



SURREY LOCAL PENSION BOARD REPORT

SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: 15 NOVEMBER 2024

LEAD OFFICER: NEIL MASON, LGPS SENIOR OFFICER

SUBJECT: IMPROVING THE GOVERNANCE OF THE SURREY PENSION FUND UPDATE

SUMMARY OF ISSUE:

This report provides the Local Pension Board (Board) with an update on recent changes to the governance of the Surrey Pension Fund. These were 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. Changes included amendments to the Pension Fund Committee Terms of Reference and Surrey County Council's scheme of delegations.

RECOMMENDATIONS:

It is recommended that the Board:

1. Note the content of this report.

REASON FOR RECOMMENDATIONS:

To provide an update to the Board and stakeholders on changes to the governance of the Surrey Pension Fund, which enable conflicts of interest of Surrey County Council in its dual role as Administering Authority of and Scheme Employer in the pension fund to be more effectively managed

DETAILS:

1. At the last Pension Fund Committee meeting 13 September 2024 officers presented a report that recommends ways in which the governance of the Surrey Pension Fund can be improved to enable conflicts of interest of Surrey County Council in its dual role as Administering Authority of and Scheme Employer in the pension fund to be more effectively managed. This report is shown as Annexe 1.
2. Before bringing this paper to the Committee a consultation with the Chief Executive Officer, Section 151 Officer, Monitoring Officer and the Corporate Leadership Team has taken place. A draft copy of the report was also shared with Members of the Board

3. The Committee agreed to endorse the report and recommend approval to Surrey County Council's Full Council at its meeting of 8 October 2024 (see Annexe 2). The changes were approved by full Council. Changes to the Terms of Reference, Scheme of Delegations and Financial Regulations are as detailed in Annexe 3.
4. Further to the approval of these changes, officers are exploring options for the future of Surrey Pension Fund as outlined in the report to allow continuous improvement and future proofing. These include consideration of changes in policies, identity and systems and services. Any proposed options will be taken forward subject to further consideration by the Pension Fund Committee and the Council's governance, legal and financial due diligence.

CONSULTATION:

5. The Chair of the Local Pension Board has 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 – MONITORING OFFICER:

8. The County Council has delegated responsibility to the Pension Fund Committee for its statutory functions as the Administering Authority for the SPF. 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:

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) Officers to continue discovery work of the SPF as outlined in this report, in the areas of policy, identity, accommodation, people, systems and services and future proofing.

Contact Officer:

Neil Mason LGPS Senior Officer

Annexes:

1. Surrey Pension Committee 13 September 2024 – Annexe 1
2. Full Council amendments to the Constitution – Annexe 2
3. Detailed amendments to the Constitution in respect of Pension Fund Governance – Annexe 3

Sources/Background papers:

1. Surrey Pension Team 2024/25 Strategic Plan [PowerPoint Presentation \(surreycc.gov.uk\)](https://surreycc.gov.uk)
2. [Good Governance Final Report February 2021.pdf \(lgpsboard.org\)](https://lgpsboard.org)
3. [Conflicts of interest TPR code module | The Pensions Regulator](https://www.thepensionsregulator.gov.uk)

This page is intentionally left blank