the monthly submission data as part of the reconciliation across SD and A&G. The risk remains until a process for reconciling i-Connect files to receipts is in place - work is underway at present to move all employers to use i-Connect.	Mar-25
		A&G and SD	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		3	2	6	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.	The process of updating the ledger with the Altair payments is in place. Propose remove this risk in Q2 - The integration process of updating Unit4 with Altair payments is being addressed.	Mar-25

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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
Overall risk score													
11	Work volume mismatch with operational capacity leading to backlogs	Service-Delivery>All teams in SPT	11A		Processes do not all have a standardised approach	This could lead to inefficiencies	A&G, SD	2	3	6	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.	Work is underway to develop a process dashboard to monitor the health of key work areas.	
		Service-Delivery>All teams in SPT	11B	C5-3	Failure to follow up on outstanding issues	Inefficiency and damaged reputation.	A&G, SD	1	2	2	TREAT 1) Include monitoring of task follow-up times as part of the revised service standards in the Administration Strategy.	Admin strategy under review. System allocation functionality is in place for SD to mitigate the risk.	
		Service-Delivery>All teams in SPT	11C		Backlog cases in all SPT systems (including 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.	A&G, SD	2	3	6	TREAT 1) Ensure total backlog is recorded accurately (backlog should include cases in Altair) for A&G and SD. 2) Ensure completed BAU cases are recorded in Key Performance Indicators for SD. 3) Ensure total number of backlog cases is correctly recorded on the system and presented accurately in the quarterly Administration Performance Report and Dashboard. 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. Dedicated team in SD have worked and reduced the case numbers by 87% to mitigate the risk.	Mar-25
		Service Delivery	11D		Operational capacity impacted by unavailability of key resources through industrial action, illness or other causes	Inefficiency and poor performance.	SD	1	1	1	TREAT/TOLERATE 1) Assessment of potential impacts ahead of time. 2) Prioritisation of activities with reduced resources. 3) Business continuity plans regularly reviewed.	Recent Industrial Action ballot was not successful, risk reduced to relect this. - Delete?	Mar-25

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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
Overall risk score													
42	Business interruption or cyber security breach leads to data integrity issues or financial loss.	Service-Delivery and Accounting and Governance	42A		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.	A Draft Business Continuity Plan of the critical activities has been produced. (MySurrey and SPF banking controls are yet to be determined.) A desktop validation exercise of 3 scenarios on other IT systems has been considered by PSLT. Guidance on the actual testing of the 3 scenarios facilitated by the Emergency Management and Resilience Team is awaited.	Jul-24
		Service-Delivery, Accounting and Governance and Investment and Stewardship	42B		Failure to implement proper cyber security policies.	Prolonged service disruption and damage to reputation.		2	4	8	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.	Work to compile a register of contracts with third parties is progressing. This will include reviewing cyber security arrangements and business continuity plans.	Dec-24
		Service-Delivery	42C		Failure to hold personal data securely.	Personal financial impact and damage to reputation.		2	4	8	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.		
12(i)	Business interruption leads to data integrity issues or financial loss	The whole of SPT - A&G, I&S, SD and CM	12A		Inability to respond to a significant event in the absence of a comprehensive business continuity plan for SPT.	Prolonged service disruption leading to financial loss, service's inability to meet its legal obligations and damage to reputation of the service.	PSLT	2	4	8	TREAT/TOLERATE 1) Initial draft Business Impact Assessment (BIA) and Business Continuity Plan (BCP) for SPT presented to the LPB in July 2024. Work on desktop testing of 3 scenarios is in progress. 2) Critical activities of MySurrey issues - worked on. 3) Reliance is placed on Heywood's BCP for Altair. 4) SCC's disaster recovery plan to support other critical activities at present. Internal controls should ensure safe custody and security of LGPS assets. 5) Staff to be aware of their roles and responsibilities in relation to BCP arrangements. 6) Maintain a central registry of key partners' BCPs including Northern Trust when developed.	Work on addressing the critical activities in MySurrey and SPF banking controls are yet to be determined. A desktop validation exercise of 3 scenarios has been considered by PSLT. Guidance on the actual testing of the 3 scenarios facilitated by the Emergency Management and Resilience Team is awaited. Training on BIA and BCP to the whole of SPT to be provided.	Mar-25
12(ii)	Cyber security breach leads to data integrity issues, financial loss, legal non-compliance and reputational damage	The whole of SPT - A&G, I&S, SD and CM	12B			Prolonged service disruption and damage to reputation.	PSLT	2	4	8	TREAT/TOLERATE 1) Ensure system and data security are in place. 2) Regularly engage with SCC's IT team to ensure security protocols are up to date due to reliance. 3) Ensure the SPF's memorandum of understanding and privacy notices are legally compliant. 4) Ensure staff are aware of their roles and responsibilities under Surrey's cyber security policy. 5) Ensuring members data is remotely, regularly and securely backed up. 6) Internal control mechanisms should ensure safe custody and security of LGPS assets. 7) Gain assurance from SPF's custodian, Northern Trust, for their cyber security compliance. 8) BCP regularly reviewed and monitored against cyber security arrangements for internal and external third party stakeholders, tested & communicated.	Work to compile a register of contracts with third parties and produce a contract management framework are progressing. This will include ensuring value for money and reviewing cyber security arrangements and business continuity plans of third party contracts.	Dec-24
		The whole of SPT - A&G, I&S, SD and CM	12C		Failure to implement proper cyber security policies.	Personal and financial (loss, fines) impact and damage to reputation.	PSLT	2	4	8	TREAT 1) Data encryption technology in place allows the secure sending of data to external service providers. 2) SCC IT data security policy adhered to. 3) SCC carries out Security Risk Assessments. 4) Custodian proactively and reactively identifies and responds to cyber threats.		

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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
Overall risk score													
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		3	4	12	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.	Project Team is in place to carry out all key works in this area. Additional resources will be procured and designated to the project team to clear any case work.	Aug-25
		Service Delivery	13C		Any delays in implementing the McCloud judgement may lead to a backlog of completing recalculations.	Additional resources required to deal with the scheme benefit remedies for the McCloud judgement.		3	4	12	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.	Project Team is in place to carry out all key works in this area. Additional resources will be procured and designated to the project team to clear any case work.	Aug-25
		A&G - Funding	13D		Delays in implementing and recalculating scheme benefits as a result of the McCloud judgement	Additional Fund liabilities as a result of implementing the McCloud judgement contributions required including impact on respective employer contribution payments		1	3	3	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		3	3	9	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		3	4	12	TREAT- 1) Publication of relevant documents on external website. FSS & ISS requirements are updated and reviewed at valuation. 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 External Audit review of annual report. 5) Pension Team reorganisation has provided additional resources 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		2	3	6	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. Project plans to be drafted to manage impact of this.	Mar-25

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Overall risk score											3	4	12		
14	Reputational issues due to inaccurate public domain information (external stakeholder relationships / comms) or inefficient service	A&G - Comms <u>Governance</u>	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.				
		A&G and Service Delivery	14B		Poor data processing, manipulation and transfer of information from external third parties.	Incorrect contributions or benefits		3	4	12	TREAT - 1) Improve metrics to better measure performance and monitor the pension administration service. 2) Employers on i-Connect for better control of data.				
Overall risk score											2	4	8		
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.		2	4	8	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.	2024/25 training plans in progress	Mar-25		
		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.		2	4	8	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		2	4	8	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.				
Overall risk score											4	4	16		
46	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 backlog.	A&G - Funding	46A		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 backlog 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 user/capability of new system. 6) Communication with stakeholders with respect to potential issues.				

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Overall risk score								4	4	16			
16 (A-G)		A&G - Unit 4 Snagging List						4	4	16			
	Lengthy process to set up MySurrey Access for SPF staff.	A&G - Finance	16A		1) Pension Finance staff not given full access in Unit 4. All access levels must be requested via SCC for approval. E.g. setting up new staff or adding finance roles has to be requested via Helpdesk forms and SCC Finance. 2) Business Partner has to authorise before Pension Finance can use the system. In the interim, policy amended for SPF and Finance Manager to authorise instead of SCC.	1) Delays in required Pension staff being granted the correct access to MySurrey. 2) Poor communication and build up of backlogs which cannot be allocated to staff to help clear the backlog.	A&G	4	4	16	TREAT 1) Project to identify and amend access to MySurrey of all SPF staff and roles applied to ensure full and efficient functionality.	LGPS Finance added to Stabilisation Programme.	31 March 2025
	Inefficient Accounts Payable processes in Unit 4	A&G - Finance	16B		1) SPF invoices sent to Payments Team in SCC instead of SPF Finance. 2) Duplicate invoices are loaded in the Unit 4 system. Goods Receipt can only be completed by person raising the purchase order. The requisition does not have specific description. 3) High value purchase orders are not approved in SCC system since SPF invoices do not follow SCC's Procurement policy, i.e. 3 quotes/ contract of services etc. 4) Payments team rejecting approved SPF invoices. 5) Separate SPF invoice register maintained on Network and SharePoint, needs to be explored for Unit 4 Invoice Register.	1) Delay in SPF Finance receiving invoices. 2) Duplicate payments of invoices and rigidity of goods receipting requirement. 3) High value Pension invoices remain unpaid requiring revision to procurement policy. 4) Payments team rejecting approved invoices creates backlogs.	A&G	3	3	9	TREAT 1) Invoices need to be sent to Pension Finance to process and pay. 2) Run regular exception (duplicate) payment reports to identify and rectify the problem. 3) Develop a robust Procurement Policy for SPF as a matter of urgency to be approved by LPB and PFC. 4) Run regular exception (rejected) invoices to identify and rectify the problem. In the interim implemented a new process for 2024/25 by not raising purchase order at the start of financial year but instead on receipt of invoice only and this contravenes SCC policy. Maggs has informed SPF is exempt from SCC P2P. However, requisitions continue to experience rejections. Follow up urgently with Emma Pope.	SPF Unit 4 Stabilisation working group established 21/10/24 to improve BAU	31 December 2024
	SCC's Accounts Receivable processes in Unit 4 not suitable for SPF	A&G - Finance	16C		1) LG04 bulk invoice creation not working for SPF since Launch - corrected Jan 2024. 2) SPF do not have access to create invoices using LG04 but must email to SCC Accounts Receivable. 3) SPF unable to run Pension Aged Debtors as not created - corrected March 2024 but not all staff have access. 4) SPF Customers not set up separately in Unit 4 but added to SCC under 'General Debt'. 5) Legal & Actuarial costs Recharges to Employer incorrect product code therefore showing as 'Other Income' rather than reductions to Operating costs - Journal corrected at Year End 2023/24 and new Product Code created for 2024/25.	1) Inefficient and time consuming work. 2) Delay in raising invoices of monies due to SPF leading to build up of backlog. 3) SPF Cashflow and SPF valuation will be impacted. 4) Inaccurate financial statements for budget monitoring and debts become irrecoverable with passage of time.	A&G	3	3	9	TREAT 1) Pension Finance system access amended to allow start to end process to be done by SPF only. 2) Access amended for SPF Finance, training given by C Ford but require process notes.	SPF Customers set up under different group. Credit Control process notes updated allowing for direct SPF actions to aged debt. Write off proces notes for SPF created and rolled out to team. SPF Unit 4 Stabilisation working group established 21/10/24 to improve BAU.	31 December 2024
	SPF's banking controls are not in place	A&G - Finance	16D		1) Cash received in SPF is not allocated in a timely manner. 2) Transactions relating to SCC coded to SPF is not corrected promptly and vice versa. 3) Regular reconciliation of SPF bank account is not undertaken. 4) EBS process not transferred from SCC to SPF. 5) SCC Banking transaction errors to be corrected as Ledger Bank balance not correct.	1) Inaccurate Control Account balance for HSBC / MMF Ledger codes. 2) Over and under statement of income and expenditure. 3) Unreconciled SPF bank account affecting all of the SPF operations in A&G, I&S, SD and CM.	A&G	4	4	16	TREAT 1) Reconciliation of SPF bank account needs to be completed. 2) Clean up intercompany transactions to produce accurate financial statements. 3) Progress the work on taking control of the SPF bank account. 4) Invest in resources as required to maintain SPF operations.	Banking Controls Project commenced to be completed by 31 March 2025. SPF Unit 4 Stabilisation working group established 21/10/24 to improve BAU.	31 March 2025

Pension Team Risk Register

Oct-24

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
	Reporting configuration in Unit 4 for SPF remains unresolved	A&G - Finance	16E		1) Resource intensive - 34 more reports are yet to be created, tested and published by DB&I team. 2) Check the report tracker on Sharepoint for updates. 3) Create your own reports - access removed by SCC and Data Security.	Accurate reporting is impaired and time consuming workarounds need to be put in place.	A&G	3	3	9	TREAT 1) Create own reports required for senior SPT Finance, request from Data Security. 2) Amend Global Reports to always include Value Date for Contributions. 3) Report balance errors escalated to SCC and Unit 4 experts to fix.	SPF Unit 4 Stabilisation working group established 21/10/24 to improve BAU.	31 March 2025
	Intercompany transactions	A&G - Finance	16F		1) Unit 4 system cannot block any Intercompany transactions being posted to the SCC and SPF Ledger. 2) This occurs when there is a mis-match between Account Codes and Cost Centres i.e. SPF Account Code but SCC Cost Centre.	Large Intercompany balances on both SCC and SPF affecting the Related Parties disclosure in the Financial Statements. Over / under reporting balances on Debtors and Creditors.	A&G	4	4	16	TREAT 1) Escalate to SCC Stabilisation Programme Managers for potential rectification options. 2) Consult Unit 4 Experts & IT&D for potential rectification options. 3) Monitored regularly and corrected by Senior Finance staff.	LGPS Finance added to Stabilisation Programme	31 March 2025
	Chart of Accounts - additional / amended Categorisation	A&G - Finance	16G		1) New Chart of Accounts created by SCC not sufficient for SPF Reporting. 2) Account Codes require a CAT5 (old SAP G/L Code).	1) Inefficient and time consuming work. 2) Manual manipulation of data to correct categorisation required for complete and accurate reporting. 3) Delays to reporting outturn.	A&G	3	3	9	TREAT 1) Escalate to SCC Stabilisation Programme Managers for potential rectification options. 2) Working group with Data Gatekeeper to amend CoA and data rules in Unit 4.	LGPS Finance added to Stabilisation Programme. SPF Unit 4 Stabilisation working group established 21/10/24 to improve BAU.	31 March 2025

