

**SURREY COUNTY COUNCIL****PENSION FUND COMMITTEE****DATE: 10 MARCH 2023****LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR CORPORATE FINANCE & COMMERCIAL****SUBJECT: 2022 VALUATION****SUMMARY OF ISSUE:**

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

**RECOMMENDATIONS:**

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

**REASON FOR RECOMMENDATIONS:**

The Pension Fund Committee 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 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"> <li>• Planning</li> <li>• Data cleansing</li> <li>• Valuation training (10 December 2021)</li> </ul>
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 Employer Forum  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.

<b>Results issued to employers</b>	5.1	Individual rates schedules have been compiled by the Actuary. These have been circulated to employers.
<b>Funding Strategy Statement consultation underway</b>	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 allowed any comments from employers to be received.
<b>On track for final sign-off</b>	5.3	The valuation process remains on schedule for sign-off by the end of the financial year. It is worth noting that the Actuary sign-off of the 2022 valuation is in no way dependent on the sign off of the 2021/22 financial statements

**CONSULTATION:**

6. The Chairman of the Pension Fund Committee has been consulted on this report.

**RISK MANAGEMENT AND IMPLICATIONS:**

7. Any relevant risk related implications have been considered and are contained within the report.

**FINANCIAL AND VALUE FOR MONEY IMPLICATIONS**

8. Any relevant financial and value for money implications have been considered and are contained within the report.

**DIRECTOR OF CORPORATE FINANCE COMMENTARY**

9. The Director of Finance, Corporate and Commercial is satisfied that relevant, material financial and business issues and possibility of risks have been considered and addressed.

**LEGAL IMPLICATIONS – MONITORING OFFICER**

10. There are no legal implications or legislative requirements.

**EQUALITIES AND DIVERSITY**

11. There are no equality or diversity issues.

**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 Committee.

**Contact Officer:**

Sara Undre                      Employer Manager  
Paul Titcomb                  Head of Accounting and Governance

**Consulted:**

Pension Fund Committee Chairman

**Annexes:**

None

**Sources/background papers:**

None

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