

SURREY COUNTY COUNCIL**LOCAL PENSION BOARD****DATE: 17 FEBRUARY 2022****LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF CORPORATE FINANCE****SUBJECT: 2022 VALUATION****SUMMARY OF ISSUE:**

This report provides an update to the 2022 triennial valuation being undertaken by the Fund actuary, Hymans Robertson.

RECOMMENDATIONS:

It is recommended that the Board note the progress made on the actuarial work during 2022/23.

REASON FOR RECOMMENDATIONS:

The Board needs to be aware of the activities and outputs of the triennial valuation as this informs employer contribution rates and the investment strategy of the Fund. This is consistent with the Fund's strategic funding objectives.

DETAILS:**Background**

1. The Fund actuary, Hymans Robertson, carries out a triennial valuation of the Fund's assets and liabilities. The primary and secondary contribution rates for all employers in the Fund and the accompanying investment strategy are derived from this valuation.
2. Work is underway for the triennial valuation on 31 March 2022 (effective 1 April 2023).
3. Officers will continue to work with Hymans to progress the work on the valuation and report regularly on progress.

Timetable

4. The key areas of activity for the 2022 actuarial valuation are set out in the table below.

	Timing (financial quarter)	Area
1	Q1 2022/23 and prior	Pre-valuation work: <ul style="list-style-type: none"> • Planning • Data cleansing • Valuation training (10 December 2021)
2	Q2 2022/23	Actuarial assumptions review Data cleansed and submitted to actuary Funding Strategy Statement review
3	Q3 2022/23	Whole fund funding level report Set contribution rates for major employers
4	Q4 2022/23	Employer results issued to employers Funding Strategy Statement consultation Final valuation report signed off by 31 March 2023
5	1 April 2023	New employer contributions start to be paid

Contribution rates for employers circulated

5. This quarter, rates for employers have been substantially completed and have been circulated.

Results issued to employers	5.1	Individual rates schedules have been compiled by the Actuary. These have been circulated to employers.
Funding Strategy Statement consultation underway	5.2	The Funding Strategy Statement draft (presented to the Pension Fund Committee in December 2022) has been circulated with the revised contribution rate schedules. A period of consultation until mid-February will allow comments from employers to be received.
On track for final sign-off	5.3	The valuation process remains on schedule for sign-off by the end of the financial year.

CONSULTATION:

6. The Chair of the Local Pension Board has been consulted on the current position.

RISK MANAGEMENT AND IMPLICATIONS:

7. Default by scheme employers can represent a material risk to the Pension Fund.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

8. There are no financial and value for money implications.

DIRECTOR OF CORPORATE FINANCE COMMENTARY

9. The Director of Corporate Finance is satisfied that work for the 2022 valuation is necessary and appropriate.

LEGAL IMPLICATIONS – MONITORING OFFICER

10. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY

11. There is no requirement for an equality analysis, as there is no major policy, project or function being created or changed.

OTHER IMPLICATIONS

12. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

13. The following next steps are planned:

- a) Officers to work with the fund actuary to progress the valuation; and
- b) Further updates to be brought to the Board.

Contact Officer:

Sara Undre	Employer Manager
Paul Titcomb	Head of Accounting and Governance

Consulted:

Local Pension Board Chair

Annexes:

None

Sources/background papers:

None

This page is intentionally left blank