



SURREY PENSION FUND COMMITTEE REPORT

SURREY COUNTY COUNCIL

SURREY PENSION FUND COMMITTEE

DATE: 21 MARCH 2025

LEAD OFFICER: NEIL MASON, LGPS SENIOR OFFICER

SUBJECT: SUMMARY OF THE LOCAL PENSION BOARD

SUMMARY OF ISSUE:

This report provides a summary of administration and governance issues reviewed by the Local Pension Board (the Board) at its last meeting (21 February 2025).

RECOMMENDATIONS:

It is recommended that the Pension Fund Committee:

1. Notes the content of this report.
2. Makes any recommendations to the Local Pension Board if required.

REASON FOR RECOMMENDATIONS:

The Public Sector Pensions Act 2013 requires Local Pension Boards to assist the Scheme Manager in securing compliance with the Local Government Pension Scheme (LGPS) Regulations and requirements imposed by the Pensions Regulator. This report provides the Committee with insight into the activities of the Board and furthers the successful collaboration of the Committee and Board in managing risk and compliance and promoting effective governance.

DETAILS:

Glossary, Actions Tracker, & Forward Programme of Work

1. The Board considered the Action Tracker, Forward Programme of Work and Glossary.
2. A Member of the Board asked to receive confirmation of training completed by Board Members. The Chair acknowledged and agreed that Officers provide confirmation of completed training and circulate links to training on LOLA and the Online training courses provided by the Pensions Regulator [Trustee](#) & [Public Service toolkits](#).

Summary of the Pension Fund Committee Meeting on 13 December 2024

23. The Chair of the Pension Fund Committee presented a summary of the Committee meeting held in December 2024. Highlighting the following key points:-

- a) Unit 4 – continues to be discussed and monitored, further update under Risk Register update – [Annexe 2](#)
- b) Service Delivery- commended for progress,
- c) Government Consultation – discussed the response to the Local Government reorganisation.
- d) Funding Level was 142% funded
- e) Global Equity Alpha – concerns noted and discussed in Part 2.
- f) Investment Beliefs –The session planned for February was postponed in light of the recent Government consultations.
- g) Private Markets – reviewed as part of asset class analysis.
- h) Border to Coast endorsed investment beliefs.

24. The LGPS Senior Officer informed the Board that a submission to government on consultation on pooling of LGPS Investment Funds

25. A Member of the Board asked about individual employer funding levels and potential pressure to increase contributions.

26. The LGPS Senior Officer responded that the overall experience is positive, and no major pressures are expected.

Surrey Pension Team Overview – Dashboard Update

27. The LGPS Senior Officer presented a report on Surrey Pension Team Overview - Dashboard Update, highlighting the Dashboard (page 54) of agenda pack and Administration Team performance.

28. Board Members were provided with an update from the Head of Accounting & Governance on the external audit for 2023/24 Financial Statement. At the Last Audit and Governance Committee on January 22, 2025, the Committee agreed to delegate authority to sign off the financial statement to the Section 151 Officer. The sign-off for the Surrey County Council financial statement, including the Fund, is expected before the end of February.

29. Within this report the Board received an update on the completion of the Pension Regulator's Scheme Return, which was submitted on 22 November 2024.

30. An update on progress of the General Code of Practice (GCOP) was included, in that Officers have concentrated on completing the last three remaining chapters of the General Code of Practice (GCOP): Administration: IT & Cyber Security, Funding and Investment: Investment (best practice only) and Governing Body: Advisers and Service Providers (best practice only). Out of the eleven chapters completed, three modules were initially considered not met but have been reviewed and are now partially met.

Change Management Update - Quarter 3

31. The Board received an update on the activities of the Change Management Team during the period October – December 2024 highlighting the nomination for Defined Benefit Scheme of the Year Award with the award ceremony taking place in early March. LinkedIn videos released to enhance the Fund's profile. Staff Pulse Survey was launched in December with results available at the next Board meeting in May. Project Review Board: revamped to improve visibility and prioritise of resources. Two external suppliers have been appointed to support our Digital transformation plans.
32. A Member of the Board raised concerns about local government reorganisation and its impact on governance arrangements. The LGPS Senior Officer confirmed that ongoing discovery work and planned workshops will address these issues.

Communications Policy 2025/26

33. The Board was asked to note the policy shown in [Annexe 1](#) and to recommend its approval to the Pension Fund Committee (Committee)

Training Policy 2025/26

34. The Head of Change Management introduced the Training policy, highlighting changes to improve readability and the introduction of sanctions for non-completion of mandatory training,
35. The Chair raised the availability of the Member induction handbook. The LGPS Senior Officer agreed as an action to circulate a copy to Members of the Board.
36. A Member of the Board raised concerns about the language used regarding sanctions. The LGPS Senior Officer agreed to review this section.
37. The Board noted the policy shown in [Annexe 1](#) and recommended its approval to the Committee.