Pension Team Risk Register

Oct-24

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
16(H-J)		SD - Unit 4 issues											
	Unit 4 is unable to provide the required information on SCC Payroll which is provided using monthly returns via i-Connect files.	SD Annex to LPB on 24 July 2024	16H		Unit 4 payroll has been unable to produce the required information since 'go-live' in June 2023 and transfer via i-connect files. This information from 1 June 2023 to 31 March 2024 was provided to SPT on 5 June 2024. Similarly, the monthly i-connect files from April to Sept 2024 have not been received. This has a knock-on effect on the workflow of teams within SPT. In addition, - SCC is unable to complete an Employer Contribution Form, that all other Scheme Employers are required to do and - Lack of Contribution Form means SPF cannot verify and check the correct Actuarial Rate has been applied on SCC Payroll.	1) Monthly contributions of SCC members in SPF could not be processed by teams within SPT (A&G and SD Teams) and SCC is the largest employer in SPF. 2) Delay in updating member records in Altair to produce Annual Benefit Statements by 31 August of each year. 3) Delay in any queries/discrepancies arising from monthly returns could not be investigated in a timely manner. 4) Delay in all starters with SCC if eligible to join LGPS could not be given a starter pack and joined in SPF's LGPS. 5) Delay in completing transfers-in for joiners to SPF and transfers-out for leavers to other funds. 6) Statutory reports (IAS19 and FRS 102 reports) could not be produced for SCC, Surrey Maintained schools and FE colleges by the required deadline leading to damage to reputation. Alternative methods were used to produce these reports resulting duplication of work. 7) Likely to cause a backlog of work.	A&G and SD	3	4	12	TREAT 1) Head of Service Delivery to join SCC Unit 4 Stabilisation Programme Governance Board, ensuring SPT priorities and escalations are recognised. 2) SPT Officers to join Development Team working on extracts from Unit 4 as SMEs to ensure report outputs meet requirements and carry out testing for long term solution. 3) SPT to carry out SCC Employer Duties on an interim basis to build and implement robust processes that can be transferred back to SCC Payroll. 4) In addition to this, the newly formed Pension Payroll Team will provide Benefit Teams with answers to any urgent queries to support cases being processed on time. 5) Once the extracts have been successfully built and can be run as part of BAU, reports will be run retrospectively back to April 2024 (initially), along with further analysis to fully understand the number of cases that will require processing. 6) Include data within iConnect extract that will support the completion of the contribution form and allocation can be more accurately achieved.	Extract has been approved and moved to live. Some minor developments required still but are dependent on other config changes - will form part of future U4 works Work to be carried out in Oct / Nov to determine the size of the backlog issue for SCC Risk has been slightly reduced due to above points although impact on backlogs still unknown so remains high Point 6 will have a later completion date - aiming for November	31 October 2024
	Delay in receiving leaver notification.	SD Annex to LPB on 24 July 2024	16I		The leaver reports do not show the reason for leaving for all cases. A working group continues to seek solutions to the issues with a longer-term in view in mind. Currently information is being provided on a case by case basis.	1) Difficulty in determining whether pension benefits are payable to the leaver member and if so the amount payable. This will vary depending on the status of the leaver member - whether it is normal retirement, ill-health retirement, redundancy, transfer to another LGPS Fund, transfer to a non-LGPS Fund or a deferred member. 2) Delay in updating member records in Altair leading build up of backlogs. 3) Delay in paying member benefits - retirement pension, lump sum, ill-health pension, redundancy money etc. leading to unnecessary hardship to leavers. 4) Member dissatisfaction and increase in complaints creating more work. If complaints are unattended to, in a timely manner, it will lead to escalation to senior management and / or the Ombudsman. 5) Delay in completing transfers-out for leavers to other LGPS and non-LGPS funds. 6) Penalties and fines imposed to SPF leading to financial and reputational damage. 7) Likely to cause a backlog of work.	A&G and SD	3	4	12	TREAT 1) Head of Service Delivery to join SCC Unit 4 Stabilisation Programme Governance Board, ensuring SPT priorities and escalations are recognised. 2) SPT Officers to join Development Team working on extracts from Unit 4 as SMEs to ensure report outputs meet requirements and carry out testing for long term solution. 3) SPT to carry out SCC Employer Duties on an interim basis to build & implement robust processes that can be transferred back to SCC Payroll. 4) In addition to this, the newly formed Pension Payroll Team will provide Benefit Teams with answers to any urgent queries to support cases being processed on time. 5) Once the extracts have been successfully built and can be run as part of BAU, reports will be run retrospectively back to April 2024 (initially), along with further analysis to fully understand the number of cases that will require processing. 6) Where possible, any members benefits that can be calculated based on the data held in our database will be carried out and revisited later once correct data is provided.	Extract has been approved and moved to live. Some minor developments required still but are dependent on other config changes - will form part of future U4 works Work to be carried out in Oct / Nov to determine the size of the backlog issue for SCC Risk has been slightly reduced due to above points although impact on backlogs still unknown so remains high	31 October 2024
	Incorrect configuration of Unit 4 which does not comply with LGPS Regulations and SCC's Discretion Policy. As such data held in Unit 4 requires cleansing.	SD Annex to LPB on 24 July 2024	16J		1) Delay in re-configuration development and testing of MySurrey Payroll system to ensure full compliance with SCC's Discretion Policy and LGPS regulations leading to retrospective pension contributions adjustments not being made. 2) Data rectification is still required on certain members to ensure the accuracy of contribution information including AVC deductions supplied by SCC. Completion date of this work in full is not known. 3) Delay in paying member benefits due to lack of complete information. 4) Instead latest data is used where possible with recalculation when full information becomes available. 5) Duplication of effort with possible penalties and fines imposed on SPF.	1) Changes expected from July 2024 payroll have moved to August payroll. 2) Full completion date for this work is unclear but resources to correct reports test configuration have been deployed. 3) Service Delivery follows the process of calculating benefits due to members based on latest data available with a view to recalculating when revised data is received. 4) Duplication of effort and inefficient use of resources leading to member dissatisfaction & increase in complaints. 5) Delay in completing transfers-out for leavers to other LGPS and non-LGPS funds. 6) Penalties and fines imposed to SPF leading to financial and reputational damage. 7) ABS production affected, with not all members receiving their statement.	A&G and SD	4	4	16	1) Head of Service Delivery to join SCC Unit 4 Stabilisation Programme Governance Board, ensuring SPT priorities and escalations are recognised. 2) SPT Officers to join Development Team working on Unit 4 Pension Config as SMEs to ensure the system meets LGPS regulations and carry out testing where required. 3) SPT to carry out SCC Employer Duties on an interim basis to build & implement robust processes that can be transferred back to SCC Payroll. 4) In addition to this, the newly formed Pension Payroll Team will provide Benefit Teams with answers to any urgent queries to support cases being processed on time. 5) Where possible, any members benefits that can be calculated based on the data held in our database will be carried out and revisited later once correct data is provided. 6) Where possible, issue ABS to members where they were excluded due to poor data.	Employee Configuration has been deployed in October 2024 Payroll. Employer Configuration changes expected December 2024.	31 December 2024

RISK SCORING MATRIX :

- Risks are scored on their likelihood and impact
- When determining the risk impact, it is important to recognise that this is the impact on the whole of Surrey County Council, not your specific service/areas/project
- The impact statements are shown below as a guide as to what might constitute, for example, a minor impact.
- Please contact the Risk Manager if you require further support.

LIKELIHOOD		
Level	Likelihood	Odds
1	Rare	<10%
2	Unlikely	10% to 30%
3	Possible	30% to 70%
4	Likely	70% to 90%
5	Very Likely	>90%

IMPACT					
Level	Impact	Financial (revenue)	Residents	Reputational	Performance
1	Minimal	<£100k	Minimal impact on a small proportion of the population	Has no negative impact on reputation and no media interest	Minimal impact on achievement of one or more SCC priority objectives
2	Minor	£100K to £1m	Minor impact on a small proportion of the population	Minor damages in a limited area. May have localised, low level negative impact on reputation and generates low level of complaints	Minor impact on achievement of one or more SCC priority objectives
3	Moderate	£1m-£2.5m	Moderate impact on a large (or particularly vulnerable group) proportion of the population	Moderate damages but widespread. Significant localised low level negative impact on the organisations reputation which generates limited complaints.	Moderate impact on achievement of one or more SCC priority objectives
4	Major	>£2.5m to £10m	Major impact on a large (or particularly vulnerable group) proportion of population	Major damage to the reputation of the organisation. Generates significant number of complaints and likely loss of public confidence. Unwanted local or possibly national media attention.	Major impact on achievement of one or more SCC priority objectives
5	Severe	>£10m	Serious long term impact on a large (or particularly vulnerable group) proportion of population	Serious damage to the reputation of the organisation. Large number of complaints. National media coverage. Possible government intervention.	Serious long term impact on achievement of one or more SCC priority objectives

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Financial System Update

The new financial system for Surrey County Council was implemented in early June 2023. There has been significant disruption to the Surrey Pension Fund within our Accounts, Employer and Service Delivery teams since implementation.

Officers from the Surrey Pension Team (SPT) have been involved since the launch of the new system to ensure the system meets the need of the Fund however, the level of involvement significantly increased from March 2024 when the issues began to have a growing impact on key works.

From July 2024 a MySurrey Stabilisation Program was formed to understand where the Unit 4 system was having large scale impact on operational areas of Surrey County Council and related services, such as pensions.

From September 2024 this program was formally created with the introduction of an Executive Governance Board, Operational Program Board and sub working groups focussing on the day-to-day development, of which SPT is represented on both the operational and sub-working groups.

The program has set out to bring the MySurrey system up to a viable product level, allowing it to function as expected and meet service requirements. In order to address the issues 3 key work streams were identified:

- Workstream 1 – Pensions Project
- Workstream 2 – Forms Project
- Workstream 3 – Statutory Reports Project

SPT's involvement will predominantly fall within workstream 1, with some cross over into work stream 3, and the program has been fully resourced by SCC to undertake this work, with a view to delivering agreed priority areas by 31 March 2025.

Recent developments within the program have seen varying levels of improvements, although many risks highlighted in the risk register remain and are being monitored. Below is a summary of the key works and their progress.

1	Delayed processing remains a risk	<p>There continue to be delayed processing risks across all areas of Pension Finance; Accounts Payable, Accounts Receivable, Banking & Income and General Ledger Reporting where there remain inefficiencies in the processes and system design by DB&I for Pensions.</p> <p>As part of the Stabilisation Programme, Pensions Finance met with MySurrey Business Analysts and Senior Programme Managers and where issues to BAU activities have been identified separate Working Groups have been established.</p> <p>The focus is on process improvements and system changes to key BAU activities for Pension Finance. Inefficiencies include System Access not applied correctly, inability to run key reports, SCC policies, of which SPF are exempt, being applied to Accounts Payable and Receivable in error. The deadline for process improvement is 31 March 2025.</p>
2	Risk register impact risk score remains unchanged	<p>A risk noted in the risk register is that implementation of the new financial system leads to delayed processing, data integrity issues or financial loss.</p> <p>While there is still some work to do on several configuration elements and reporting, the risk score has remained unchanged.</p>
3	Several configuration and data population issues	<p>Several data population and access availability issues followed the initial go live date and process backlogs built up as initial issues were addressed, and the team became familiar with the new system.</p>
4	Many elements have been addressed...	<p>The initial focus was on ensuring HR and payroll related elements were functional. This included e.g. transfer of leave balances and salary payments to staff.</p>

5 ...but issues remain

The new Chart of Accounts for SPF requires amendments to prevent the need for manual manipulation of data to complete Management and Statutory Reporting. A Working Group has been established with SCC Corporate Finance to address these issues and create new rules and codes to the General Ledger for SPF, deadline for completion has been amended to 31 March 2025 to allow for input from the Unit 4 Architect.

The Unit 4 system allows Intercompany transactions on the General Ledger between SCC and SPF. IT&D, Stabilisation Programme Manager and Accounting & Governance to explore permanent solution options and Working Group to explore and implement mitigating measures to prevent Intercompany transactions. This is a significant risk area.

Workshops have been undertaken in December and January and continuing into February to explore workarounds with the Unit 4 Architect. There is no system solution available that would eliminate this risk in its entirety. A mitigating solution of User Security access is being explored, and results and recommendations will be presented to the Stabilisation Board in March 25. However, it is worth noting, to remove access security from SCC personnel who provide shared services to SPF Finance such as Accounts Receivable, this function and other finance tasks will have to be transferred to SPF Finance which will require additional resource.

System and user access remains an issue, including inability to run and view certain reports and enquiries. SPF do not own their data, but SCC, leading to multiple Data Security and Governance issues.

Payroll related pension issues have been ongoing for some time.

