

# Surrey Pension Fund

## Business Plan and Actions for 2021/22

### Surrey Pension Fund Mission Statement

"To deliver a first-class service to Surrey Pension Fund Stakeholders through strong partnerships with scheme members, employers, the Border to Coast Pool and the wider LGPS community. The highest standards of corporate governance are fundamental to our approach underpinned by informed decision making, ESG considerations, risk management and use of technology."

## Investment

### Objective(s)

- To have a clearly articulated strategy for achieving the return required to meet pension payments.
- To have a strategic asset allocation that delivers long-term investment returns, while taking the appropriate level of risk required
- To have sufficient liquid resources available to meet the Fund's ongoing obligations.
- To ensure material ESG factors are fundamental to all investment decisions.
- To appoint managers and advisors to deliver the investment strategy and monitor their effectiveness

Action	Description	Timescale	Narrative
1	Update the investment strategy statement to include investment core beliefs	July 2021	Done
2	Monitor performance of investment managers/Border to Coast and report to Pension Fund Committee	Quarterly 2021/22	Ongoing, quarterly and annual review
3	Reporting on Responsible Investment Outcomes achieved by Fund, BCPP and Engagement Partners, and developments in Responsible Investment Policy	Ongoing 2021/22	Reporting ongoing. Engagement & Voting paper presented to PFC every quarter. RI Policy in final stages of review
4	Continue transition to national asset pooling (Border to Coast Pensions Pool) Multi-asset credit  Emerging Market Equity  Regional Equity  Property  Listed alternatives	Ongoing 2021/22	Ongoing  Assets transitioned to Multi-Asset Credit Fund in Oct-21  Fund options under review  Fund options under review  Fund options under review  Assets transitioned to Listed Alternatives Fund in Feb-22
5	Reviewing the risk attrition of the portfolio and how it compares against risk profile of the Fund	Ongoing 2020/21 with Border to Coast	Ongoing, risk scale and attribution to be analysed in Investment Strategy Review
6	Review Investment consultant and independent advice	July 2021	Done
7	Review Competitions Market Authority (CMA) investment consultant strategic objectives	September 2021	Done
8	Establish base-line pension fund budget 2022/23	February 2022	Done at high level Approach to be reviewed during 2022/23.
9	Monitor pension fund expenses for next financial year with the target of unit cost in lowest quartile in line with SAB Cost Transparency code	Ongoing – Sept 2021	Under review with wider Pensions Team budget discussions
10	Produce Annual Statement of Accounts and achieve an unqualified audit	May 2021	Done
11	Produce Pension Fund Annual Report	September 2021	Done
12	Deliver environmental, social and governance (ESG) engagement forum	November 2021	Done (LAPFF presentation)
13	Report on Cost Effective Measurements (CEM) investment benchmarking	December 2021	Under review, ongoing
14	Taskforce for Climate Related Disclosures (TCFD) reporting	September 2021	Ongoing, metrics under consideration
15	Stewardship code reporting	December 2021	This is part of a sequential process. The Stewardship code reporting will follow agreement of the Responsible Investment Policy, currently being considered, and the Voting Policy
16	Implement replacement for gilts	Ongoing 2021	Will be considered in the Investment Strategy Review and Valuation process of 2022
17	Review passive portfolio	Ongoing 2021	Purchase of Future World Global Equity Fund in Oct 21. Further changes to be considered in Investment Strategy Review
18	Review engagement framework with Border to Coast	Ongoing 2021	Ongoing

## Funding

### Objective(s)

- To ensure the long-term solvency of the Fund, using a prudent long-term view. This will ensure that sufficient funds are available to meet all members'/dependants' benefits as they fall due for payment.
- To ensure that employer contribution rates are affordable and stable.
- To reflect the different characteristics of scheme employers in determining contribution rates.
- To ensure administration costs attributable to scheme employers are charged proportionately to how they are accrued.
- To take reasonable measures to reduce the risk to all employers of any employer defaulting on its pension obligations.

Action	Description	Timescale	Narrative
1	Provide employers with IAS19/FRS102 funding statements when requested	Scheduled and admitted bodies: Mar 2021 Colleges: July 2021 Academies: August 2021	Done
2	Monitor monthly and reconcile contributions schedule for the County Council and scheme employers	Ongoing - Monthly	Done. Aspiration for more frequent review of reconciliation.
3	Review Compensation process	Ongoing	Ongoing
4	Regular contributions / benefits, cash-flow	Quarterly	Produced. Aspiration for forward forecast.
5	Review TUPE Process	September 2021	New process for legal documentation production initiated in 2022
6	Plan for 2022 Valuation	September 2021	2022 Valuation underway
7	Integrated cashflow analysis	December 2021	To be reviewed

## Governance

### Objective(s)

- To deliver all LGPS administering authority functions to a high level of quality while recognising the need to deliver value for money.
- To ensure that policies support the strategic aims and objectives of the Fund.
- To ensure the effectiveness of the Pension Fund Committee, Local Pension Board and officers to which delegated function has been passed, including areas such as decision-making processes, knowledge and competencies
- To ensure that decision making authority and areas of responsibility are clearly defined and reflected in the Council's Scheme of delegation, terms of reference and procedures.
- To recognise that communication is a two-way process and to communicate in a straightforward, effective and friendly way with all our stakeholders. We will listen and take on board all feedback.
- To ensure the Pension Fund Committee and officers procure professional advice and appropriate information and interpret, scrutinise and challenge that advice in their supervision and monitoring of the Scheme in all areas
- To enable the management of risks and internal controls to underpin the activities of the Fund
- To comply with relevant legislation, The Pensions Regulator's requirements and acknowledged best practice.
- To periodically seek external assurance as to the effectiveness of the governance framework. To report on this effectiveness.
- To act with integrity and transparency in a way that upholds public confidence in the management of Fund

