

SURREY COUNTY COUNCIL**LOCAL PENSION BOARD****DATE:** 11 NOVEMBER 2021**LEAD OFFICER:** ANNA D’ALESSANDRO, DIRECTOR OF FINANCE,
CORPORATE AND COMMERCIAL**SUBJECT:** TURNAROUND PROGRAMME UPDATE**SUMMARY OF ISSUE:**

In July 2020 a pension “Turnaround Programme” was established to oversee the following:

1. Dissolution of the Orbis pension partnership between Surrey County Council (SCC) and East Sussex County Council (ESCC).
2. Reversion of pensions administration to the respective ESCC and SCC sovereign authorities.
3. Reevaluate the relationships with other pension administration customers.
4. Redesign the pensions function as an integrated Surrey Pensions Team combining administration with all other Fund activities.

This report provides the Surrey Local Pension Board (the Board) with an update on the Turnaround Programme.

RECOMMENDATIONS:

It is recommended that the Board:

Note the content of this report and make recommendations to the Surrey Pension Fund Committee (the Committee) if appropriate.

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 Board with insight into the activities of the Surrey pension function and furthers the successful collaboration of the Committee and Board in managing risk and compliance and promoting effective governance.

DETAILS:**Background**

1. As a result of a review of the Orbis partnership between ESCC and SCC, it was recommended that management of pension administration revert to the sovereign control of both councils.
2. SCC retained legacy responsibility for managing the administration of Surrey fire fighters pension scheme, as well as 4 London Borough LGPS funds (Kensington & Chelsea; Westminster; Hammersmith & Fulham and

Hillingdon). After failing to agree on a revised pricing model, these are all now in the process of exiting Surrey's management from April 2021 to February 2022.

3. A pension Turnaround Programme was established with Phase 1 overseeing the dissolution of the Orbis pension partnership, along with reversion to sovereign authorities and London Borough fund relationships and Phase 2 overseeing the Organisation redesign. A three year roadmap has been developed as follows:



4. Phase 1 comprises the following six projects:
 - a) Dissolution of the Orbis pension administration.
 - b) SCC sovereign return.
 - c) ESCC sovereign return.
 - d) Systems procurement.
 - e) Exit of London Boroughs.
 - f) Exit of Surrey Fire and Rescue service (SFRS).
5. Phase 2 comprises the following workstreams:
 - a) Organisation re-design – ensuring the Surrey Pension Team has the right structure, processes and people to successfully achieve the vision, mission and ambition of the service.
 - b) People & Recruitment – to successfully manage the transition from the current structure to the new structure
 - c) Process & Technology – to ensure the right processes and technology are in place to successfully meet the vision, mission and ambitions of the service.

- d) Culture & Training – to ensure the culture of the team enables the vision, mission and ambitions of the service to be met and there is appropriate training in place to support the new culture
 - e) Communication & Engagement – to ensure effective communication and engagement with staff and relevant stakeholders throughout the programme.
6. This report provides an update on the progress of the Turnaround Programme, specifically in relation to the impact on SCC.
7. The Chairman of the Pension Fund Committee and the Local Pension Board are provided with an update on the progress of the PAT on a monthly basis.

Phase 1 programme update

8. Completed activity since the last update:
- a) Migration of SFRS.
 - b) Migration of London Borough of Hillingdon.
9. Planned activity:
- a) Ongoing activity with the exits of Westminster City Council and the London Borough of Hammersmith and Fulham.

Phase 2 programme update

10. Executive Summary:
- a) Consultation period closed
 - b) Response to consultation including final structure issued to all staff and Tus
 - c) Bespoke workshops to support staff with expressions of interest and interview planning underway
 - d) Recruitment for Heads of Service planned and interview dates known
 - e) Recruitment approach for all other roles agreed
 - f) Marketing campaign starting with AON webinar and “teaser” video planned
11. Organisational redesign update:
- a) Completed activity this period: n/a
 - b) Planned activity for next period:
 - i- Meeting with Heywoods to explore what capability is available that we may not be leveraging;
 - ii- Prepare Business Case to set out options for Pensions Helpdesk.
 - c) Risks/dependencies:
 - iii- Maintain ongoing dialogue with Business Operations re Pensions Helpdesk (i.e. to determine whether current design can meet future aims and ambitions at a cost that delivers the best value) so that decision can be made at an appropriate point
12. People and recruitment update:
- a) Completed activity this period:
 - i- Equality Impact Assessment completed;

- ii- Voluntary severance applications confirmed;
 - iii- Response to consultation document including confirmed structure issued to staff and Trade Unions (confirmed structure is included as Annexe 1);
 - iv- Marketing campaign in progress.
- b) Planned activity for next period:
- i- Finalise marketing campaign;
 - ii- “Teaser” marketing video launched;
 - iii- AON webinar;
 - iv- Head of Service advertisements and shortlisting completed;
 - v- Head of Accounting & Governance interviews (ringfenced post).
- c) Risks/dependencies:
- i- Date by which leadership structure can be in place is dependent on notice periods of successful candidates – likely to be longer notice periods if external appointments made.
13. Process and technology update:
- a) Completed activity this period: n/a
- b) Planned activity for next period:
- i- Complete review of process maps and make recommendations for next steps;
 - ii- Early engagement with IT&D to ensure resource is in place when needed;
 - iii- Engagement with Heywoods to ensure leveraging capability with current system and exploring future capabilities.
- c) Risks/dependencies:
- i- Progress and completion of process mapping could be delayed due to impact of consultation on staff leading this work.
14. Culture and training update:
- a) Completed activity this period:
- i- Work continuing with Human Resources for most appropriate approach to culture change strategy.
- b) Planned activity for next period:
- i- Identify resource to build new process training manuals and approach.
- c) Risks/dependencies:
- i- Resistance to change could undermine success of new culture.
15. Communication and engagement update:
- a) Completed activity this period:
- i- Bespoke workshops to support staff with preparing expressions of interest and interviews have been well attended with positive feedback received;
 - ii- Dedicated pensions inbox remains open for staff queries.
- b) Planned activity for next period:
- i- Further interview skills workshops;
 - ii- Whole of Pensions meeting to take forward BAU priorities post consultation.
- c) Risks/dependencies: n/a

CONSULTATION:

16. The Chairman of the Local Pension Board has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

17. Risk related issues have been discussed and are contained within the report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

18. The performance of the pensions function does present potential financial and value for money implications to the Pension Fund. The Turnaround Programme seeks to address this.

DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL COMMENTARY

19. 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

20. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY

21. Equality or diversity issues are addressed in this report.

OTHER IMPLICATIONS

22. There are no other implications.

WHAT HAPPENS NEXT

23. The following next steps are planned:

- a) Further updates will be provided to the Chairman of the Board on a monthly basis and to the Board at its next meeting.

Contact Officer:

Neil Mason, Strategic Finance Manager (Pensions)

Consulted:

Local Pension Board Chairman

Annexes:

1. Confirmed new Pensions Team structure

Sources/background papers:

None
