

AUDIT & GOVERNANCE COMMITTEE  
29 November 2021

**Pension Turnaround Programme Briefing**

**SUMMARY AND PURPOSE:**

1. In July 2020 a pension “Turnaround Programme” was established to oversee the following:
  - a) Dissolution of the Orbis pension partnership between Surrey County Council (SCC) and East Sussex County Council (ESCC).
  - b) Reversion of pensions administration to the respective ESCC and SCC sovereign authorities.
  - c) Reevaluate the relationships with other pension administration customers.
  - d) Redesign the pensions function as an integrated Surrey Pensions Team combining administration with all other Fund activities.
2. This report provides the Audit and Governance Committee with an update on the Turnaround Programme

**RECOMMENDATIONS:**

3. The Committee is asked to note the report and consider any further action required in their response to issues raised.

**BACKGROUND:**

4. As a result of a review of the Orbis partnership between ESCC and SCC, it was recommended that management of pension administration revert to the sovereign control of both councils.
5. SCC retained legacy responsibility for managing the administration of Surrey fire fighters pension scheme, as well as four London Borough LGPS funds (Kensington & Chelsea; Westminster; Hammersmith & Fulham and Hillingdon). After failing to agree on a revised pricing model, these are all now in the process of exiting Surrey’s management from April 2021 to February 2022.
6. A pension Turnaround Programme was established with Phase 1 overseeing the dissolution of the Orbis pension partnership, along with reversion to sovereign authorities and London Borough fund relationships and Phase 2 overseeing the Organisation redesign. The structure and governance of the Turnaround Programme is shown as Annexe 1.
7. Phase 1 comprises the following workstreams:
  - a) Dissolution of the Orbis pension administration.
  - b) SCC sovereign return.
  - c) ESCC sovereign return.
  - d) Systems procurement.

- e) Exit of London Boroughs.
- f) Exit of Surrey Fire and Rescue service (SFRS).

8. Phase 2 comprises the following workstreams:

- a) Organisation re-design – ensuring the Surrey Pension Team has the right structure, processes and people to successfully achieve the vision, mission and ambition of the service.
- b) People & Recruitment – to successfully manage the transition from the current structure to the new structure.
- c) Process & Technology – to ensure the right processes and technology are in place to successfully meet the vision, mission and ambitions of the service.
- d) Culture & Training – to ensure the culture of the team enables the vision, mission and ambitions of the service to be met and there is appropriate training in place to support the new culture.
- e) Communication & Engagement – to ensure effective communication and engagement with staff and relevant stakeholders throughout the programme.

9. A three year road map has been developed for Phase 2 as below:



- 10. This report provides an update on the progress of the Turnaround Programme, specifically in relation to the impact on SCC.
- 11. The governing body of the Pension Fund is the Pension Fund Committee and the statutory scrutiny function lies with the Local Pension Board.
- 12. The Pension Fund Committee and the Local Pension Board are provided with updates on the progress of the Turnaround Programme at their meetings and the Chairman of the Pension Fund Committee and the Local Pension Board are provided with an update on the progress of the Turnaround Programme on a monthly basis.

**UPDATE:**

**Phase 1 programme update**

- 13. Completed activity:

- a) Dissolution of the Orbis pension administration.
- b) SCC sovereign return.
- c) ESCC sovereign return.
- d) Systems procurement.
- e) Migration of the Royal Borough of Kensington and Chelsea.
- f) Migration of SFRS.
- g) Migration of London Borough of Hillingdon.
- h) Migration of Westminster City Council.

14. Planned activity:

- a) Ongoing activity with the exit of the London Borough of Hammersmith and Fulham.

15. The timeline for Phase 1 is shown as Annexe 2.

**Phase 2 programme update**

16. Executive Summary:

- a) Consultation period closed.
- b) Response to consultation including final structure issued to all staff and TUs.
- c) Bespoke workshops to support staff with expressions of interest and interview planning underway.
- d) Recruitment for Heads of Service planned and interview dates known.
- e) Recruitment approach for all other roles agreed.
- f) Marketing campaign starting with AON webinar and “teaser” video planned

17. Organisational redesign update:

- a) Completed activity this period:
  - i- Organisation Design finalised excluding Pensions Helpdesk
- b) Planned activity for next period:
  - i- Meeting with Heywoods to explore what capability is available that we may not be leveraging;
  - ii- Prepare Business Case to set out options for Pensions Helpdesk.
- c) Risks/dependencies:
  - i- Maintain ongoing dialogue with Business Operations re Pensions Helpdesk (i.e. to determine whether current design can meet future aims and ambitions at a cost that delivers the best value) so that decision can be made at an appropriate point.

18. People and recruitment update:

- a) Completed activity this period:
  - i- Equality Impact Assessment completed;
  - ii- Voluntary severance applications confirmed;
  - iii- Response to consultation document including confirmed structure issued to staff and Trade Unions;
  - iv- Marketing campaign in progress.
- b) Planned activity for next period:
  - i- Finalise marketing campaign;
  - ii- Head of Service advertisements and shortlisting completed;
  - iii- Head of Accounting & Governance interviews (ringfenced post).
- c) Risks/dependencies:
  - i- Date by which leadership structure can be in place is dependent on notice periods of successful candidates – likely to be longer notice periods if external appointments made.

19. Process and technology update:
- a) Completed activity this period:
    - i- Ongoing review of process mapping.
  - b) Planned activity for next period:
    - i- Complete review of process maps and make recommendations for next steps;
    - ii- Early engagement with IT&D to ensure resource is in place when needed;
    - iii- Engagement with Heywoods to ensure leveraging capability with current system and exploring future capabilities.
  - c) Risks/dependencies:
    - i- Progress and completion of process mapping could be delayed due to impact of consultation on staff leading this work.
20. Culture and training update:
- a) Completed activity this period:
    - i- Work continuing with Human Resources for most appropriate approach to culture change strategy.
  - b) Planned activity for next period:
    - i- Identify resource to build new process training manuals and approach.
  - c) Risks/dependencies:
    - i- Resistance to change could undermine success of new culture.
21. Communication and engagement update:
- a) Completed activity this period:
    - i- Bespoke workshops to support staff with preparing expressions of interest and interviews have been well attended with positive feedback received
    - ii- Dedicated pensions inbox remains open for staff queries.
  - b) Planned activity for next period:
    - i- Further interview skills workshops;
    - ii- Whole of Pensions meeting to take forward BAU priorities post consultation.
  - c) Risks/dependencies: n/a
22. The timeline for Phase 2 is shown as Annexe 3.

<b>IMPLICATIONS:</b>
----------------------

23. Financial;  
Equalities;  
Risk management; and  
Value for money
24. There are no direct implications to the Council arising from this report. Any implications relate to the Pension Fund.

<b>WHAT HAPPENS NEXT:</b>
---------------------------

25. See Recommendations above.

---

**REPORT AUTHOR: Neil Mason, Strategic Finance Manager (Pensions)**

**CONTACT DETAILS:** e-mail: [neil.mason@surreycc.gov.uk](mailto:neil.mason@surreycc.gov.uk)

**Sources/background papers:**

**Annexes:**

1. Structure and governance of the Turnaround Programme.
2. Timeline for Phase 1.
3. Timeline for Phase 2.

This page is intentionally left blank