

Surrey Pension Fund: 2022 Valuation Plan

The below table details the main tasks/considerations associated with each individual valuation workstream. The table details two possible approaches:

1. **Compliance** - the valuation tasks required to comply with the LGPS Regulations; and
2. **Best Practice** - the valuation tasks that, in our view, represent best practice for a LGPS fund to help achieve the best possible funding outcomes and service for employers.

The table has been prepared in mind to facilitate a discussion with the Fund's Officers and therefore does not attempt to include the full detail for each task. This can be covered in our discussions.

Workstream	Compliance	Suggested Timeline	Best practice	Suggested Timeline
Planning	Agree timetable for delivery of key project milestones	July/August 2021	Discuss and agree any pre-valuation work Finalise all outstanding cessation and new Academies Finalise all outstanding admission agreements for new employers Valuation training for Committee, Officers, Employers, LPB Employer forums (early engagement)/Academy training day Early warning reports (updated funding position reports for employers nearing cessation) Agree content to be presented at each Committee meeting ahead of valuation	July/August 2021 December 2021 December 2021 December 2021 and all 2022 Committee meetings October 2021 and Sep 2022 December 2021 August 2021
Data	Submit data for valuation & respond to validation queries Submit new employer data as part of valuation data submission Fund review of employer database	Jul-22 Ongoing (as soon as new employers have joined Fund) May 2022	Data cleanse ahead of valuation to resolve data queries Consult with Actuary to identify any significant data issues for the valuation Liaise with employers to discuss and highlight data issues Data reporting back to employers	October 2021 October to December 2021 (during data cleanse) January 2022 (post data cleanse) April 2022 (post data cleanse)
Valuation assumptions	Assumptions based on Hymans Robertson proposals	will d	Investigate choice of assumptions and make evidence based decisions (based on Fund views) Agree assumptions ahead of calculations & present evidence to Committee	March 2022 July 2022
Whole fund calculations	Balance sheet and experience for whole fund Initial results document for discussion	August/September 2022 August/September 2022		
Employer results/communications	Employer results portal	October 2022	Employer HEAT cashflows up to date and auditable Agree employer multiple employer strategy groups Individual results schedules Employer surgeries (discuss results) and commence Funding Strategy Consultation Employer forums (split by employer type)	July 2022 July 2022 November 2022 November 2022 September 2022
Funding strategy	Risk based contribution rates for all employers - Single funding target - Generic time horizon - Single risk parameter	October 2022	Stabilisation modelling for council, boroughs and districts Risk based rates for non-stabilised employers - Target either ongoing or gilts basis (depending on circumstances) - Review time horizon used in funding plan - Different levels of risk to reflect employer strength and risk profile - Understand funding profile & employer covenant (commission covenant analysis for required employers) - Evidence choice of risk levels Review investment strategy in conjunction with funding strategy review Consider how Climate Risk can impact on funding and investment strategy, together with Responsible Investment considerations. Review, investigate, monitor and mitigate potential sources of funding risk - Ill health retirement & Death in Service strains - Early retirement strain (review early retirement factors) - Significant changes in employer risk profile & strength - Cessation planning - Bond assessments up to date and reflect level of employer risk	November 2021 Recommend employer covenant analysis carried out in advance of March 2022 Q4 2021 / Q1 2022 Discuss once employer results issued in November 2022
Funding Strategy Statement			Review, re-draft Funding Strategy Statement (if required)	September 2022
	Sign off updated Funding Strategy Statement	December 2022	Review Funding Strategy Statement Consultation Responses	December 2022
Final valuation report	Prepare final valuation report and rates & adjustments certificate	February/March 2023	Issue final employer results schedules to employers	March 2023

Committee Meeting Topics/Training

Committee Meeting Date	Suggested Topics	Suggested Training	Purpose
10 September 2021	Draft Valuation Timetable		Sets out the timeframe and relative deadlines
10 December 2021	Valuation training	Background, overview of approach, key themes	Understanding the purpose of the valuation
March 2022	Results of stabilisation modelling for the Councils, Boroughs and Districts	Contribution rate modelling training	
June 2022	Training on assumptions and agree principles for 2022 valuation assumptions	Background, overview of approach, key themes	
September 2022	Whole Fund Valuation Results	High level valuation training	Results of 2022 Triennial Valuation
December 2022	Changes to employer funding strategies and draft Funding Strategy Statement		Implications to employers' funding strategies and draft FSS
March 2023	Final valuation report for noting and final Funding Strategy Statement		