The Working Group has been successful in gaining adequate reporting from SCC Payroll to allow the Contribution Income for 2023/24 to be posted correctly to the Ledger in MySurrey. And in turn, allowed for successful Cashflow and Actuarial Reporting for 2023/24. However, production of this report/contribution form is outstanding for 2024/25. The Working Group will continue to support SCC Payroll to ensure this becomes part of their monthly processes.

6 We have some ongoing financial issues

Banking system interface that was undertaken by SCC Banking Team has transitioned to SPF Finance Team from 1 November 2024. SPF Finance Team now have full security access and are successfully undertaking this daily task without issue achieving a key milestone in the Banking Controls Project.

However, work remains on producing daily Bank Reconciliations for the Fund to reconcile the Ledger. This is a similar issue for SCC as reconciliation reporting continues to be developed, tested and rolled out into live environment.

7 Service Delivery operational issues have reduced however, contribution reconciliation work still some way off being complete

Monthly Returns via iConnect:

After a significant amount of work from the Pensioner Payroll, Systems and Data Quality Teams within Service delivery, the monthly return submissions are now up to date.

All retrospective submissions dating back to April 2024 have been successfully updated in Altair, having carried out extensive validation work to ensure the data was fit for purpose.

The result of this work now means all new joiners to the scheme have been issued their LGPS welcome pack, any changes to personal detail changes to existing members have been updated and, SPF have now received notifications for any members who have left the scheme.

Leaver Notifications:

Progress in receiving the final pay information for leavers of the scheme mirrors that of the monthly returns, with all retrospective reports having been run by the Pensioner Payroll Team.

The combination of having both the monthly returns and final pay information, positions the teams within service delivery to carry out the necessary case work over the coming months.

The total number of backlog cases created as a result of this delayed data is circa 2100. Approximately 300 of these cases have been processed and more detailed progress reports will be provided in future board updates.

Configuration & Data Cleansing:

Configuration of the MySurrey payroll system continues as part of the stabilisation program, with LGPS improvements taking highest priority due to its scale.

Unfortunately, there have been difficulties in developing a full solution that will resolve a significant number of contribution issues, for both employee and employer contributions within the LGPS, leading to delays in their deployment. Iterative changes to the system have been made to reduce the ongoing discrepancies, with further updates expected in both February and March.

It's recognised the need for these configuration changes to be in place before the end of the financial

year, as this will increase the accuracy of employee data issued to the HMRC. It will also support key works to be carried out by SPF, including the reconciliation of contributions and the financial accounts.

Data rectification is still required on a large proportion of members to ensure correct contributions have been deducted and paid. There are known issues where employees of SCC were unknowingly taken out of the scheme and made no contributions during this period when they should have, although have not yet had their records corrected. This applies to AVC deductions as well.

SCC has now been able to identify the affected employees / members, providing insight into the amount of employee and employer contributions that have been under paid to SPF. A more detailed review of this data is currently underway, which is expected to provide indicative figures in due course.

Whilst remedial action is required and SCC are keen to undertake this work, it is unclear when this will be fully completed. SCC are aware that rectifying this prior to the 31 March 2025 would be beneficial however, it's unlikely this will be possible given the rectification covers both the 2023/24 and 2024/25 financial years.



SURREY LOCAL PENSION BOARD REPORT

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: 21 FEBRUARY 2025

LEAD OFFICER: NEIL MASON, LGPS SENIOR OFFICER

SUBJECT: COMMUNICATIONS POLICY 2025/26

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 communications policy statement.

RECOMMENDATIONS:

It is recommended that the Local Pension 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 Communications 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.
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
4. In order to ensure that the annual delivery of communications is understood, the Communications Policy is attached in Annexe1.

CONSULTATION:

5. The Chair of the Local Pension Board have been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

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

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

7. Any relevant financial and value for money implications have been considered and are contained within the report. The cost of the resources necessary for implementing the changes recommended above and for delivering the administering authority role is met from the pension fund (under Regulation 4(5) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009).

LEGAL IMPLICATIONS:

8. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY:

9. There are no equality or diversity issues.

OTHER IMPLICATIONS:

10. There are no other implications.

NEXT STEPS:

11. The following steps are planned:

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

Contact Officer:

Nicole Russell, Head of Change Management

Annexes:

1. Communications Policy 2025/26 – Annexe 1

Sources/Background papers:

1. None.

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Communications Policy Statement 2025/26



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Introduction

This is the Communications 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 working to ensure the Fund meets its current and future communication challenges.

The Fund has circa 500 employers with contributing members and total membership of around 130,000 scheme members, which are split into the categories below and with the approximate numbers of members in each category:

Type of Membership	Total Member Numbers as of 31 March 2024
Active members	36,376
Deferred members	63,015
Pensioner members	30,944

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

In line with our wider strategic plan, we have also developed a Strategic Stakeholder plan to Amplify our Presence and 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 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 of the regulations mentioned above.

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 the SPT delivers clear, timely and accessible communications with a broad range of stakeholders.

To achieve this, the 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 Local Government Pension Scheme (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 duties in the LGPS by providing regular relevant information and access to various types of resources
- Seek to continuously improve in the way the SPT communicates with all stakeholders
- Amplify the presence of the 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
- Representatives of scheme members
- Scheme employers
- SPT officers
- Pension Fund Committee
- Local Pension Board
- Border to Coast Joint Committee

Identified Partners:

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

External bodies:

- General Public
- Prospective Employees
- Surrey Residents (Council Taxpayers)
- His Majesty's Revenue & Customs (HMRC)
- Ministry of Housing, Communities and Local Government (MHCLG)
- 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

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

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

The SPT is committed to developing its 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.

Digital Accessibility

The 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 AA level of the [Web Content Accessibility Guidelines \(WCAG\)](#). This is the international standard for accessible websites and content.

The SPT are committed to providing an accessible website that is easy to use by anyone, whatever their age, background, access device or level of ability/disability.

This means that:

- Website pages are written to be clear and easy to understand
- The website is organised with search facilities to aid access.

The websites enable users to:

- Change colours, contrast levels and fonts
- Zoom in up to 300% without the text spilling off the screen
- Navigate most of the website using just a keyboard
- Navigate most of the website using speech recognition software
- Listen to most of the website using a screen reader (including the most recent versions of JAWS, NVDA and VoiceOver)

The full [accessibility statement](#) is available on the websites.

Periodical Documents

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, pensions increase letters, and P60s to pensioner members between March and May each year
- Annual Allowance statements to relevant members by 6 October.

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

Communication Channels

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

Communications Working Group (CWG)

The SPT will continue to support collaboration and development of communication media with other LGPS administering authorities through membership of the Communications Working Group (the [CWG minutes and annual work plans](#) can be found online).

The CWG is a meeting of communication professionals from the Local Government Pension Scheme (LGPS) administering authorities across England and Wales, Scotland and Northern Ireland. It is a collaborative forum that meets quarterly to develop items of communication for LGPS members. The group was created and is run by the Local Government Pensions Committee (LGPC) Secretariat as part of the Local Government Association. The CWG priorities are to identify best practice within pension communications generally and the LGPS specifically, and to explore the areas where centrally produced communications could save individual LGPS administering authorities time and money.

Online Channels

Websites

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

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

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.

Online Portals

The member self-service portal ([‘My Pension’ portal](#)) is a secure online web portal hosted by the SPT pensions administration system provider, Heywood. Registered members can:

- View their scheme membership information held and keep their personal details up to date
- View personal correspondence such as letters and general scheme documents
- View and print annual benefit statements (active members) or annual statements (deferred members)
- Create, view and update expression of wish details for any death grant that may be payable
- Access benefit projection calculators (deferred and active members)
- View P60s and pay advice information (pensioner members).

To encourage members to understand and actively engage with their pension entitlement, the 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 access statistics are monitored to measure the success of stakeholder online activity.

The SPT provides access to i-Connect for employers (or delegated payroll providers). This allows monthly uploads of payroll information directly and securely to the SPT pension administration system. It also provides the facility to request estimated benefits, including costs and other information. The SPT is working towards all employers submitting payroll data via i-Connect before the end of 2025.

Social Media

In line with its Social Media plan, the 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 its presence, raise the SPT online profile in business, promoting the SPT’s innovations and achievements, advertise job opportunities, and help build relationships with other LGPS funds and professional

bodies within the pensions industry.

The SPT also utilises youtube.com as a hosting platform for its video guides and interviews.

Intranet

For Surrey County Council scheme members, the SPT provides a SharePoint site and regular posts to advertise events and provide information.

Other Channels

All members and employers can contact the Customer Relationship Team for information or requests. The team has 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.

Members can visit the SPT offices if face to face contact is preferred. However, this should be by prior appointment, to ensure that the correct member of staff is available to discuss the enquiry.

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

Customer Insights

The SPT obtains feedback periodically for different member groups and employers and publishes all relevant results on the websites.

In 2024 a Customer Insight Project was carried out. The overarching research objectives were to:

- Understand needs and expectations – what do customers expect from their pension provider?
- Explore how to improve and deliver excellence – what would customers do differently or in addition to what is already on offer?
- Set parameters for on-going monitoring – what does success look like to customers?

The stakeholder feedback received has contributed to an improved customer experience project as well as process improvements and Communication activity for 2025.

Board and Committee Communication Channels

The 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 Committee and Board
- Committee and Board meetings
- Fund officer reports
- Investment manager reports
- Training (refer to the SPT Training Policy)
- Quarterly Surrey Pension Team dashboard.

Communication within the Surrey Pension Team

The SPT recognises that its staff are its greatest resource and that staff are kept informed about the Fund's aims to deliver a quality and accurate service – in line with the [SPT values](#). Communicating with staff is achieved using: email, internal and online meetings, quarterly performance meetings, internal and external training events on specific topics, together with the opportunity to study for professional qualifications.

External Bodies

The SPT communicates with several external bodies, including:

- Border to Coast Pensions Partnership (BCPP)
- 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

The SPT has a duty to protect personal information and will process personal data as specified within the SPT [Personal Data Retention Policy](#). 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 Additional Voluntary Contribution (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 2000 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 SCC 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	March 2024
Approved date	March 2024
Next review	April 2025

Version	Nature of Change	Implemented
1	Initial creation	January 2025

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 LOCAL PENSION BOARD REPORT

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: 21 FEBRUARY 2025

LEAD OFFICER: NEIL MASON, LGPS SENIOR OFFICER

SUBJECT: TRAINING POLICY 2025/26

SUMMARY OF ISSUE:

Surrey Pension Fund recognises the importance of providing appropriate training to both Pension Fund Committee and Local Pension Board Members, as well as Officers in relation to the operation of the Pension Fund. This report introduces the Pension Fund training policy.

RECOMMENDATIONS:

It is recommended that the Local Pension Board

1. Notes 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:

In providing guidance or making decisions on Pension Fund matters, it is critical that Members of the Pension Fund Committee, the Local Pension Board and Officers have up to date knowledge and understanding of all elements of pensions, including investments, funding, governance and service delivery.

Compliance to a comprehensive training policy meets the Fund's strategic governance and delivery objectives. In order for the fund to retain its status as a professional investor, it is essential that it can demonstrate that the Committee and Board can demonstrate adequate and current training. Members must be able to evidence the appropriate level of training to be able to participate in decision making.

DETAILS:

Background

1. The Training Policy was last presented to the Committee in March 2024. The focus at that time was to ensure all training requirements were met on an ongoing basis. This policy continues the focus on training to ensure all regulatory requirements are met, particularly regarding the General Code of Practice and it strengthens the procedure regarding non-completion of training. It also reorganises the policy to improve flow.

CONSULTATION:

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

RISK MANAGEMENT AND IMPLICATIONS:

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

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

4. Any relevant financial and value for money implications have been considered and are contained within the report. The cost of the resources necessary for implementing the changes recommended above and for delivering the administering authority role is met from the pension fund (under Regulation 4(5) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009).

LEGAL IMPLICATIONS:

5. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY:

6. There are no equality or diversity issues.

OTHER IMPLICATIONS:

7. There are no other implications.

NEXT STEPS:

8. The following steps are planned:
 - a) Subject to agreement by the Board, officers will present the revised Statement to the Committee for approval at the next Committee meeting.

Contact Officer: Nicole Russell, Head of Change Management

Annexes:

1. Training Policy 2025/26 - Annexe 1

Sources/Background papers:

1. None.

Training Policy 2025/26



Providing our customers with
a better tomorrow

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Policy Objectives

The objectives of this training policy are to:

- a. Ensure that Officers of the Surrey Pension Fund (SPF) and Members of the Local Pension Board (Board) and the Pension Fund Committee (Committee) have the appropriate knowledge and expertise to effectively fulfil their role.
- b. Develop the skills and knowledge to support effective and robust decision making, ensuring that the Fund meets its objectives and decisions are well founded and comply with Regulatory requirements or guidance from the Pensions Regulator, the Scheme Advisory Board and the Ministry for Housing, Communities and Local Government (MHCLG).
- c. Provide Members of the Board and Committee with the skills to evaluate the information they receive and effectively challenge it where appropriate.

Key principles

Surrey Pension Fund is committed to providing training to those involved in the governance of the Fund and to ensure Board and Committee Members have the necessary skills and knowledge to act effectively in line with their responsibilities.

Whilst Board Members have a regulatory requirement to complete training, Surrey Pension Fund consider that it is appropriate that the condition for sitting on the Committee should match that of membership of the Board and therefore members of both bodies have the same training requirements, as detailed in this policy.

As such, we expect that all Members of the Board and Committee complete a minimum level of training and refresh their training when required.

