

**SURREY COUNTY COUNCIL****PENSION FUND COMMITTEE****DATE: 23 SEPTEMBER 2022****LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR CORPORATE FINANCE & COMMERCIAL****SUBJECT: 2022 VALUATION****SUMMARY OF ISSUE:**

This report provides an update to the 2022 triennial valuation including a report from the Fund actuary, Hymans Robertson.

**RECOMMENDATIONS:**

It is recommended that the Pension Fund Committee note the report from Hymans Robertson, on the approach to the revisions to the Funding Strategy Statement, included as Annex 1.

**REASON FOR RECOMMENDATIONS:**

The Pension Fund Committee needs to be aware of the activities and outputs of the triennial valuation as this informs employer contribution rates and the investment strategy of the Fund. This is consistent with the Fund's strategic funding objectives.

**DETAILS:****Background**

1. The Fund actuary, Hymans Robertson, carries out a triennial valuation of the Fund's assets and liabilities. The primary and secondary contribution rates for all employers in the Fund and the accompanying investment strategy are derived from this valuation.
2. Work is underway for the triennial valuation on 31 March 2022 (effective 1 April 2023).
3. Officers will work with Hymans to progress the work on the valuation and report regularly on progress.

## Timetable

4. The key areas of activity for the 2022 actuarial valuation are set out in the table below.

	Timing (financial quarter)	Area
1	Q1 2022 and prior	Pre-valuation work: <ul style="list-style-type: none"> <li>• Planning</li> <li>• Data cleansing</li> <li>• Valuation training (10 December 2021)</li> </ul>
2	Q2 2022	Actuarial assumptions review Data cleansed and submitted to actuary Funding Strategy Statement review
3	Q3 2022	Whole fund funding level report Set contribution rates for major employers
4	Q4 2022	Employer results issued to employers Funding Strategy Statement consultation Employer Forum
5		Final valuation report signed off by 31 March 2023
6	1 April 2023	New employer contributions start to be paid

## Q2 activities

5. Progress is being made on all Q2 activities.

<b>Key assumptions agreed</b>	6.1	Key actuarial assumptions were agreed at the June 2022 Pension Fund Committee meeting.
<b>Data submitted</b>	6.2	Data has been cleansed and submitted to the actuary.
<b>Funding Strategy Statement under review</b>	6.3	The Funding Strategy Statement is being reviewed with a view to issuance and consultation later in the year. Hymans is reviewing and updating the document to restructure this as a new 'core' FSS. This is shorter than the current iteration removing a lot of supplementary explanation and repetition. The restructuring results in a document which is easier for employers to follow. The core and satellite documents comprising the entire FSS will form the basis of the employer consultation later this year.

#### **CONSULTATION:**

6. The Chairman of the Pension Fund Committee has been consulted on this report.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

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

#### **FINANCIAL AND VALUE FOR MONEY IMPLICATIONS**

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

#### **DIRECTOR OF CORPORATE FINANCE COMMENTARY**

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

#### **LEGAL IMPLICATIONS – MONITORING OFFICER**

10. There are no legal implications or legislative requirements.

#### **EQUALITIES AND DIVERSITY**

11. There are no equality or diversity issues.

#### **OTHER IMPLICATIONS**

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

#### **WHAT HAPPENS NEXT**

13. The following next steps are planned:
  - a) Officers to work with the fund actuary to progress the valuation; and
  - b) Further updates to be brought to the Committee.

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**Contact Officer:**

Paul Titcomb                      Head of Accounting and Governance

**Consulted:**

Pension Fund Committee Chairman

**Annexes:**

Annexe 1: Hymans paper on approach to revisions to FSS

**Sources/background papers:**

None

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