

DRAFT v1

Surrey Local Pension Board

Annual Report
2021/22

	Section	Page
Chair's Statement	1	2
Compliance checklist	2	3
Meetings and agenda items	3	10
Board attendance and training log	4	10
Board register of interests	5	10



2021/22 has been another challenging year for the Surrey Pension Fund.

Covid-19 continued to pose significant issues for the Pension Team, which was

undergoing operational changes as a result of the turnaround programme. Remote working enforced through the initial phases of Covid-19 have evolved into the agile working approach now adopted by the Pension Team.

The Board continued to meet during the year (virtually as required) to provide the necessary oversight and guidance to the executive team.

The Board is a requirement under the Public Service Pensions Act 2013 and the Local Government Pension Scheme Regulations 2013. Its primary function is to assist the Pension Fund Committee and Surrey County Council with:

- its compliance with the Local Government Pension Scheme (LGPS) Regulations, other relevant legislation and requirements imposed by the Pensions Regulator; and
- the effective and efficient governance and administration of the scheme.

The Board has conducted oversight of the Pension Fund Committee in relation to actuarial valuations, changes in investment strategy and the continued implementation of the local government pension pools through the Surrey Fund's membership of the Border to Coast Pension Partnership (BCPP) pool.

The Board has closely tracked the administrative performance of the Fund and its impact on the member and employer experience through quarterly KPIs, reports on projects, systems changes and evolving pension legislation and best practice guidance.

The Board also maintains oversight of the Fund's risk management protocols and risk register.

The Board continues to meet ahead of the Committee to provide an effective oversight. It takes the lead in reviewing administrative performance, projects, the risk registers, and reporting issues of concern to the Committee. The Board also reviews the activities of the Committee at each subsequent meeting, providing its input as required.

I thank all members of the Board for their contributions during the year. But we can only operate with the support of the Pensions Team. I would like to pay personal tribute to the immense amount of hard work carried out by the Team ably led by Neil Mason during these difficult times. I thank you all.

The meetings of the Surrey Local Pension Board are held in public. We welcome anyone with an interest in the Fund to attend and see for themselves how the Board operates. We are also open to suggestions from both employers and members about how we can best support them.

You can find out more by writing to the Board's supporting officer, Angela Guest at angela.guest@surreycc.gov.uk or phoning 07929 724773.

Tim Evans

Chair of the Surrey Local Pension Board

July 2022

To secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme.

How the Board does this:

- | | | |
|---|--|--|
| a | Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee. | The Board and Committee receive regular updates regarding their respective activities. The Board and Committee are committed to working together. The Board receives updates on the Border to Coast Pension Partnership (BCPP) pool. |
| b | Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code of Practice. | The Board has oversight of Pension Fund policies and processes.
The Board reviews Key Performance Indicators (KPIs) for pension administration on a quarterly basis |
| c | Review the compliance of scheme employers with their duties under the Regulations and relevant legislation. | The Board reviewed employer pension discretions in July 2016 and have continued to monitor compliance over the subsequent years. The Board received a report on Compliance with the Pensions Regulator's Code of Practice No. 14 at its meeting on 11 November 2021. |
| d | Assist with the development of and continually review such documentation as is required by the Regulations including Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles. | This was reviewed as part of the Fund Annual Report on 11 November 2021, with specific policies also reviewed periodically in 2021/22 meetings. The Board will review these on an annual basis as part of the Fund Annual Report and as part of its Forward Plan. |
| e | Assist with the development of and continually review scheme member and employer communications as required by the Regulations and relevant legislation. | The Board was provided with an outline of the current communications channels for members and employers as part of a training session in October 2015. The Draft Communications policy was presented to the Board at its meeting on 11 February 2021. |
| f | Monitor complaints and performance on the administration and governance of the scheme. | The Board reviews complaints on a quarterly basis. |
| g | Assist with the application of the Internal Dispute Resolution Process. | The Board receives a quarterly update on the number of Internal Dispute Resolution Process cases and monitors any key themes emerging from these. |
| h | Review the complete and proper exercise of Pensions Ombudsman cases. | N/A – No current or outstanding Ombudsman cases to consider |

To secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme.

