

**SURREY COUNTY COUNCIL**

**LOCAL PENSION BOARD**

**DATE: 19 MAY 2023**

**LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE,  
CORPORATE AND COMMERCIAL**

**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 for the 2022 triennial valuation.

**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.
2. The primary and secondary contribution rates for all employers in the Fund and the accompanying investment strategy are derived from this valuation.

## Final valuation report signed off

3. Work is substantially complete for the triennial valuation on 31 March 2022 (effective 1 April 2023).

<b>Valuation report signed off</b>	3.1	In line with the timetable, the valuation report was signed off prior to 31 March 2023.
<b>Funding Strategy Statement published</b>	3.2	The Funding Strategy Statement has been published on the Fund website.
<b>New rates in effect</b>	3.3	New employer contribution rates are now in effect from 1 April 2023.
<b>Lessons learned session to be held</b>	3.4	Any final tasks relating to the valuation will now be undertaken and a completion meeting is to be held on 24 May 2023 to review elements of the valuation process that went well and to consider areas where improvements may be made.

## Original timetable

4. As a reminder, 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 Final valuation report signed off by 31 March 2023
5	1 April 2023	New employer contributions start to be paid

**CONSULTATION:**

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

**RISK MANAGEMENT AND IMPLICATIONS:**

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

**FINANCIAL AND VALUE FOR MONEY IMPLICATIONS**

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

**DIRECTOR OF CORPORATE FINANCE COMMENTARY**

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

**LEGAL IMPLICATIONS – MONITORING OFFICER**

9. There are no legal implications or legislative requirements.

**EQUALITIES AND DIVERSITY**

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

**OTHER IMPLICATIONS**

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

**WHAT HAPPENS NEXT**

12. 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.

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**Contact Officer:**

Sara Undre                      Employer Manager  
Paul Titcomb                  Head of Accounting and Governance

**Consulted:**

Local Pension Board Chair

**Annexes:**

None

**Sources/background papers:**

None

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