

**SURREY COUNTY COUNCIL****SURREY PENSION FUND COMMITTEE****DATE:** 15 DECEMBER 2023**LEAD OFFICER:** ANNA D'ALESSANDRO, DIRECTOR OF FINANCE,  
CORPORATE AND COMMERCIAL**SUBJECT:** ACTUARIAL UPDATE**SUMMARY OF ISSUE:**

This report provides an update from the Fund Actuary on cash flow and the new pass-through policy relating to new admission bodies (specifically contractors) participating in the Fund.

**RECOMMENDATIONS:**

It is recommended that the Pension Fund Committee:

1. note the Fund's cashflow position, and
2. approve the pass-through policy which includes the detail around the specific Surrey fund's policy.

**REASON FOR RECOMMENDATIONS:**

The Pension Fund Committee needs to be aware that the Fund has created a Pass-Through policy document setting out the general approach they will take when admitting new contractors into the Fund.

**DETAILS:****Cash flow**

1. The cashflow position of the Fund is sensitive to future levels of inflation. It is important to monitor the cashflow position regularly to identify if cash from assets are required to meet benefit payments. The actuary has updated the cashflow projections to allow for emerging market experience.

**Pass through**

2. The new policy relates to allowing new admission bodies (specifically contractors) to participate in the Fund on a 'pass-through' basis. Pass-through is a way of participating in the Fund where certain risks are shared between the letting authority and the new contractor. The policy document sets out the general approach that will be taken when admitting new contractors into the Fund.

### **CONSULTATION:**

3. The Chair of the Pension Fund Committee has been consulted on this report.

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

4. Relevant risk related implications, including specifically those arising from inflation, have been considered and are contained within the report.

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

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

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

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

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

7. There are no legal implications or legislative requirements.

### **EQUALITIES AND DIVERSITY**

8. There are no equality or diversity issues.

### **OTHER IMPLICATIONS**

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

### **WHAT HAPPENS NEXT**

10. There are no further steps required.

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**Contact Officer:** Sara Undre, Employer Manager  
Paul Titcomb – Head of Accounting and Governance

**Consulted:** Pension Fund Committee Chair

**Annexes:**

1. Actuary's report on emerging cashflow position
2. Pass Through Policy Information
3. Pass Through Policy

**Sources/background papers:**

1. None
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