It is important that Members of both the Board and the Committee commit to participating in appropriate training events to ensure that they have the necessary skills required to support them in their decision-making role.

In addition, Officers responsible for the management and administration of the Local Government Pension Scheme (LGPS) will be expected to receive appropriate training to fill any knowledge gaps identified and to support their development plans.

To be effective, training must be recognised as a continual process and will be centred on 3 key points:

- The collective knowledge of the Board/Committee
- The general pensions environment
- Coping with changes (e.g. legislation)

The Fund will demonstrate compliance with its training policy on a yearly basis through the Annual Report. Should the regulator, legislation etc. require this policy to be updated, changes will be made as required.

Regulatory requirements

The following requirements, set out in regulations, apply to Board Members, and are also minimum expectations for Surrey Committee Members.

In accordance with Section 248A of the Pensions Act 2004 and redrafted by the Pensions Act 2013, every Member of the Board must be conversant with:

- a. [The rules of the LGPS](#)
- b. Any document which records policy about the [administration of the Fund](#).

Local Pension Board Members should also have knowledge and understanding of:

- a. The law relating to pensions
- b. Such other matters as may be prescribed.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling proper exercise of the functions of a Member of the Board.

Markets in Financial Instruments Directive II (MIFID II)

The Fund needs to demonstrate a high level of skills and knowledge across the Board and Committee to enable it to opt-up and be recognised as a professional investor rather than a retail investor to continue to receive advice and access to investment products at a level commensurate with the types of investment required for the Fund.

Failure to adequately demonstrate a high level of collective skills and knowledge across the Board and Committee could result in the loss of professional investor status and therefore access to the appropriate investment opportunities.

Knowledge and Skills Framework

CIPFA identifies eight areas of knowledge and skills as the core requirements of those administering the LGPS. They are:

- Pensions legislation and guidance
- Pensions governance
- Funding strategy and actuarial methods
- Pensions administration and communication

- Pensions financial strategy, management, accounting, reporting and auditing standards
- Investment strategy, asset allocation, pooling, performance and risk management
- Financial markets and products
- Pension services procurement, contract management and relationship management.

Board and Committee Members are expected to have collective understanding and Officers are expected to have detailed understanding of these areas of knowledge and skills.

The Pensions Regulator's General Code Of Practice

The Pensions Regulator's (tPR) General Code Of Practice came into force on 28 March 2024. The code contains new governance requirements and sets out tPR's expectations of how occupational pension schemes should be managed and the policies, practices and procedures that should be in place.

Those responsible for governance: fund Officers, Board and Committee should regularly carry out an audit of skills and experience and review its Members' experience to identify gaps and imbalances, which will help inform training and recruitment needs.

The LGPS Senior Officer is the fund's designated individual responsible for ensuring that this Training Policy is implemented. This is in line with principle five of the CIPFA Code of Practice.

Members of the Pension Fund Committee and Local Pension Board Training

New Members Induction training

On appointment to the Committee or Board, all new Members will receive a Member Induction Handbook, access to the LGPS Online Learning Academy (LOLA) and the Surrey Pension Fund Governance SharePoint site. LOLA contains LGPS specific learning modules. The Surrey Pension Fund Governance SharePoint site contains a documents hub, materials from previous training courses, Board and Committee meeting information and details of upcoming training available. Members will receive regular update emails from the LGPS Senior Officer and previous issues are also stored on the SharePoint site.

Following Surrey County Council elections, a specific training day covering induction may be arranged and new Members will be expected to attend.

Board and Committee Members must familiarise themselves with the [Surrey Pension Fund](#) website and the information held on the site.

Mandatory Training

For SPF, the following training is mandatory for both Board and Committee Members:

- a. Online training courses provided by the Pensions Regulator, currently via the [Trustee Toolkit](#), to be completed by their first meeting or within the first three months of their appointment if earlier.
- b. The Pensions Regulator's [Public Service Toolkit](#), to be completed within the first six months of their appointment.
- c. Whilst not mandatory, it is expected that Members of the Board and Committee make every effort to attend annual 2-day residential training events organised by the Fund, bearing in mind that without adequate training they may not have the objective knowledge required to be able to participate in decisions.

Further development opportunities

In order to support the highest standards of governance, Board and Committee Members are encouraged to further develop their knowledge and understanding by:

- a. Completing the online training courses available on LOLA within the first twelve months of their appointment.
- b. Attending the LGA three-day training course which covers the Fundamentals of the LGPS. See Appendix 1 for typical course content.
- c. Attending the annual Border to Coast conference (for Committee Members).

The Pensions Regulator Toolkits

The Pensions Regulator toolkits provide information to aid understanding of the governance and administration requirements in the [Pensions Regulator's General Code of Practice](#).

The toolkits include Essential Learning for Trustee compulsory modules and Public Service Toolkit compulsory online learning modules that must be completed successfully to pass the induction training.

The compulsory modules of the Trustee Toolkit are listed below:

- Introducing pension schemes

- The trustee's role
- Running a scheme
- Pensions law
- An introduction to investment
- How a defined benefit scheme works
- Funding your defined benefit scheme
- Defined benefit recovery plans, contributions, and funding principles
- Investment in a defined benefit scheme
- Pension scams.

The compulsory modules of the Public Service Toolkit are listed below:

- Conflicts of interest
- Managing risk and internal controls
- Maintaining accurate member data
- Maintaining member contributions
- Providing information to members and others
- Resolving internal disputes
- Reporting breaches of the law.

The Pensions Regulator website is available at: [Workplace pensions law - auto enrolment | The Pensions Regulator](#). The Trustee Toolkit and Public Service Toolkit can be accessed by clicking the links at the bottom of the webpage.

Annual Residential Training Events

A two-day residential training event is provided annually for Members of the Board and Committee. These include a variety of topics, presented by Fund Officers and external providers, and cover areas such as:

- Investment
- Governance
- Administration
- Funding
- Responsible investing
- Fiduciary responsibility.

Acquiring, Monitoring and Reviewing Knowledge and Skills

Board and Committee Members must ensure they have an appropriate degree of knowledge and understanding to carry out their stewardship role. Members should, therefore, invest sufficient time in their learning and development alongside their responsibilities and duties to the Committee or Board.

Training events will be advertised to Members via the LGPS Senior Officer weekly email and on the Surrey Pension Fund Governance SharePoint site as and when

they are announced. Members are expected to make Officers aware of any events that are of interest.

To identify whether the objectives of this Policy are being met, a training log is maintained to record any training attended by Members. Members should notify the Training Support Officer of completed training to ensure the training log is updated.

Individual training records will be shared with Members on an annual basis for them to verify. Any gaps in mandatory training will be identified and an action plan to address them provided.

To ensure Board and Committee Members have sufficient breadth of knowledge and understanding, they may be required to undertake an annual personal training needs analysis. The Pensions Regulator has provided a template to support this process, which can be found at

<https://trusteetoolkit.thepensionsregulator.gov.uk/mod/page/view.php?id=337>

This information must be submitted to the Training Support Officer so that gaps can be addressed in future residential training sessions.

Periodically, the Board and Committee Members' knowledge will be independently assessed and benchmarked against other Administering Authorities. Any gaps in knowledge will be incorporated into future training plans. Taking part in this assessment is mandatory.

Failure to complete SPF mandatory training

Where a Member has not completed the required training in the timeframes set out in this policy, the matter will be reported in the first instance to the Board and Committee Chairs.

Membership of the Board and Committee may be terminated due to a Member no longer being able to demonstrate to the Scheme Manager their capacity to attend and prepare for meetings, or to participate in required training or otherwise to carry out the requirements of the role appropriately.

Officers will consider appropriate sanctions for non-compliance with the Training Policy, using the following escalation procedure:

- Verbal warning
- First written warning
- If no improvement is made, a second written warning
- If improvement is still not made, recommendation to the Appointment and Termination panel to terminate membership
- Formal termination of membership by the Appointment and Termination Panel.

Officer Training

It is important that Officers of the Fund have the necessary skills and knowledge to carry out the tasks of managing the Fund's investments and administering the payment of benefits. Officers should be familiar with the requirements of the CIPFA Code of Practice on Knowledge and Skills outlined in paragraph 14 above.

The knowledge and skills required of Officers are set out in their job descriptions, including any formal qualifications required for the role, and are detailed in the SPT Career Pathways model.

Officers' individual skills and competency levels are measured against the requirements of their role and any training needs are identified as part of their ongoing development plans and performance conversations.

Officers will attend relevant training events and seminars during the year, including any events deemed mandatory by Surrey Pension Fund (e.g. training on reporting breaches of the law), to ensure they remain up to date with latest requirements. In addition, Officers are also required to keep up to date with relevant issues affecting the pension fund.

For Officers, there will be particular focus on the following areas, as appropriate to their role:

- **Public Sector Pension Governance** – Understanding the guidance and regulations in relation to local pension boards and keeping up to date with how other Funds are engaging with their boards, in order that the Pension Board can be supported effectively and add value to the governance of the Fund.
- **Investment arrangements** – Understanding the implications of how the Financial Conduct Authority (FCA) implements the Markets in Financial Instruments Directive (MiFIDII) and how the Fund complies.
- **New investment products** – Keeping up to date with investment market developments in order to assess the validity of new products for investment by the Fund.
- **Accounting issues** – Keeping up to date with the latest CIPFA guidance on the format of the Pension Fund Statement of Accounts and the content of the Annual Report.
- **Pensions Administration Regulations** – Understanding the latest guidance and interpretation of changes to LGPS Regulations and their impact on procedures.
- **Pensions Administration Systems** - Keeping up to date with updates/new releases to the system, providing training to staff when necessary.
- **Actuarial methods, standards and practices** – Understanding the work of the actuary and the ways in which actuarial information is produced.

Delivery of training

Training and development support for Board/Committee Members and Officers will be delivered through a variety of methods including:

Members	Officers
Pensions Regulator on-line toolkits	Pensions Regulator on-line toolkits
Surrey Pension Fund annual residential training events.	Whole of Pensions team meetings and Lunch & Learn sessions
LGPS Online Learning Academy (LOLA)	LGPS Online Learning Academy (LOLA)
LGA Fundamentals training course	LGA Fundamentals training course
Attending seminars, courses, and external events	Attending seminars, courses, and external events
Investment advisor/Actuary training	Investment advisor/Actuary training
Circulated reading material	Circulated reading material
SPF Investment Fund Managers training	Training for qualifications from recognised professional bodies (e.g. CIPFA, CIPP)
Updates from SPF Officers	Olive Courses (SCC online learning platform)
In-house training	In-house training
Surrey Pension Fund Governance SharePoint site – for further training resources.	Surrey Pension Team SharePoint site – for further training resources.

Where appropriate, training will be provided jointly for the Local Pension Board, Pension Fund Committee and Officers.

Costs

Training costs will be met by the Fund.

An annual training budget will be set to allow for Members' and Officers' training. Expenditure will depend on the levels of training and support required by individual Members. Where possible, training and support will be provided initially by Officers, existing training material, online applications, or as part of existing providers' or advisors' roles.

Expenditure on external training courses will be logged and monitored against the training budget.

Glossary

The following is a list of abbreviations and acronyms that have been used in this Policy.

Acronym	Definition
CIPFA	The Chartered Institute of Public Finance and Accountancy
CIPP	Chartered Institute of Payroll Professionals
FCA	Financial Conduct Authority
GCOP	General Code of Practice
LGA	Local Government Association
LGPS	Local Government Pension Scheme
LOLA	Local Government Pension Scheme (LGPS) Online Learning Academy
MHCLG	Ministry of Housing, Communities and Local Government
MIFID II	Markets in Financial Instruments Directive II
SCC	Surrey County Council
SPF	Surrey Pension Fund
SPT	Surrey Pension Team
tPR	The Pensions Regulator

Training and Development Opportunities 2025/26

Mandatory Training 2025/26

The following training is mandatory for all Members of the Board and Committee.

Title	Training Context	Timescale	Training Length	Audience
The Pensions Regulator Trustee Toolkit	Introduction to pensions, law and defined benefits schemes.	Online, self-serve. To be completed within 3 months of appointment or by first meeting.	10 modules	Mandatory for Board and Committee Members. (Officers optional)
The Pensions Regulator Public Service Toolkit	Risk, administration and breaches	Online, self-serve. To be completed within 6 months of appointment.	7 modules	Mandatory for Board and Committee Members. (Officers optional)
Surrey Pension Fund Training Residential	Various	Dates TBC	2 days	Board and Committee Members are expected to attend. (Officers optional)

Other Training Resources 2025/26

Board and Committee Members are encouraged to complete the following training where this has not been previously completed.

Title of session	Training Context	Timescale	Training Length	Audience
LGA Fundamentals Training – Day 1	Legal Framework of the LGPS	October 2025 (TBC) In person/online options	1 day	Board and Committee Members and Officers.
LGA Fundamentals Training – Day 2	LGPS Investments	November 2025 (TBC) In person/online options	1 day	Board and Committee Members and Officers
LGA Fundamentals Training – Day 3	Duties and Responsibilities	December 2025 (TBC) In person/online options	1 day	Board and Committee Members and Officers
LGPS Online Learning Academy (LOLA)	Pensions overview and LGPS specific knowledge	Online, self-serve.	8 modules	Board and Committee Members and Officers

Other Events 2025/26

The following events will support and develop knowledge and understanding of Officers and Board and Committee Members. Attendance should be agreed with the relevant Chair and the LGPS Senior Officer.