How the Board does this:

i	Review the implementation of revised policies and procedures following changes to the Scheme.	N/A – No changes. The Board is fully conversant on current proposed changes to the LGPS regulations through regular bulletins within the standing item Recent developments in the LGPS
j	Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.	The Board will review its own training needs on an annual basis. A knowledge and understanding log is included in the Board's annual report. All Board members are required to complete the Pension Regulator Public Sector toolkit in order to comply with the Board's Attendance, Knowledge and Understanding policy.
k	Review the complete and proper exercise of employer and administering authority discretions.	The Board received a verbal update on discretions on 11 November 2021.
l	Review the outcome of internal and external audit reports.	The Board complies with Surrey County Council's agreed process for internal audit reports being considered by scrutiny boards. This means all relevant audit reports are circulated to the Chairman, and any report with one or more high priority recommendation will be considered for discussion at the Board. The results of any external audit are shared with the Board.
m	Review draft accounts and scheme annual report.	The Board received both the Draft Statement of Accounts and Fund Annual Report 2020/21 on 11 November 2021.
n	Review the compliance of particular cases, projects or process on request of the Committee.	N/A
o	Any other area within the core function (i.e. assisting the Administering Authority) the Board deems appropriate.	The Board receives a regular Breach of Law update as and when potential breaches occur, the last report was on 18 February 2022.

Meetings and agenda items 3

Meeting	Agenda items
1 27 May 2021	<i>Meeting cancelled.</i>
2 5 August 2021	<ol style="list-style-type: none">1. Administration Performance Report2. Annual Report3. Breach of Law Report4. Summary of the Pension Fund Committee Meetings of 11 December 2020 and 9 July 20215. Cyber Security6. Review of Internal Dispute Resolution Cases in 2021/22 (Quarter One)7. Summary of the 2020/21 Internal Audit Reviews of Investments and Administration and Details of the 2021/22 Internal Audit Plan8. Recent Developments in the LGPS9. Risk Registers10. Scheme Advisory Board Review of Governance in the LGPS11. The Pension Regulator's Consultation on a Single Combined Code of Practice12. Training Policy13. Turnaround Board Update
3 11 November 2021	<ol style="list-style-type: none">1. Summary of the Pension Fund Committee Meeting of 10 September 20212. Turnaround Programme Update3. Administration Performance Report and Update - 1 July to 30 September 20214. Valuation 20225. Compliance with the Pension Regulator's Code of Practice No. 146. Draft Annual Report & Statement of Accounts7. Risk Registers 2021/22 - Quarter 2
4 18 February 2022	<ol style="list-style-type: none">1. Summary of the Pension Fund Committee of 10 December 20212. Risk Registers 2021/22 - Quarter 33. Administration Performance Report and Update 1 October to 31 December 20214. Turnaround Programme5. Progress of 2021/22 Internal Audit Plan

Board attendance and training log 4

Members of the Local Pension Board

Name	Initials	Position	Representing	Appointed	Appointment ended
Tim Evans	TE	Chair	Independent Chair	19/07/2021	-
David Lewis	DL	Vice-Chair	Scheme Employers	19/07/2021	-
Siobhan Kennedy	SK		Scheme Members	29/04/2020	-
William McKee	WM		Scheme Members	19/07/2021	-
Fiona Skene	FS		Scheme Members	10/12/2020	-
Jeremy Webster	JW		Scheme Employers	19/07/2021	-
Trevor Willington	TW		Scheme Members	17/07/2015	-
Nick Harrison	NH		Scheme Employers	17/07/2015	05/05/2021
Paul Bundy	PB		Scheme Employers	17/07/2015	28/04/2021
David Stewart	DS		Scheme Members	17/07/2015	04/05/2021
Rohit Dara	RD		Scheme Employers	22/09/2020	06/10/2021