Action	Description	Timescale	Narrative
1	Reasonably comply with any requests from the Local Pension Board with regard to any aspect of the Scheme Manager function	Ongoing 2021/22	Ongoing
2	Give due consideration to recommendations made to the Pension Fund Committee from the Local Pension Board and respond to the Local Pension Board within a reasonable period of time	Ongoing 2021/22	Ongoing
3	Commission the Local Pension Board to carry out specific studies to assist the Pension Fund Committee	Ongoing 2021/22	Ongoing
4	Ensure ongoing risk assessments of the management of the fund for 2021/22	Ongoing and reported to every committee meeting, via the Local Pension Board report	Done. Risk approach under review
5	To monitor a system of disaster recovery/business continuity in the event of major disaster	Ongoing 2021/22 February 2022	Disaster Recovery policies in place revisited March 2022. To be further reviewed by Risk & Compliance Manager in 2022/23
6	Review Pension Fund Committee and Local Pension Board member training requirements and implement training plan as appropriate	Ongoing 2021/22  July 2021	Ongoing - full review once Training Officer in post
7	Agree annual plan for Committee, local Board members and officer training	July 2021	Ongoing - full review once Training Officer in post
8	Ensure that meeting papers are issued at least seven days prior to meeting	Every Pension Fund Committee and Local Pension Board meeting	Ongoing
9	Review and catalogue all policies	Ongoing 2021/22	Ongoing - full review to be undertaken by Governance Manager 2022/23
10	Review compliance with the Pension Regulator's Codes of Conduct.	When combined code is known	Ongoing
11	Respond to all government consultations and report to the Pension Fund Committee as necessary	As and when required	Ongoing
12	Review and Catalogue Process Notes –	As and when required	To be reviewed 2022/23
13	Ensure Border to Coast Shareholder Resolution are completed and signed by the Pension Fund Committee Chair	As and when required	Ongoing
14	Complete annual return to the Pensions Regulator	On notification by the Pensions Regulator	Ongoing
15	Delivery of Training plan	Ongoing	Ongoing - full review once Training Officer in post
16	Liaise with Internal Audit process	July 2021	Ongoing
17	Review cyber security risk	July 2021	Light touch review undertaken March 2022. To be further reviewed by Risk & Compliance Manager in 2022/23

## Delivery

### Objective(s)

- To ensure the correct benefits are paid to, and the correct income collected from, the correct people at the right time.
- To set out the administration standards expected of the Fund and scheme employers and the methods by which performance will be monitored and reported. To support employers in achieving those standards.
- To promote good working relationships and maximise efficiency between the SPF and scheme employers
- To ensure scheme employers are aware of and understand their roles and responsibilities under the LGPS regulations.
- To ensure that the Fund maintains accurate pension records and that all data is stored, handled, reviewed and disposed of securely and in accordance with its legal obligations.
- To ensure that the administration costs attributable to scheme employers are charged proportionately to how they are accrued.
- To ensure that Scheme members, employers and others who have dealings with the Fund receive a strong customer focused service.
- To ensure members are communicated effectively so that they understand and appreciate the value of their benefits.

Action	Description	Timescale	Narrative
1	Conduct monthly administration performance review meetings	Monthly	Done
2	Produce administration performance monitoring reports on a quarterly basis, after scrutiny from the Local Pension Board	Ongoing with reports due at each committee meeting	Ongoing
3	Ensure that any complaints against action or inaction by pension staff are dealt with in a timely manner	Ongoing – Monthly	Ongoing
4	Review the content of the pension fund website to ensure it is relevant and kept up to date.	Ongoing - monthly	Done
5	Monitor and review performance against the pension fund administration strategy	Ongoing - Quarterly in line Pension Board	Ongoing - review to be undertaken by Governance and Service Delivery Managers 2022/23
6	Review communications strategy and Communication Plan	Annually – February	Ongoing - full review by Communications Manager to be undertaken
7	Production of a newsletter to pensioners in April each year	Annually - March	Done
8	Produce Newsletter for Employers	In accordance with the Pension Admin Comms Plan	Done
9	Produce Newsletter for Members	In accordance with the Pension Admin Comms Plan	Done
10	Timely production of benefit statements	Active members by 31 Aug	Done
		Preserved members by 31 Aug	Done
		Councillors by 31 Aug	Done
11	Annual Allowance	Annually - 6 October	Done
12	Ensure communication material complies with current legislation and effectively communicates the benefits of the scheme to members and employers. Ensure communication material is amended to comply with the requirements of the new regulations/legislation	Ongoing - Monthly	Ongoing
13	Communication on a timely basis of material scheme changes to Pension Fund Committee, Local Pensions Board, employer bodies and members	Ongoing	Ongoing
14	Prepare Pension Fund Annual Meeting (November) and receive feedback from employers	Annually - November	Done
15	Prepare for annual employer forum	Dates tbc	Ongoing - quarterly meetings undertaken in year
16	Review Mercer work on Guaranteed Minimum Pension (GMP) Reconciliation.	Ongoing – Monthly	Ongoing
17	Fund receive reassurance from the administration function that all member records are set up on the pension administration system and that all relevant documents are scanned and assigned to the appropriate record.	Ongoing – Monthly updates to include as part of the Pension Admin / Fund monthly Meetings	Ongoing
18	Plan for impact of McCloud	Phase 1 by April 2021	Ongoing
19	Plan for Goodwin	Ongoing	Ongoing
20	Plan for GMP Equalisation	Ongoing	Ongoing - to be absorbed into BAU going forward
21	Data improvement – review data improvement plan	November 2021	Done

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