Title of Session	Training Context	Timescale	Training Length	Audience
LGA training sessions – aggregation, transfers, etc.	Administration	Various dates, online and in person (London)	1 day	Officers
LGA Insight	Administration	19 - 22 May 2025, York	4 days	Officers
PLSA Local Authority Conference 2025	Various	16 – 18 June 2025, Bedfordshire	3 days	Board and Committee Members and Officers
LGA Annual Conference and Exhibition	Various	1 - 3 July 2025 Liverpool	3 days	Board and Committee Members and Officers
LGA Insight	Administration	30 June - 4 July 2025, online	5 days	Officers
LGA Insight	Administration	22 - 25 September 2025, Eastbourne	4 days	Officers

Title of Session	Training Context	Timescale	Training Length	Audience
Border to Coast Conference	The Pension Fund asset pool	Date TBC, Leeds	2 days	Board and Committee Members and Officers
PLSA Annual Conference	Various	14 - 16 October 2025, Manchester	3 days	Board and Committee Members and Officers
LGPS Pension Managers Conference	Various	18 - 19 November 2025, Torquay	2 days	Officers
LGA Annual Governance Conference	Various	January 2026, Date and location TBC	2 days	Board and Committee Members and Officers

Appendix 1: Fundamentals Training

Example course content is as follows.

Day one

Duties and responsibilities of Pension Committees and Boards

- The legislative framework
- Governance arrangements
- Oversight bodies

Benefit structure

- The basis of the LGPS
- Final salary v CARE schemes
- A tour of the 2014 scheme

The legal landscape

- LGPS specific duties and responsibilities
- Common problem areas
- Wider duties and responsibilities

Good governance

- What does good governance look like?
- Mandatory and desirable policies in the LGPS
- How strategies and policies assist the scheme manager

Day two

The investment framework

- The investment regulations
- Investment and funding strategy statements
- Your investment duties

Investment basics

- The different types of investment classes and how they work
- Risk and return

Working with your pool

- How different pool models work in practice
- Roles and responsibilities
- Working effectively together

Valuations

- The purpose of an actuarial valuation
- Assets and liabilities
- How liability calculations work
- The assumptions used

Funding

- The importance of a funding strategy
- Different employers – different characteristics and objectives
- Communicating with employers and employer covenants

Day three

Being a responsible asset owner

- Stewardship
- Cost transparency
- Fiduciary duty

The LGPS landscape

- How the LGPS landscape is evolving
- The impact of proposed policy changes

A view from the bridge

- The role of the responsible government department
- Issues on the radar

Meeting the Pension Regulator's expectations

- Monitoring performance on key processes
- Reporting breaches
- Data management
- Pensions dashboards

Cyber security

- Assessing and understanding the risk
- Your role

Version control

Effective	March 2024
Reviewed	March 2024
Reviewed	February 2025
Next review	February 2026

Version	Nature of Change	Implemented
V1	Initial Creation	March 2023
V2	Amended to include residential for Board & Committee training	March 2024
V3	Amended to include GCOP and to improve sanctions process and flow of policy	February 2025



SURREY LOCAL PENSION BOARD REPORT

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: 21 FEBRUARY 2025

LEAD OFFICER: NEIL MASON, LGPS SENIOR OFFICER

SUBJECT: THE SURREY PENSION FUND CONFLICTS OF INTEREST POLICY

SUMMARY OF ISSUE:

This report considers a proposed draft Conflicts of Interest Policy applicable equally to Pension Fund Committee and Local Pension Board Members along with Officers and Advisors involved in the management of the Surrey Pension Fund.

RECOMMENDATIONS:

It is recommended that the Local Pension Board

1. Considers and notes the content of this report.
2. Provides comments and suggestions for consideration by the Surrey Pension Fund as to the content of the Surrey Pension Fund (draft) Conflicts of Interest Policy if relevant.
3. Makes any 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 Local Pension Board with insight into the activities of the Surrey pension function and furthers the successful collaboration of the Pension Fund Committee and Local Pension Board in managing risk and compliance and promoting effective governance.

DETAILS:

Background

1. The Local Pension Board (Board) will recall receiving a report at its meeting of 15 November 2024 entitled "Improving the Governance of the Surrey Pension Fund Update". That report detailed the changes to the governance of the Surrey Pension Fund (the Fund) which were previously endorsed by the Pension Fund Committee (Committee) at its meeting of 13 September 2024 and approved by full Council at its meeting of 8 October 2024.

2. One of the actions to come out of the governance changes is the addition to the Pension Fund Committee Terms of Reference adding item (j) as follows:

“j) To consider and approve an annual conflict of interest policy, which shall include how the potential conflict of Surrey County Council in its dual role as Administering Authority for and scheme employer of the Surrey Pension Fund is managed.”

3. This report and Annexe 1 addresses item (j) of the Pension Fund Committee Terms of Reference by providing a specific Surrey Pension Fund Conflicts of Interest Policy (the Policy). The need for this is supported by:

SAB Good Governance Review

4. The Scheme Advisory Board’s (SAB) Good Governance Review’s final report (February 2021) specifically addressed the potential conflict between Council’s as both the administering authority and an employer of the pension fund and therefore makes the following recommendation:
 - a) *“Each fund must produce and publish a conflicts of interest policy which includes details of how actual, potential and perceived conflicts are addressed within the governance of the fund, with specific reference to key conflicts identified in the Guidance.*
 - b) *The Guidance should refer all those involved in the management of the LGPS, and in particular those on decision making committees, to the guide on statutory and fiduciary duty which will be produced by the SAB.”*

Internal audit recommendations

5. The Surrey Internal Audit review of the governance structure of the SPF (in April 2023) recommended creation of a Conflicts of Interest Policy directly addressing the Good Governance Review’s:

“... recognition of the dual role of the Council as the Administering Authority and a scheme employer in the Fund, and to suggest how those potential conflicts can be managed to ensure that they do not become actual conflicts.”

Independent Review

6. The recent governance changes responded to the recommendations of an independent review of the existing governance artefacts undertaken by an independent pensions industry expert (Barnett Waddingham) in late 2023. This review highlighted the need to reduce the potential for actual or perceived conflicts of interest.

General Code of Practice

7. In March 2024, the Pensions Regulator (TPR) published a new General Code of Practice that the LGPS has a statutory duty to comply with. In this, TPR describes conflicts of interest as follows:

“Conflicts of interest may arise from time to time while running a pension scheme, either among members of the governing body themselves, or with service providers, sponsoring employers, advisers, and others. Conflicts can also arise for members of the governing body who for example, are members of the scheme or who represent trade unions. Conflicts of interest may be either actual conflicts or potential conflicts. Unless otherwise stated, references to ‘conflicts of interest’ include both actual and potential conflicts.”

Government Consultation LGPS (England & Wales) Fit for the Future

8. The now closed, Government Consultation on future proofing the LGPS recognises there is currently no statutory requirement for administering authorities to have a conflicts of interest policy. As such, the Government proposes, in line with the recommendations of the Good Governance Review, to require LGPS administering authorities to have a conflicts of interest policy that considers conflicts of interest for Members serving on pension committees and covers conflicts between the administering authority and the employer.
9. The policy should recognise, manage, and mitigate all conflicts of interest and “... should ensure that administering authorities are taking proactive steps to mitigate the risks of conflicts not being addressed appropriately; by setting out how actual, potential, and perceived conflicts are addressed within the governance of the fund.”

(Draft) Surrey Pension Fund Conflicts of Interests Policy

10. At its meeting of 13 September 2024, the Committee approved several governance changes (as set out in the report Improving the Governance of the Surrey Pension Fund). This report responds to the Committee and Fund’s intention to draft a specific Conflicts of Interest Policy (Policy) that applies equally to all parties involved in the administration, management and governance of the Fund. The Fund has worked with Barnet Waddingham to draft the Policy at Annexe 1. It is intended that the Policy applies to:
 - c) Members of the Pension Fund Committee (including elected and co-opted members)
 - d) Members of any sub-committee of the Pension Fund Committee (including elected and co-opted members)
 - e) Members (employer and member representatives) of the Local Pension Board
 - f) Officers of Surrey County Council involved in the management and governance of the Fund
 - g) Third parties including advisers and suppliers to the Fund (including to the Committee, any sub-committee, the Board and Officers).

11. The Policy has been written to recognise the Council's dual role of the Fund administering authority and being one of circa 500 employers in the Fund (albeit it is the largest employer). It provides specific examples of circumstances where a conflict may arise. This addresses the recommendation of the Council's Internal Audit and the outcomes of the Good Governance Review in particular.
12. The Policy acknowledges the Surrey County Council (the Council) Constitution as it applies to Councillors, members of the Committee and Board, and officers and advisors. As such it is not intended the Policy conflicts with the provisions dealing with conflicts under the constitution of the Council.
13. The Council's Legal and Democratic Services teams have been consulted and their comments and amendments have been included in the draft Policy.

CONSULTATION:

14. The Chair of the Local Pension Board and the Chair of the Surrey Pension Committee have been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

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

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

16. Any relevant financial and value for money implications have been considered and are contained within the report. The cost of the resources necessary for implementing the changes recommended above and for delivering the administering authority role is met from the pension fund (under Regulation 4(5) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009).

LEGAL IMPLICATIONS:

17. There are no legal implications or legislative requirements. The County Council has delegated responsibility to the Pension Fund Committee for its statutory functions as the Administering Authority for the Fund. The scheme of delegations is the function of full Council and Legal will be part of any future options appraisal to ensure the Council undertakes its full due diligence.

EQUALITIES AND DIVERSITY:

18. There are no equality or diversity issues.

OTHER IMPLICATIONS:

19. There are no other implications.

NEXT STEPS:

20. The Board notes the content of this report.

Contact Officer:

Colette Hollands, Head of Accounting and Governance

Annexes:

1. Surrey Pension Fund Conflicts of Interest Policy – Annexe 1

Sources/Background papers:

1. None

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Conflicts of Interest Policy

Surrey Pension Team



Providing our customers with
a better tomorrow

Conflicts of Interest Policy

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Introduction

This Policy

This is the Conflicts of Interest Policy (Policy) of the Surrey Pension Fund (Fund), administered by Surrey County Council (Council). Conflicts of interest may arise from time to time in the running of the Fund. The Policy sets out the process for identifying, monitoring and managing conflicts of interest in the governance and management of the Fund.

For the avoidance of doubt references to Administering Authority and Scheme Manager should both be taken as referring to Surrey County Council.

Background & Legislative Framework

Within the Local Government Pension Scheme (LGPS), conflicts of interest have always existed. Conflicts may arise due to the variety of roles and responsibilities that those managing the Fund may have and their public law duties. Advisers may also find themselves in a position of conflict at times. Parties may have a personal, business or other interest which might conflict, or be perceived to conflict, with their role in managing or advising the Fund.

LGPS administering authorities have Wednesbury public law duties to act reasonably and legally as well as quasi-fiduciary responsibilities to act in the interest of LGPS beneficiaries, participating employers and taxpayers. This, however, does not preclude those involved in the management of the LGPS fund from having other roles or responsibilities which may result in an actual or potential conflict of interest. With the Fund, the Council has a dual role - it is both the administering authority and a scheme employer - and there is the potential for the Council as administering authority to exert undue influence to put itself in a position of conflict where it acts in a way which is not in the best interests of the other scheme employers. The parties to which this Policy applies (see section headed "Who does this Policy apply to?") whether they are LGPS officers, the Surrey Pension Fund Committee (Committee) or the Surrey Pension Fund Local Pension Board (Board) members, third-party providers or advisers should not act or omit to act in a manner which contradicts with the duty described above (together, the Responsibilities). This, however, does not preclude those involved in the management of the LGPS fund from having other roles or duties which may result in an actual, potential or perceived conflict of interest

Under the Pensions Act 2004, LGPS administering authorities are required to establish internal controls which are adequate for the purpose of securing that the scheme is administered and managed in accordance with the regulations governing the LGPS and other requirements of the law. Internal controls are arrangements and

procedures to be followed in the administration of the scheme - dealing with conflicts of interest is one such internal control. To ensure consistency and good governance, this Policy shall be extended to cover all persons involved with the administration of the Fund.

It is important that the Fund has processes in place to identify, evaluate and record conflicts of interest and this will include keeping a record of how any conflict (or perceived conflict) has been managed.

The Nolan Principles

The Nolan Principles which are also known as the Seven Principles of Public Life, serve as the ethical framework for all public office holders and those responsible for the management of the Fund. The principles include:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

These principles are designed to promote and ensure the highest standards of conduct by Committee members, Board members and employees. By reference to this framework, the Fund can effectively identify, manage and assess potential and actual conflicts of interest.

The Pensions Act 2004 and the General Code of Practice

The Public Service Pensions Act 2013 also added a number of provisions to the Pensions Act 2004 related to the governance of public service pension schemes and, in particular, conflicts of interest. Section 90A of the Pensions Act 2004 now requires the Pensions Regulator to issue a code of practice relating to conflicts of interest for local pension board members. The Pensions Regulator's expectations on conflicts of interest are included in the General Code of Practice and this Policy has been developed with regard to that code.

Localism Act 2011

As required by Chapter 7 of the Localism Act 2011, all elected members are required to comply with the Code of Conduct for the administering authority, which in turn must comply with the Nolan Principles. This Act mandates the disclosure of pecuniary interests and establishes clear guidelines for the management of conflicts to ensure transparency and accountability. By adhering to these principles, the Fund

can demonstrate trust and ensure decisions are made in the best interest of the Fund beneficiaries and the public.

The Local Government Pension Scheme Regulations 2013

Regulation 108 of these Regulations applies the requirements of the Public Service Pensions Act (as outlined above) to the LGPS, placing a duty on each administering authority to satisfy itself that local pension board members do not have conflicts of interest on appointment or whilst they are members of the local pension board. It also requires those local pension board members to provide reasonable information to the administering authority in this regard. Regulation 109 states that each administering authority must have regard to guidance issued by the Secretary of State in relation to local pension boards. Further, regulation 110 provides that the national Scheme Advisory Board has the function of providing advice to administering authorities and local pension boards.