Meeting attendance

Name	May 2021			
	Meeting cancelled	August 2021	November 2021	February 2022
Tim Evans	n/a	✓	✓	✓
David Lewis	n/a	✓	Apologies	✓
Siobhan Kennedy	n/a	✓	✓	✓
William McKee	n/a	✓	✓	✓
Fiona Skene	n/a	✓	Apologies	Apologies
Jeremy Webster	n/a	✓	✓	✓
Trevor Willington	n/a	✓	✓	✓
Nick Harrison	n/a	n/a	n/a	n/a
Paul Bundy	n/a	n/a	n/a	n/a
David Stewart	n/a	n/a	n/a	n/a
Rohit Dara	n/a	Apologies	n/a	n/a

Training of current Board members

Name	The Pensions Regulator Public Sector Toolkit	Local Government Association Fundamentals 1	Local Government Association Fundamentals 2	Local Government Association Fundamentals 3
Tim Evans				
David Lewis				
Siobhan Kennedy	✓	✓	✓	✓
William McKee	✓			
Fiona Skene				
Jeremy Webster	✓			
Trevor Willington	✓	✓		✓

Additional Training

Name	AGM Training Nov 2021	Actuarial and Investment Training Dec 2021
Tim Evans	✓	
David Lewis	✓	✓
Siobhan Kennedy	✓	✓
William McKee	✓	✓
Fiona Skene	✓	✓
Jeremy Webster		✓
Trevor Willington		

The Public Service Pensions Act 2013, Section 5(4) requires that any member of a Pension Board must not have a “conflict of interest”, which is defined in Section 5(5) as a “financial or other interest which is likely to prejudice the person’s exercise of functions as a member of the board, but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme.”

A conflict of interest exists where there is a divergence between the individual interests of a person and their responsibility towards the Local Pension Board, such that it might be reasonably questioned whether the actions or decisions of that person are influenced by their own interests.

A conflict of interest would prejudice an individual’s ability to perform their duties and responsibilities towards the Local Pension Board in an objective way.

An example of a potential conflict of interest could be:

A Local Pension Board member may be required to review a decision which may be, or appear to be, in opposition to another interest or responsibility; e.g(s):

- a review of a decision which involves the use of departmental resource in the function of the Local Pension Board, whilst at the same time being tasked with reducing this departmental resource by virtue of their employment;
- a Local Pension Board member could also be employed or have an interest in either privately or as part of the Council in a service area of the Council for which the Local Pension Board has cause to review;
- an independent member of the Local Pension Board may have a conflict of interest if they are also advising the Scheme Manager.

Register of interests

Name	Employment	LGPS Pension?	Conflict with Employment?	Note	Other conflicts
Tim Evans	N/A	Yes	No	N/A	N/A
David Lewis	N/A	No	No	N/A	N/A
Siobhan Kennedy	Homelessness, Advice & Allocations Lead for Guildford Borough Council.	No	No	N/A	N/A
William McKee	Retired	Yes	No	N/A	N/a
Fiona Skene	Corporate Head of HR & OD – Runnymede Borough Council	No	No	Employed by an employer of the fund. If a conflict was to arise, this would be mitigated by the Board member removing themselves from the discussion.	N/A
Jeremy Webster	Retired		No	N/A	N/A
Trevor Willington	N/A	Yes	No	N/A	N/A
Nick Harrison	Elected Member of Surrey County Council; Trustee director of a company pension scheme, DB Pension Fund Trustee Ltd.	No	No	Deutsche Bank has no role in relation to the Surrey Pension Fund and no role more generally in providing banking or other services to Surrey County Council.	N/A
Paul Bundy	Head of Finance, Surrey Police	No	Yes	Employed by an employer of the fund. If a conflict was to arise, this would be mitigated by the Board member removing themselves from the discussion.	N/A
David Stewart	Senior HR Business Partner – Reward at University of Law.	Yes	No	Employer's pension services administered by Orbis - this is managed by being recorded at each meeting, and any likelihood of conflict arising mitigated by the member removing themselves from the discussion.	N/A
Rohit Dara	GMB branch secretary	No	No	N/A	N/A

This page is intentionally left blank