Service Delivery Overview

38. The Head of Service Delivery provided an update on performance for quarter 3. The following items were highlighted:

- a) Performance levels for the quarter have achieved an overall score of 97%, an increase of 5% on the previous quarter.
- b) Following the introduction of Online Retirements in November 2024 there have been 60 quotations, and 16 cases processed into payment. The average processing time for the online service is 2 days, compared to 9.5 days for the standard approach. Efforts are being made to use existing communication channels with members, employers, and the Surrey Pension Fund (SPF) website to enhance customer engagement.
- c) GMP update – Officers and representatives from Mercers have been conducting extensive data analysis and have agreed on the full recertification requirements.
- d) McCloud update – The team has focused on updating member records in bulk to ensure accurate service dates and reconcile any data gaps.
- e) Legacy case reduction now stands at 96% as at the 30 December 2024. The remaining cases consist mostly of deferred and aggregations which require further information from employers.
- f) Procurement of the Pension Administration System update – Board Members received an update on the tender process and outcome. After a robust moderation process Heywood Pension Technologies, the incumbent provider, have been awarded an initial 5-year contract.
- g) Benchmarking – CEM Benchmarking Ltd have conducted a benchmarking exercise for the second consecutive year within the Service Delivery functions. The Chair requested that report be uploaded to the Governance Hub on SharePoint for Board and Committee members to review.
- h) Administration Strategy Review – work has begun to review the existing administration strategy, ensuring it remains relevant and suitable for our scheme employers.

39. The Board received four annexes to review and comment on: -

Title of Annexe	Summary of Annexe
Annexe 1	Provides an update on performance for this quarter, along with commentary explaining performance and any challenges faced in meeting the Service Level Agreements (SLAs).
Annexe 2.	Provides a comparative quarterly performance trend analysis.
Annexe 3	A summary of the most common categories of cases being terminated.
Annexe 4	Provides details of six complaints received during this period. plus one complaint in Q2.

Risk Register Update 2024/25 Quarter Three

40. The Head of Accounting and Governance confirmed that work has commenced with the teams in each area reviewing the current risk register.
41. At the last Board meeting Members requested to see the top 5 risks within the risk register.
42. The Board was also provided with an update and summary on the key works and progress on MySurrey in [Annexe 2](#)

The Surrey Pension Fund Conflicts of Interest Policy

43. The Board was asked to consider and provide comment on the proposed draft Conflicts of Interest ([Annexe 1](#)), which will apply to the Pension Fund Committee and Local Pension Board Members, along with Officers and Advisors involved in the management of the Surrey Pension Fund.

Surrey Pension Fund Internal Audit Progress Report – Quarter Three

44. The Principal Auditor provided the Board with an update on the audits completed. Two audits were finalised: Business Continuity Arrangements and Overseas Pensioner Life Certification. Both audits received a rating of 'Reasonable Assurance', details can be found in [Annexes A & B](#).

LGPS Update (Background Paper)

45. The Board received information on issues impacting the LGPS, the report highlighted three key points:

- a) Consultation launched on pooling of LGPS Investment Funds
- b) Consultation launched on overhauling local audit system in England
- c) Consultation launched on Inheritance Tax on pensions.

Any Other Business

46. A Member of the Board asked whether they were able to use the Surrey Pension Fund dashboard as an example of good practice. The Chair agreed to consider this suggestion.

CONSULTATION:

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

RISK MANAGEMENT AND IMPLICATIONS:

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

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

49. 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:

50. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY:

51. There are no equality or diversity issues.

OTHER IMPLICATIONS:

52. There are no other implications.

NEXT STEPS:

53. The following steps are planned:

- a) The Committee will receive further reports and continue to work with the Board where necessary and appropriate.

Contact Officer:

Colette Hollands, Head of Accounting & Governance

Annexes:

1. None

Sources/Background papers:

1. Quarterly Performance Summary– LPB – [Annexe 1](#)
2. Quarterly Performance Trend Analysis– LPB – [Annexe 2](#)
3. Terminated Case Summary – LPB – [Annexe 3](#)
4. Complaints Summary LPB – [Annexe 4](#)
5. Communications Policy- [Annexe 1](#)
6. Training Policy – [Annexe 1](#)
7. MySurrey Update -Local Pension Board – [Annexe 2](#)
8. Conflict of Interest Policy – [Annexe 1](#)
9. Internal Audit Progress report – [Appendix A&B](#)

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