CIPFA Investment Pooling Governance Principles for LGPS Administering Authorities Guidance

The CIPFA governance principles guidance states "the establishment of investment pooling arrangements creates a range of additional roles that committee members, representatives, officers and advisors might have." It includes some examples of how conflicts of interest could arise in these new roles. It highlights the need for administering authorities to:

- Update their conflicts policies to have regard to asset pooling
- Remind all those involved with the management of the Fund of the policy requirements and the potential for conflicts to arise with respect to asset pooling responsibilities
- Ensure declarations are updated appropriately.

Relationship with the Council's Constitution

Part 6 of the Council's Constitution includes Codes of Conduct for elected members of the County Council (including co-opted members) and for officers, together with a Member-Officer Protocol (Protocol); in addition to the requirements of this Policy, elected members and officers are required to adhere to the relevant Council Code of Conduct and to the Protocol. The Code of Conduct for Members includes requirements in relation to the disclosure and management of personal and pecuniary interests. The Council's Governance, Ethics and Standards Committee, supported by the Council's Monitoring Officer is responsible for the Council's register of elected members' interests. The Council's Code of Conduct for Officers includes expected standards of conduct with respect to:

- accountability
- personal interests
- relationships with contractors
- hospitality and gifts

- adopting practical solutions to managing those conflicts (seeking advice from a relevant officer, as required)
- planning and agreeing with the Fund on how any conflicts of interest may be managed.

This Policy is not intended to conflict with provisions dealing with conflicts of interest under the constitution of the Council and where there is a conflict, the provisions of the constitution shall prevail.

Who does the Policy apply to?

This Policy applies to all parties who are involved in the running of the Fund. Such parties are:

- All members of the Committee (including elected and co-opted members)
- All members of any sub-committee of the Committee (including elected and co-opted members)
- All members (employer and member representatives) of the Board
- Officers of the Council involved in the management and governance of the Fund
- Third parties including advisers and suppliers to the Fund (including to the Committee and sub-Committee, Board or Officers)

Third parties include all advisers, suppliers and other parties providing advice and services to the Fund, including but not limited to:

- the asset pool company
- dispute adjudicators
- actuaries
- investment consultants
- independent advisers
- benefits consultants
- third party administrators
- fund managers
- lawyers
- custodians
- AVC providers

This list is not exhaustive and so, if another party which is not listed above and is involved in the management of the Fund which may find itself in a position of conflict, the principles set out in this policy should also apply to that party.

Where an advisory appointment is with a firm rather than an individual, reference to 'advisers' is to the lead adviser(s) responsible for the delivery of advice and services to the Fund rather than the firm as a whole.

Understanding their responsibilities

In accepting any role covered by this Policy, individuals agree that they must:

- Read and understand this Policy
- Acknowledge any potential conflict of interest they may have
- Be open with the Fund on any conflicts of interest they may have
- Adopt practical solutions to managing those conflicts (seeking advice from a relevant officer, as required)
- Plan and agree with the Fund on how any conflicts of interest may be managed.

Third parties will be required to submit in writing their approach to conflicts of interest that may arise in relation to their role advising or providing services to the Fund. The procedures outlined in this Policy provide a framework for each individual to meet these requirements.

Conflicts of Interest

What are the key risks?

The Fund recognises that addressing key risks is vital to safeguarding the Fund's assets and ensuring trust remains with the officers, Committee and Board members. A comprehensive understanding of these risks enables the Fund to manage potential and actual conflicts of interest that may impact the Fund and its beneficiaries. Conflicts of interest encompass a broad spectrum of potential risks that could impact financial, legal and reputational considerations for the Fund. The Fund has considered some of the key risks, whilst not exhaustive these are outlined below:

- Decision-making - personal interests which could influence decision making leading to outcomes which are not in the best interest of the Fund and its beneficiaries
- Reputational damage – actual, potential or perceived conflicts of interest which can erode trust with the Committee or Board, and Officers of the Fund
- Legal and regulatory non-compliance- Failing to manage conflicts of interest could potentially result in breaches of the law and regulations
- Financial mismanagement – conflicts of interest may result in financial mismanagement through poor financial decisions being made
- Operational inefficiency – conflicts of interest can disrupt operations causing delays in the operational processes of the Fund:
 - Insufficient training or poor understanding in relation to individuals' roles in pension fund matters
 - Insufficient training or failure to communicate the requirements of this Policy
 - Failure by an individual to follow the requirements of this Policy
 - Absence of the individual nominated to manage the operational aspects of this Policy and no one deputising, or failure of that individual to carry out the operational aspects in accordance with this Policy

- Failure by a chairman to take appropriate action when a conflict is highlighted at a meeting
- A decision by an individual to disregard advice and be subject to formal action under the Localism Act 2011.

What is a conflict of interest or potential conflict of interest?

The Public Service Pensions Act 2013 defines a conflict of interest as a financial or other interest which is likely to prejudice a person's exercise of functions (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).

In the context of the Fund, a conflict of interest may arise when a party to which this Policy applies:

- Is obliged to act in accordance with the Responsibilities; and
- At the same time has or may have either:
 - a separate personal interest or
 - another fiduciary duty or other duty owed to a different person in relation to that decision giving rise to a possible conflict with the obligation to act in accordance with the Responsibilities.

Examples of potential and actual conflicts of interest

Examples of potential conflicts of interest which may occur in relation to the LGPS are set out below. This should not be considered an exhaustive list but designed to provide the reader an insight into relevant conflicts of interest:

- A Board member with close relatives who are scheme members
- An officer who is asked to consider an application under the Fund's IDRPs where the complainant is a relative or friend
- An adviser may act for the Fund and also for a participating employer
- An elected member with financial interests in any fund management firm or company in which the Fund has invested
- An elected member may be required to provide views on a funding strategy which could result in an increase in employer contributions payable by the employer they represent
- An elected member may be connected with an employer participating in the Fund
- An officer who is either a member of the Fund or is a close friend or relative of a person who is a member, makes recommendations on the exercise of scheme discretions
- An officer of the Fund or member accepts a dinner invitation from a Fund Manager who has submitted a bid as part of a tender process
- Officers of the Fund are asked to provide a report to the Committee on whether the administration services should be outsourced which, if it were to happen could result in a change of employer or job insecurity for the officers

- An officer of the Fund is asked to provide guidance to the Committee or on a matter which might affect their role and either consciously or sub-consciously avoids providing full details / a balanced view
- An adviser is party to the development of a strategy which could result in additional work for their firm
- An adviser may act for the Fund and also for a participating employer
- A member of the Committee or officer of the Fund is on a Border to Coast committee / group and an investment is being considered that would benefit their originating Council or the Fund to a greater degree than other participating Councils or Funds
- An elected member on the Committee, who sits on the Border to Coast Joint Committee, also has a role in their local authority in relation to local infrastructure, and this is a potential investment being considered by Border to Coast, and which the Fund might invest in.

How are conflicts of interest monitored and reported

Effective management of conflicts of interest is crucial for the Fund in order to uphold its fiduciary responsibilities and maintain trust in order to meet its obligations.

Monitoring and reporting processes are considered for each key stakeholder group within their separate documents and policies. This Policy provides a consolidation of the processes and policies for each of the key stakeholder groups. The processes for monitoring and reporting on conflicts of interest have been outlined below.

Pension Fund Committee

Conflicts of interest within the Committee are governed by the Council's Constitution. This outlines how the Council conducts its business, how decisions are made, and the procedures that must be followed to ensure that these decisions are efficient, transparent, and accountable to local people. [Part 6 of the Constitution](#) provides details for the process of identifying and managing Councillors' conflicts of interest with the Register of Interests proving a key role in assuring potential and actual risks are identified and mitigated. The Committee mitigates potential and actual conflicts with the following activities:

- The Constitution states that Councillors are responsible for deciding whether an interest should be declared during the standing item relating to conflicts of interest at the start of each Committee meeting
- Within 28 days of becoming a member (or within 28 days following re-election), members must register with the Council's Monitoring Officer any disclosable pecuniary interests as well as any other registerable interests
- Councillors and Committee members are required to ensure that the Register of Interests is kept up to date with any new potential or actual conflicts of interest
- Where there is a pecuniary interest, Councillors and Committee members are required to not participate in that particular item

- Where Councillors or members have a significant personal interest in an agenda item, they may participate in the discussion and vote on the matter unless that interest could be reasonably regarded as prejudicial.

Local Pension Board

For the Board, a conflict of interest exists where there is a divergence between the individual interests of a person and their responsibility towards the Board. Prior to appointment, all prospective Board members are required to complete the Conflicts of Interest declaration which is held on a Register of Interests managed by the Fund's Accounting and Governance team. The Fund mitigates potential risks within the Board with the following activities:

- Board members are required to complete the Conflicts of Interest declaration before appointment
- All appointments to the Board are kept under review
- All appointed Board members must declare any potential conflict of interest. This declaration should be made to the Chair of the Board in the first instance or to the Scheme Manager and recorded in a Register of Interests
- The Board shall identify and monitor any potential conflict of interests in a Register of Interests. The Register of Interests should be circulated to the Pension Board and Scheme Manager for review and publication
- The Board is required to report concerns of suspected conflicts of interest to the Fund officers
- The Board would consider obtaining legal advice in order to prevent potential conflicts of interest from impacting the decision-making of the Board
- Board members must complete training on identifying and mitigating conflicts of interest as required by the Fund's Training Policy.
 - A preventative training policy (the Public Service Toolkit) is also maintained for all members
 - Board members must successfully complete a Conflicts of Interest module within the first three months of their appointment.

Officers and third parties

Officers of the Fund and the Council are required to comply with Part 6 of the Council's Constitution which includes an [Officer Code of Conduct](#). This document explains the process by which personal interests and outside commitments of officers and third parties should be identified and managed. It should be noted that this document applies to all officers within the administering authority along with agency workers, contractors and their staff whilst working on behalf of the administering authority. All employees of the Council are expected to ensure that:

- Their private interests or beliefs do not conflict with their professional duties
- Their position within the Council is not used to confer an advantage or disadvantage on any person

- They are not involved in, nor influence, any decision or allocation of Council services or resources from which they, their family or friends might benefit.

Therefore, all employees are required to declare:

- Any financial or non-financial interest which could be considered in any way to bring about a conflict with the Council's interests. This includes discussions or correspondence over any private interest with organisations that may have a business connection with the Council
- Membership of any organisation that is not open to the public; requires commitment of allegiance to the organisation to be a member; and which has secrecy about its rules, membership, or conduct
- Membership of any groups, clubs and societies, (including online groups), that an employee believes could be relevant to declare
- If a relative, partner or close personal friend holds a senior managerial position in an organisation with which the Council does, or seeks to do, business.

Officers are primarily responsible for identifying any potential or actual conflicts of interest and would be required to declare within 28 days of commencing employment with the Council or within 28 days of transferring to a new role within the Council. All declarations are made through the MySurrey logging system. Conflicts of interest are assessed by the officer's Line Manager who must approve the conflict and reassess the situation every 12 months.

External advisers

The Fund appoints its own external advisers and manages its potential and actual conflicts within the contractual agreements between the Fund and the advisers. External advisers are required to meet professional standards relating to the management of conflicts of interest. Below is a list of the Fund's key advisers and the expected requirements.

- The Fund Actuary is bound by the requirements of the Institute and Faculty of Actuaries and the [Actuaries Code](#)
- Investment Consultants are bound by the requirements of their professional bodies. For Example, CFA qualified Investment Consultants are required to comply with [Standard VI\(A\) Avoid or Disclose Conflicts](#)
- Legal advisers will be bound by the requirements of the Solicitors Regulation Authority and its expectations on [managing conflicts of interest](#)
- The Fund's asset pool company, Border to Coast, is bound by the Financial Conduct Authority and the Conflicts of Interest Policies between the Pool itself and the Partner Funds.

Advisers are to be provided with a copy of this Policy and would be expected to adhere to the principles outlined within this document. They would be expected to provide:

- The adviser's conflicts of interest policies (as and when required by the Fund)
- How they will identify, assess and mitigate actual, potential or perceived conflicts of interest relating to the provision of advice or services (as and when required by the Fund)
- Notify the Fund immediately should a potential or actual conflict of interest arise
- Declare any potential or actual conflicts along with Committee and Board members at the start of each meeting.

Responsibility

The Council as the administering authority for the Fund must be satisfied that potential and actual conflicts of interest are appropriately identified, managed and monitored. However, all individuals involved with the Fund are responsible for adhering to the Policy to ensure the highest standards of accountability and transparency where their personal, financial, business or other interests might conflict with their Fund duties, to declare and register interests and seek advice, and to withdraw from meetings if they are not complying. The day-to-day management of conflicts of interest in accordance with this Policy is delegated to the Council's Monitoring Officer and the LGPS Senior Officer.

Training

It is expected that all stakeholders that this policy applies to would ensure that are sufficiently trained and possess clear knowledge and understanding of both potential and actual conflicts relevant to the Fund and its members. It would be expected that stakeholders understand the following:

- Actual and potential conflicts
- Regulatory requirements
- Identification, disclosure and mitigation of actual and potential conflicts.

