

1

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	Primary Responsibility
1	Update the investment strategy statement to include investment core beliefs	July 2021	Strategic Finance Manager (Pensions)
2	Monitor performance of investment managers/Border to Coast and report to Pension Fund Committee	Quarterly 2021/22	Senior Pensions Finance Specialist
3	Reporting on Responsible Investment Outcomes achieved by Fund, BCPP and Engagement Partners, and developments in Responsible Investment Policy	Ongoing 2021/22	Senior Pensions Finance Specialist
4	Continue transition to national asset pooling (Border to Coast Pensions Pool) <ul style="list-style-type: none"> • Multi-asset credit • Emerging Market Equity • Regional Equity • Property • Listed alternatives 	Ongoing 2021/22	Strategic Finance Manager (Pensions)

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	Senior Pensions Finance Specialist
6	Review Investment consultant and independent advice	July 2021	Strategic Finance Manager (Pensions)
7	Review Competitions Market Authority (CMA) investment consultant strategic objectives	September 2021	Senior Pensions Finance Specialist
8	Establish base-line pension fund budget 2022/23	February 2022	Senior Pensions Finance Specialist
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	Senior Pensions Finance Specialist
10	Produce Annual Statement of Accounts and achieve an unqualified audit	31 May 2021	Senior Pensions Finance Specialist
11	Produce Pension Fund Annual Report	30 September 2021	Senior Pensions Finance Specialist
12	Deliver environmental, social and governance (ESG) engagement forum	30 November 2021	Senior Pensions Finance Specialist
13	Report on Cost Effective Measurements (CEM) investment benchmarking	10 December 2021	Senior Pensions Finance Specialist
14	Taskforce for Climate Related Disclosures (TCFD) reporting	30 September 2021	Senior Pensions Finance Specialist
15	Stewardship code reporting	10 December 2021	Senior Pensions Finance Specialist
16	Implement replacement for gilts	Ongoing 2021	Strategic Finance Manager (Pensions)
17	Review passive portfolio	Ongoing 2021	Strategic Finance Manager (Pensions)
18	Review engagement framework with Border to Coast	Ongoing 2021	Senior Pensions Finance Specialist

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	Primary Responsibility
1	Provide employers with IAS19/FRS102 funding statements when requested	Scheduled and admitted bodies: Mar 2021 Colleges: July 2021 Academies: August 2021	Senior Pensions Finance Specialist
2	Monitor monthly and reconcile contributions schedule for the County Council and scheme employers	Ongoing - Monthly	Pensions Finance Specialist
3	Review Compensation process	Ongoing	Pensions Finance Specialist
4	Regular contributions / benefits, cash-flow	Quarterly	Pensions Finance Specialist
5	Review TUPE Process	10 September 2021	Pensions Finance Specialist
6	Plan for 2022 Valuation	10 September 2021	Pensions Finance Specialist
7	Integrated cashflow analysis	10 December 2021	Pensions Finance Specialist

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	Primary Responsibility
1	Reasonably comply with any requests from the Local Pension Board with regard to any aspect of the Scheme Manager function	Ongoing 2021/22	Pension Governance and Employer Manager
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	Pension Governance and Employer Manager

3	Commission the Local Pension Board to carry out specific studies to assist the Pension Fund Committee	Ongoing 2021/22	The Pension Fund Committee
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	Pension Governance and Employer Manager
5	To monitor a system of disaster recovery/business continuity in the event of major disaster	Ongoing 2021/22 February 2022	Pension Governance and Employer Manager / Pension Administration Team
6	Review Pension Fund Committee and Local Pension Board member training requirements and implement training plan as appropriate	Ongoing 2021/22 July 2021	Pensions Finance Specialist
7	Agree annual plan for Committee, local Board members and officer training	July 2021	Pensions Finance Specialist
8	Ensure that meeting papers are issued at least seven days prior to meeting	Every Pension Fund Committee and Local Pension Board meeting	Strategic Finance Manager (Pensions)
9	Review and catalogue all policies	Ongoing 2021/22	Pension Governance and Employer Manager
10	Review compliance with the Pension Regulator's Codes of Conduct.	When combined code is known	Pensions Finance Specialist
11	Respond to all government consultations and report to the Pension Fund Committee as necessary	As and when required	Pension Governance and Employer Manager
12	Review and Catalogue Process Notes –	As and when required	Pension Communications and Administration Officer
13	Ensure Border to Coast Shareholder Resolution are completed and signed by the Pension Fund Committee Chair	As and when required	Strategic Finance Manager (Pensions) / Pension Communications and Administration Officer
14	Complete annual return to the Pensions Regulator	On notification by the Pensions Regulator	Pension Communications and Administration Officer
15	Delivery of Training plan	Ongoing	Pensions Finance Specialist

16	Liaise with Internal Audit process	July 2021	Strategic Finance Manager (Pensions)
17	Review cyber security risk	July 2021	Pension Governance and Employer Manager

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	Primary Responsibility
1	Conduct monthly administration performance review meetings	Monthly	Pensions Finance Specialist /Pensions Process Manager
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	Pension Governance and Employer Manager / Head of Pensions Administration

3	Ensure that any complaints against action or inaction by pension staff are dealt with in a timely manner	Ongoing – Monthly	Support and Development Team
4	Review the content of the pension fund website to ensure it is relevant and kept up to date.	Ongoing - monthly	Communications Team
5	Monitor and review performance against the pension fund administration strategy	Ongoing - Quarterly in line Pension Board	Pension Governance and Employer Manager / Head of Pension Administration
6	Review communications strategy and Communication Plan	Annually – February	Communications Team
7	Production of a newsletter to pensioners in April each year	Annually - March	Communications Team
8	Produce Newsletter for Employers	In accordance with the Pension Admin Comms Plan	Communications Team
9	Produce Newsletter for Members	In accordance with the Pension Admin Comms Plan	Communications Team
10	Timely production of benefit statements	Active members by 31 Aug Preserved members by 31 Aug Councillors by 31 Aug	Support and Development Team
11	Annual Allowance	Annually - 6 October	Pension Administration Team
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	Pensions Technical and Compliance Specialist

13	Communication on a timely basis of material scheme changes to Pension Fund Committee, Local Pensions Board, employer bodies and members	Ongoing	Pensions Technical and Compliance Specialist
14	Prepare Pension Fund Annual Meeting (November) and receive feedback from employers	Annually - November	Communications Team
15	Prepare for annual employer forum	Dates tbc	Pensions Finance Specialist / Pension Administration Team
16	Review Mercer work on Guaranteed Minimum Pension (GMP) Reconciliation.	Ongoing – Monthly	Pension Governance and Employer Manager / Support & Development Team
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	Pension Governance and Employer Manager / Pension Administration Team
18	Plan for impact of McCloud	Phase 1 by April 2021	Head of Pension Admin
19	Plan for Goodwin	Ongoing	Head of Pension Admin
20	Plan for GMP Equalisation	Ongoing	Head of Pension Admin
21	Data improvement – review data improvement plan	11 November 2021	Head of Pension Admin