Dual responsibility of Surrey County Council

With the Fund, the Council has a dual role - it is both the administering authority and a scheme employer in the Fund - and there is the potential for the Council as administering authority to exert undue influence to put itself in a position of conflict where it acts in a way which is not in the best interests of the other scheme employers. The types of scenarios where a conflict may arise in its dual role include the following:

- Where there is a commercial relationship between the Council and other employers in the Fund / or other parties which may impact decisions made in the best interests of the Fund. These may include shared service

arrangements which impact the Fund operations directly but will also include outsourcing relationships and companies related to or wholly owned by the Council, which do not relate to pension fund operations

- Contribution rate setting for the Council and other employers
- Cross-charging for services or shared resourcing between the Council and the Fund and ensuring the service quality is appropriate for the Fund
- Dual role of the administering authority as an owner and client of an asset pool company
- Investment decisions about local infrastructure
- How the pension fund appropriately responds to Council decisions or policies on global issues such as climate change
- Any other roles within the Council that are being fulfilled by Committee members or officers which may result in a conflict either in the time available to dedicate to the Fund or in decision-making or oversight. For example, some roles on other finance committees, audit or health committees or cabinet should be disclosed.

The Council recognises the risks associated with any actual, potential or perceived conflict of interest arising due to this dual role.

As noted above, the Council has delegated its functions to a committee and in addition, the Council has established other schemes of delegation to minimise the risks of a conflict arising.

Operational procedure

The below operational procedures relate to members of the Committee, the Board and senior officers responsible for the management of the Fund.

1. Identifying conflicts:

- a. On appointment to their role, all individuals will be provided with a copy of this Policy and be required to complete a Registration of Interest Form (annexe A) or enter details on the MySurrey logging system (as applicable). Members, and co-opted members are also required to complete a declaration of interests
- b. The information contained in these forms will be collated into the Register of Interests. It is the responsibility of members of the Committee, the Board, and relevant senior officers to keep their declarations of interest up to date
- c. At the start of any meetings of the Board or Committee, or any other formal Fund meetings, the Chair will ask all individuals present who are covered by this Policy to declare any interests.

2. Managing Conflicts:

- a. Where an actual conflict of interest on an agenda item is identified, an individual will be expected to exclude themselves from participating in the discussion and (if applicable) from voting on the relevant matter
- b. Where a potential conflict of interest on an agenda item is identified, advice will be sought from the Council's Monitoring Officer, who will provide guidance regarding the individual's participation in the relevant discussion and vote based on all the available information. It should be noted that further legal advice may be required
- c. If an actual or potential conflict of interest is identified outside of a meeting, the LGPS Senior Officer will consult with the Council's Monitoring Officer and may seek advice from the Fund's legal adviser to consider any necessary action.

3. Monitoring Conflicts:

- a. All conflicts of interest declared in meetings of the Committee, Board and any other formal Fund meetings, will be recorded in the minutes of the meeting and noted in the Fund's Register of Interests
- b. The Register of Interests (Annexe B) will be kept under review by the Council's Monitoring Officer.
- c. On an annual basis, the Council's Monitoring Officer will provide to all individuals to whom this Policy applies a copy of the Fund's Register of Interests. All individuals will be asked to complete a new Declaration of Interest confirming that their information contained in the Register is correct or highlighting any changes that need to be made to their declaration.

Costs

All costs related to the operation and implementation of this Policy will be met directly by the Fund. No payments will be made to any individuals in relation to any time spent or expenses incurred in the disclosure or management of any potential or actual conflicts of interest under this Policy.

Approval and review process

This Conflicts of Interest Policy was approved on XX XXXXX 20XX by the XXXXXX.

This Policy shall be reviewed and approved annually or sooner, should there be the requirement to review and update as a result of changes and developments to the Conflicts of Interest management processes or regulatory requirements. Fund Officers will also complete an annual review of the document to ensure it remains up to date.

DRAFT

Appendix A – Sample declaration of interests form

The Surrey Pension Fund Conflicts of Interest Declaration



In accordance with the Surrey Pension Fund (the Fund) Conflicts of Interest Policy (Policy), all Pension Fund Committee and Local Pension Board members (whether elected or co-opted) are required to declare any “conflict of interest”.

For the purposes of this declaration a conflict of interest is, as defined in Section 5(5) of the Public Service Pensions Act 2013, a “financial or other interest which is likely to prejudice the person’s exercise of functions as a member.., but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme.”

A conflict of interest exists where there is a divergence between the individual interests of a person and their responsibility towards the Committee or Board, such that it might be reasonably questioned whether the actions or decisions of that person are influenced by their own interests.

A conflict of interest would prejudice an individual’s ability to perform their duties and responsibilities towards the Committee or Board in an objective way. An example of a potential conflict of interest could be:

A Committee or Board member may be required to review a decision which may be, or appear to be, in opposition to another interest or responsibility, e.g.(s):

- A review of a decision which involves the use of departmental resource in the function of the Committee or Board, whilst at the same time being tasked with reducing this departmental resource by virtue of their employment;
- A Committee or Board member could also be employed or have an interest in either privately or as part of the Council a service area of the Council for which the Committee or Board has cause to review;
- An independent member of the Committee or Board may have a conflict of interest if they are also advising the Scheme Manager.

Please answer all questions to ensure that the “no conflict of interest” definition in the Public Service Pensions Act 2013 is fulfilled.

If your answer to one or more of question is YES, the Appointment Panel may conclude you have a potential conflict of interest for the purposes of this role, subject to your responses to the remaining questions.

Name:

Your role:

Q1. Are you currently in receipt of a LGPS pension? **YES / NO**

Q2. Are you currently in paid employment? **YES / NO**

Q3. If your answer to question 2 is yes, do you believe that this creates a potential conflict of interest with your role on the Pension Fund Committee / Local Pension Board? **YES / NO**

Q4. If your answer to Q3 above is NO, what are your grounds for believing this?

Q5. Is any member of your immediate family employed in the financial services industry? **YES / NO**

Q6. If your answer to Q5 is yes, do you believe that this creates a potential conflict of interest with your role on the Pension Fund Committee / Local Pension Board?
YES / NO

Q7. If your answer to Q6 above was NO, what are your grounds for believing this?

Q8. Do you have any other commitments, connections or responsibilities which could be reasonably perceived to be relevant to your role?

If so, please state below. Note your declaration may be published in a public Register of Interests.

DECLARATION:

I declare that the information given on here is complete and correct to the best of my knowledge.

Signature:

Name:

Date:

Appendix B –Register of Interests

The following is to be recorded in the Surrey Pension Fund Conflicts of Interests register:

Question	Answer
Last Name	-
Initials	-
Position	-
Representing	-
Appointed (date)	-
Conflicts of Interest declaration signed (date)	-

The information recorded below (in response to Q1 to Q8) is as declared on the Declaration of Interests form

Question	Answer
Q1. Are you currently in receipt of a LGPS pension?	-
Q2. Are you currently in paid employment?	-
Q3. If your answer to Q2 is yes, do you believe that this creates an actual, potential or perceived conflict of interest?	-
Q4. If your answer to Q3 above is NO, what are your grounds for believing this?	-
Q5. Is any member of your immediate family employed in the financial services industry?	-
Q6. If your answer to Q5 is yes, do you believe this creates an actual, potential or perceived conflict of interest with your role?	-
Q7. If your answer to Q6 above is NO, what are your grounds for believing this?	-
Q8. Do you have any other commitments, connections or responsibilities which could reasonably be perceived to be relevant to your role? If so, please state.	-

Information is to be recorded below relevant to any actual, potential or perceived conflict identified whilst or following attendance at any meetings involving your role.

Question	Answer
Date conflict identified	-
Details of conflict	-
How notified ¹	-
Action taken ²	-
Follow up required	-
Date resolved	-

Note: Details entered in the Register of Interests are available for public inspection

¹ E.g. verbal declaration at meetings, written conflicts declaration etc.

² E.g. leaving the meeting, withdrawing from a decision-making process; disclosure in Annual Report.

Version History

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SURREY LOCAL PENSION BOARD
 21 February 2025

Surrey Pension Fund Internal Audit Progress Report – Quarter 3
(01/10/2024 – 31/12/2024)

SUMMARY AND PURPOSE:

1. The purpose of this progress report is to inform the Board of the work completed by Internal Audit in quarter three of 2024/25 and provide an update on any high priority actions due for implementation.

RECOMMENDATIONS:

2. It is recommended that the Local Pension Board note the report and consider any further action required in their response to issues raised.

BACKGROUND:

3. Audit work completed, and where applicable any findings raised during quarter three are summarized in Appendix A.
4. There were two Surrey Pension Fund audit reports finalised in quarter three, one planned and one added to the plan in agreement with management. Overall, both audits, Business Continuity Arrangements and Overseas Pensioner Life Certification, received 'Reasonable Assurance'.

IMPLICATIONS:

5. Financial;
 Equalities;
 Risk management; and
 Value for money
6. There are no direct implications (relating to finance, equalities, risk management or value for money) arising from this report.

WHAT HAPPENS NEXT:

10. See Recommendations above.

REPORT AUTHORS: Liam Pippard, Principal Auditor (Surrey County Council)
 David John, Audit Manager (Surrey County Council)

CONTACT DETAILS: e-mail: liam.pippard@surreycc.gov.uk
 e-mail: david.john@surreycc.gov.uk

Annexes:

1. Surrey Pension Fund Internal Audit Progress Report February 2025

Sources/background papers:

1. None.

Internal Audit and Counter Fraud

Surrey Pension Fund Internal Audit

Progress Report for Quarter Three 2024-25

February 2025

CONTENTS

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

1. Summary of Audit Work

Surrey Pension Fund Business Continuity Arrangements

- 1.1 An audit of the Pension Fund's business continuity arrangements was finalised in November 2024. Until 2023, the Fund did not have its own bespoke Business Continuity Plan (BCP), relying instead on the administering Council's BCP. Following an organisational redesign to bring together the investment and administration functions to form a single Pension team, work commenced on developing a specific BCP for SPT.
- 1.2 This audit was part of the agreed audit plan for 2024/25 and set out to ensure the Fund's business continuity arrangements are adequate and effective. The audit reviewed: the business impact analysis and risk assessment, development and maintenance of the BCP, testing and exercising of the BCP, crisis communication and stakeholder engagement, recovery strategies for key systems and processes, and training and awareness programs for staff.
- 1.3 We found the Fund are aware of the need to have bespoke Business Continuity arrangements and work has been ongoing to develop this since October 2023. Alongside this, management are fully aware that whilst the Business Impact Assessment (BIA) and Business Continuity Plan (BCP) documents have been produced, they do not yet fully constitute mature and comprehensive business continuity arrangements for the Fund although the direction of travel and progress made is positive. We also found the BCP has been based on appropriate guidance and template documentation, and that an appropriate risk register is maintained.
- 1.4 Overall, we concluded that the opinion in this area was of **Reasonable Assurance**, and we agreed three actions with management (all medium priority) to secure improvements in the following areas:
- Timetable for completion and review of the BIA and BCP;
 - Staff engagement with BIA and BCP; and
 - Staff BC training.

Overseas Pensioner Life Certification

- 1.5 Overseas Pensioners Life Certification (OPLC) is a verification process used by pension schemes to confirm that a pensioner living abroad is still alive and eligible to receive their pension. Surrey Pension Fund (SPF) outsourced, as part of a pilot exercise, part of its OPLC responsibilities to an external supplier (Crown Agents Bank).
- 1.6 This audit was an addition to the audit plan for 2024/25 and set out to ensure that the arrangements surrounding OPLC have appropriate controls in place. The audit considered: processes in place to identify fraud, compliance with relevant regulations and policies, data

protection measures, efficiency and effectiveness of processes, supplier process effectiveness and security, and that there is appropriate SPF and supplier documentation in place.

- 1.7 We found that the services of the supplier were procured in compliance with the Council's Procurement and Contract Standing Orders and the selected supplier uses appropriate techniques to verify pensioners' identities, helping to ensure both security over the use of personal data and efficiency during the certification process. Alongside this, the Fund also has appropriate oversight of the verifications being completed.
- 1.8 Overall, we concluded that the opinion in this area was of **Reasonable Assurance**, and we agreed three actions with management (all medium priority) to secure improvements in the following areas:
 - Lack of oversight of supplier certifications;
 - Formal agreement between SPF and the supplier; and
 - SPF OPLC process documentation.

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 January 2025 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 2024/25:

Audit Name	Audit Status	Audit Opinion (If Applicable)
Pension Fund Business Continuity Arrangements	Completed	Reasonable Assurance
Pension Fund Governance Arrangements	Will now be a support and advice piece of work	N/A

Administration Review (Deaths Admin)	Fieldwork in progress	
Pension Fund Investments	Due to start in Q4	
Admission Arrangements	Carried forward into 2025/26 plan.	
Follow up of the Banking Controls Review	Initial Review Completed as part of 22/23 audit plan - Interim Final Report issued in Q1 23/24. Further review work not possible at this stage due to ongoing stabilisation work with MySurrey. Further review will now be carried out in March 2025.	
Overseas Pensioners Life Certification	Completed	Reasonable Assurance

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.

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SURREY LOCAL PENSION BOARD REPORT

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: 21 FEBRUARY 2025

LEAD OFFICER: NEIL MASON, LGPS SENIOR OFFICER

SUBJECT: LGPS – BACKGROUND PAPERS

SUMMARY OF ISSUE:

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

RECOMMENDATIONS:

It is recommended that the Local Pension Board:

1. Note the content of this report.

REASON FOR RECOMMENDATIONS:

The report provides background information for the Board.

DETAILS:

Highlights

Consultation launched on pooling of LGPS investment funds

1. Based on responses to the former consultation on proposals to accelerate and expand the pooling of LGPS assets, and responses to the Pensions Review Call for Evidence, Government has launched a consultation to look at how tackling fragmentation and inefficiency can unlock the investment potential of the scheme. More can be found in paragraph 8.

Consultation launched on overhauling local audit system in England

2. Following Government's English Devolution White Paper, one of the proposals is uncoupling of fund and administering authority accounts. More can be found in paragraph 9.

Consultation launched on Inheritance Tax on pensions

3. Proposal for death benefits to be included in valuing a person's estate for Inheritance Tax purposes. More can be found in paragraphs 4 and 7.

LGPS Updates

4. Within the [Budget](#) on 30 October 2024 the Chancellor announced that death benefits payable from a pension scheme will be included within the value of a person's estate for Inheritance Tax purposes from 6 April 2027 and pension scheme administrators will become liable for reporting and paying any Inheritance Tax due to His Majesty's Revenue and Customs (HMRC). Currently under the LGPS regulations, the administering authority has discretion to whom the death grant is paid to and so is not liable for inheritance tax. The new proposals seek to remove the distinction between discretionary and non-discretionary schemes. A [consultation](#) on the proposals was launched on the same day which closed on 22 January 2025.
5. Also announced within the Budget was a change to the measure of public debt for the government's fiscal targets from Public Sector Net Debt (PSND) to Public Sector Net Financial Liabilities (PSNFL), meaning the funding position of the LGPS as a whole, can have a more direct impact in the amount the government can borrow and invest in the UK economy.
6. Other changes within the Budget were:
 - a) the removal of an exclusion for the overseas transfer charge (OTC) from the 30 October 2024 where members transfer to a qualifying recognised overseas pension scheme (QROPS),
 - b) the conditions for a scheme to be an overseas pension scheme (OPS) or recognised overseas pension scheme (ROPS) established in the European Economic Area (EEA) from 6 April 2025, will be brought in line with those that apply to OPSs and ROPs established in the rest of the world,
 - c) From 6 April 2026, all pension scheme administrators of a UK registered pension scheme will be required to be a UK resident. HMRC will provide more detail on this in future newsletters.
7. [The Finance Bill 2024/25](#) is going through Parliament and will enact the changes mentioned above from the Budget, with exception of Inheritance Tax.
8. On 14 November 2024 the Chancellor gave her Mansion House speech and within this announced a series of reforms to the pensions sector, specifically for the LGPS, the consolidation of LGPS assets into fewer, larger pools of capital. An [interim report](#) was published on the same day setting out the proposals, together with the interim findings of Phase 1 of the Pensions Review launched in July 2024. The report was also accompanied with the publication of a consultation [LGPS: Fit for the future](#) and closed on 16 January 2025. The consultation sought views on proposals relating to the investments of the LGPS, with three main areas:

- a) Reforming the LGPS asset pools by mandating certain minimum standards deemed necessary for an optimal and consistent model in line with international best practice with the minimum standards proposed as:
 - i- Requirement for administering authorities to fully delegate the implementation of investment strategy to the pool and to take their principle advice on their investment strategy from the pool,
 - ii- Pools would be required to be investment management companies authorised and regulated by the Financial Conduct Authority (FCA), with the expertise and capacity to implement investment strategies,
 - iii- Requirement for administering authorities to transfer legacy assets to the management of the pool.

- b) Boosting LGPS investment in their localities and regions in the UK by requiring administering authorities to:
 - i- set out their approach to local investment in their investment strategy including a target range for the allocation and having regard to local growth plans and priorities,
 - ii- work with local authorities, Combined Authorities, Mayoral Combined Authorities, Combined County Authorities and the Greater London Authority to identify local investment opportunities,
 - iii- set out their local investment and its impact in their annual reports.
 - iv- Pools would then be required to conduct suitable due diligence on potential investments and make the final decision on whether to invest.

- c) Building on the recommendations of the Scheme Advisory Board's Good Governance Review in 2021, strengthening the governance of both LGPS administering authorities and LGPS pools by:
 - i- Requiring committee members to have the appropriate knowledge and skills,
 - ii- Requiring administering authorities to publish a governance and training strategy, including a conflicts of interest policy, as well as an administration strategy, to appoint a senior LGPS officer, and to undertake independent biennial reviews to consider whether administering authorities are fully equipped to fulfil their responsibilities,
 - iii- Requiring pool boards to include representatives of their shareholders and to improve transparency.

- 9. The Scheme Advisory Board (SAB) hosted an episode of LGPS Live which included a presentation from the Ministry of Housing, Communities and Local Government (MHCLG) in December and set out the headlines from the LGPS Fit for the Future consultation. The webinar can be viewed along with the slides.

The Local Government Association (LGA) and SAB have responded to the consultation.

10. MHCLG launched an open consultation following the Government's English Devolution White Paper published on 16 December 2024. The consultation sets out proposals for overhauling the local audit system in England and closed on 29 January 2025. Specifically mentioned within the consultation is the proposal to decouple pension fund accounts from administering authority accounts, which has been a SAB recommendation for several years (see also paragraph 33).
11. The Secretary of State for Education laid a [written ministerial statement](#) on 12 November 2024 outlining the Department for Education will provide an LGPS guarantee to Further Education (FE) providers operating in the statutory sector in England. This was followed by the Education and Skills Funding Agency publishing [further guidance](#) about the guarantee which ensures any outstanding LGPS liabilities will not revert to the fund if an English FE body in the statutory sector closes.
12. His Majesty's Treasury (HMT) confirmed in a [letter to the Association of Colleges](#) that the [New Fair Deal guidance](#) will apply to FE colleges from 14 November 2024 that operate in the statutory sector in England. The guidance applies directly to central government departments, agencies and other parts of the public sector under control of the central government, for example academies. The SAB are continuing to engage with MHCLG on how New Fair Deal should apply to the local government workforce.
13. The MHCLG published the [LGPS statistics for England and Wales](#) on 24 October 2024. This showed:
 - a) an increase of 11.9% on total expenditure since 2022/23
 - b) an increase of 19.3% on total income since 2022/23
 - c) an increase of 24.6% on employer contributions since 2022/23, this reflects early payment of employer contributions following the triennial valuation
 - d) an increase of 8.3% on employee contributions since 2022/23
 - e) an increase of 9% on the market value of LGPS funds since 31 March 2023
 - f) an increase of 6.3% on the number of retirements since 2022/23.
14. [The Pensions \(Abolition of LTA Charges etc\) \(No 3\) Regulations 2024](#) were made on 14 November 2024, which were required in relation to the abolition of the Lifetime Allowance (LTA). Within these regulations there is an amendment on valuing members benefits for the purposes of trivial commutation, as the legislation introduced on 6 April 2024 was allowing members to take a trivial commutation where formerly they would not have been able to because of the value of their pension. This amendment now brings this back in line. A [correction](#)

[slip for the No 2 regulations](#) was also made on 18 November 2024. The LGA intend to update their guidance on the abolition of the LTA to reflect the amendments in due course once they have reviewed the legislation.

15. The National LGPS Technical Group agreed to replace the existing group with a new group called the National Pension Officer Group (NPOG). The consensus was the role of the group as initially intended was now covered by the LGA in aiding with technical queries and understanding of the regulations. NPOG will instead focus on providing a strategic approach to scheme administration issues along with practical advice.
16. The Office for National Statistics announced on 16 October 2024 the Consumer Prices Index (CPI) rate of inflation for September 2024 was 1.7%. It is yet to be confirmed by Government that this rate will apply to revaluation and pensions increase from April 2025 for LGPS benefits.
17. The Government Actuary's Department (GAD) have sent the 2024 valuation data requests to pension managers and includes a brief online questionnaire.

McCloud

18. The LGA published a second instalment of the McCloud administration guide. The initial instalment included an overview of which pension accounts qualified for underpin protection and how to perform the provisional and final underpin calculations. The update includes other calculations impacted by the underpin such as transfers in and revisiting past calculations. They have also significantly updated the section on which accounts qualify for protection after considering the statutory guidance issued by the Government.
19. The LGA held webinars in October 2024 covering McCloud generally and transfers and will consider more McCloud webinars next year should there be demand.
20. The LGA published a new Club transfer out and McCloud guide together with a Club transfer calculator, although some complex cases may require manual calculations.
21. The Cabinet Office confirmed in their view the McCloud remedy can be considered as an exceptional circumstance for the purposes of extending the 12-month deadline for Club transfers, but administering authorities would need to agree this with the receiving scheme.
22. The LGA requested administering authorities to complete a survey by 3 November 2024 about how schemes are planning to revisit past Club transfers. This was required as GAD are gathering data about how public service pension schemes are planning to approach revisiting these transfers so this can be considered when they produce any cross-scheme guides or other resources.

Pensions Dashboard Programme (PDP)

23. The Department of Work and Pensions (DWP) published a [ministerial statement](#) on 22 October 2024 confirming the Government's commitment to the [existing timetable](#) for schemes to connect to the ecosystem. The statement also confirms Government's commitment to the delivery of the dashboards and that the PDP will focus on the connection and launch of the MoneyHelper dashboard before working on the connectivity of commercial dashboards, thereby prioritising the launch of the government backed dashboard initially.
24. The PDP published version 1.1 of the [draft technical standards](#) along with further resources covering [guidance on the step-by-step connection journey](#) about connecting to the ecosystem, [support for testing connection to the ecosystem](#), answers to more [queries on connection timelines and registration codes](#).
25. The PDP also published new draft versions of the [reporting standards](#), [data standards](#) and [code of connection](#). All PDP standards remain in draft form until approved by the Secretary of State for Work and Pensions.
26. In December 2024 the PDP published their tenth [progress update report](#) which looks at the progress over the last six months.
27. From 15 October 2024 The Pensions Regulator (TPR) will be contacting pension schemes in scope of dashboards to ensure they have the correct processes and controls in place around data and will be challenging schemes unable to demonstrate how they meet TPR's record-keeping expectations, which can be found in the [general code of practice](#).
28. TPR will be sending all scheme managers two surveys at key points in their journey to their connect by date which will provide TPR with useful insights into the industry's readiness and identify where any gaps may lie. For Public Service Pension Scheme (PSPS) the first survey is expected in November 2024.
29. The Pensions Administration Standards Association (PASA) published the first content in its new [Dashboards Toolkit](#), which will be updated over time. This release includes information to consider in relation to Additional Voluntary Contribution (AVC) data.
30. The LGA published an updated version of their Pensions dashboards connection guide.

Scheme Advisory Board (SAB)

31. The SAB is aware a number of administering authorities have received letters alleging they are acting unlawfully by holding and failing to divest from investments in companies which have been linked to the ongoing situation in the Middle East. The SAB therefore sought [leading Counsel advice](#) on behalf of the Scheme.

32. The SAB sought an update to Counsel's opinion on fiduciary duty obtained in [2014](#) due to the evolving understanding that applies to administering authorities when deciding and implementing responsible investment policies. This has now been [received](#) and the Secretariat will consider if any further advice on specific points would be helpful.
33. The [Funding Strategy Statement \(FSS\) guidance](#) has been updated and approved replacing the 2016 guidance.
34. The [SAB Secretary sent a letter](#) to the Local Government Minister dated 12 November 2024, reconfirming SAB's [previous recommendation](#) to separate pension fund accounts from the administering authority's main accounts.

The Pensions Regulator (TPR)

35. Following the publication by TPR of a [case report](#) detailing how 245 victims were defrauded in a £13.7 million scam, TPR in association with the Pension Scams Action Group (PSAG) have launched a [new video](#) featuring a critical care nurse who was scammed out of her retirement pension.
36. TPR published its [digital, data and technology strategy](#), which describes a set of missions over a 5 year plan on how TPR wishes to adapt and embrace changing technology together with a changing pensions market in an effort to drive better outcomes for savers, whilst reducing burden on pension schemes and asks the industry to work with them to achieve this.
37. TPR, the Financial Conduct Authority and the Information Commissioner's Office (ICO) have issued a [joint statement](#) on data protection and effective communications.
38. TPR worked with the television program Eastenders where a storyline involved a character falling for a pension scam and it is hoped this will highlight the threats to pension security.

The Pensions Ombudsman (TPO)

39. In TPO's [November 2024](#) update it confirmed going forwards all applicants must exhaust the pension scheme's formal complaint procedure before they will accept the complaint.
40. TPO celebrated Ombuds Day on 10 October 2024 with a [blog](#) raising awareness and understanding of TPO's services. They also published a further [blog](#) reflecting on their progress over the last year.

Other News and Updates

41. The Financial Reporting Council (FRC) launched a [consultation](#) which closed on 19 February 2025 on updates to the UK Stewardship Code. The Code aims to promote long-term value for UK savers and pensioners through effective stewardship of investments on their behalf and some LGPS funds and pools are

signatories to the Code. The updated Code is expected to be published later in 2025 and the first reporting cycle in 2026.

42. The GAD published guidance on staff transfers on 26 November 2024. These are aimed at [employers](#) and [contracting authorities](#) where staff transfer within public sector schemes and [contracting authorities](#) when former public service staff with pension protection move from a private sector broadly comparable scheme back to the public service pension scheme they were originally in.
43. The PASA released new [guidance on data scoring](#), aiming to help pension schemes achieve higher data standards.

CONSULTATION:

44. The Chair of the Local Pension Board and or the Chair of the Surrey Pension Committee have been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

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

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

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

LEGAL IMPLICATIONS – MONITORING OFFICER:

47. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY:

48. There are no equality or diversity issues.

OTHER IMPLICATIONS:

49. There are no other implications.

NEXT STEPS:

50. No next steps are planned.

Contact Officer:

Colette Hollands, Head of Accounting and Governance

Annexes:

1. None.

Sources/Background papers:

1. None.