

## SURREY COUNTY COUNCIL

## SURREY PENSION FUND COMMITTEE



DATE: 21 JUNE 2024

LEAD OFFICER: ANNA D'ALESSANDRO, INTERIM EXECUTIVE DIRECTOR,  
FINANCE AND CORPORATE SERVICESSUBJECT: SURREY PENSION TEAM STRATEGIC PLAN OUT-TURN  
REPORT – 2023/24 FINANCIAL YEAR**SUMMARY OF ISSUE:**

This report summarises the activities that have been completed against Year 1 of the Surrey Pension Team (SPT) Strategic plan. Strategic plan items flow through into individual service area business plans where they are combined with some additional service specific initiatives. This report therefore covers all activities in Change Management, Service Delivery, Accounting & Governance and Investment & Stewardship for the 2023/24 Financial Year.

**RECOMMENDATIONS:**

It is recommended that the Pension Fund Committee

1. Notes the content of this report.

**REASON FOR RECOMMENDATIONS**

This retrospective report details Year 1 Strategic Plan activities. It is an opportunity to recognise the successes over the last year. Items which are continuing and new strategic plan items and resulting business plans for Year 2 have already been provided for approval and are now in flight.

**DETAILS:**

1.
  - a) This report details the following areas of interest.

Item	Number	Details
	i	<p><b>Change Management</b> consists of 4 key areas.</p> <p><b>Transformation:</b> this part of the team is responsible for the strategic plan implementation. Activities successfully completed include:</p> <ul style="list-style-type: none"> <li>• Development of the 3-year strategic plan and the adjacent Workforce strategy</li> <li>• Development of a Surrey Pensions One Team Dashboard</li> </ul>

Item	Number	Details
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- Completion of a thorough organisation review to ensure that the organisational design remains fit for purpose
- Completion of the discovery phase to determine a specific SPT Digital Transformation.
- Design and delivery of key workshops for Border to Coast partner funds to refresh their uniting principles and refine their organisation meeting design.

**Communications:** responsible for delivering all items in the communications policy both strategic and business as usual. Successes in this area include:

- Derived a plan to “amplify our presence” with our 6 stakeholder groups
- Delivered all newsletters to members, employers and other stakeholders as set out in the communications policy
- Refreshed the employer website

**Learning and Development:** responsible for delivering the Workforce strategy. Successes in this area include:

- Launch a model to help identify career pathways for SPT
- Devising and launching an SPT Pulse Staff Survey to check in on the feelings of the Team in a variety of areas.
- Implementing a calendar of activities designed to monitor and improve the effectiveness of development planning, performance management and succession planning.
- Launched a “Lunch and Learn” format to focus on technical skill enhancement and Team wellbeing
- Devised and launched a number of technical training courses in the Service Delivery area.

**Project Management:** responsible for the oversight and injection of project management rigour into key projects in SPT including regulatory changes and continuous improvement.

Item	Number	Details
		<ul style="list-style-type: none"> <li>• Introduced a Project Review Board to regularly review and revise the status of all projects in the programme portfolio.</li> <li>• The project team managed a portfolio of circa 16 projects throughout the course of the year.</li> </ul> <p><b>Key Highlights</b></p> <ul style="list-style-type: none"> <li>• The People and Strategy related metrics on the Dashboard all showed a significant uplift between the first and second staff Pulse survey indicating that the interventions stages from the Strategic Plan and Workforce strategy had the desired impact.</li> <li>• The Communications Team delivered 16 newsletters, multiple external Linked In posts, a new look team newsletter, all newsletters were moved to an accessible format. The Pension Awareness week activity attracted 420 views across all articles.</li> </ul> <p><b>Items Not Completed</b></p> <p>A workshop to lead the industry on a key pensions topic was postponed to Year 2 due to the focus on a second (unplanned) workshop with the Border to Coast partner funds.</p>
ii	Accounting and Governance	<p>In <b>Accounting and Governance 2023/24</b> was characterised by engaging with the change in financial systems following the introduction of Unit4/MySurrey. This meant deferral of some objectives for the year, that are now programmed for later execution. Progress was made in many areas relating to the overall governance of the fund.</p> <p><b>Finance</b></p> <ul style="list-style-type: none"> <li>• The Unit4/MySurrey transition took up much of the time of the Finance team during 2023/24 – work is ongoing in this area.</li> <li>• The Pension Fund Annual Report was produced to required timescales – with the report containing the audited financial statements subsequently completed.</li> </ul>

Item	Number	Details
		<ul style="list-style-type: none"> <li>• A budget for the team for 2024/25 was produced. Monitoring against this is the next objective.</li> <li>• Recharges were moved to a business-as-usual position.</li> <li>• Further work is now required on completion of the finance manual and improvements in transaction processing.</li> </ul> <p><b>Employer</b></p> <ul style="list-style-type: none"> <li>• Progress continued addressing long outstanding admission agreements during the year.</li> <li>• Planning for the 2025 valuation and a review of the actuarial unitisation process will now be undertaken after the actuarial services tender process.</li> </ul> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• The Board and Committee cycle was reviewed during the year, with ongoing improvements in document production in train.</li> <li>• A comprehensive review of all policy documents is due.</li> <li>• The Board Chair appointment process was successfully concluded.</li> </ul> <p><b>Risk and Compliance</b></p> <ul style="list-style-type: none"> <li>• Cyber security was a theme for the year – including preliminary contractual reviews and officer training.</li> <li>• The process for production and review of the risk register has been carried forward for future assessment.</li> </ul> <p><b>Technical</b></p> <ul style="list-style-type: none"> <li>• Regulatory areas continued to be highlighted for action – including work on Guaranteed Minimum Pension and Lifetime Allowance changes.</li> <li>• The regulatory landscape remains complex. Future projects include Pension Dashboards.</li> </ul>
iii	Investment and Stewardship	<p><b>Investment and Stewardship</b> had a successful year delivering on the business plan across Investment, Responsible Investment and Operational issues.</p>

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**Investment Transactions**

- Participation in the launch of the Border to Coast (BCPP) Emerging Markets Alpha Fund. The movement of capital from an index tracking product with Legal and General Asset Management to an actively managed one through BCPP gives outperformance potential as well as lowering the carbon footprint by approximately 50%.
- Realignment of assets following a review of employer strategies. Within the Fund there are three employer strategies and they are now backed by suitably risked investments.

**Responsible Investment**

- A key priority for the year was to set a Net Zero date for the Fund. In June 2023, the Committee agreed a date of 2050 or sooner, after extensive research and analysis.
- A new voting policy was also agreed, further fulfilling the commitments made in the new Responsible Investment policy.
- For most of the year a project was ongoing to apply to become a signatory to the UK Stewardship code.

**Operational**

- The Fund continues to benchmark investment cost, risk and return against peers, and work was completed to improve the data quality and thus the output.
- Internal processes continue to be reviewed for efficiency and discussion over resourcing requirements is ongoing.

iv	Service Delivery	<p><b>Service Delivery</b> had 5 key areas of focus in 2023/24 and the key objective was to stabilise the case performance levels, reduce the legacy cases and meet the statutory deadlines for all scheduled events. Significant progress has been made across the service which are outlined below.</p>
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**Benefits**

- Overall, the key performance levels were at 85%, with all transfer and refund cases

Item	Number	Details
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exceeding the baseline performance target set. The performance levels for case types whereby an immediate benefit was due had fluctuations throughout the year with mixed success, and the 2024/25 target will be improving the level of consistency in all areas.

- There was a successful production and issuance of annual benefits hitting 99.5% by August 31<sup>st</sup> 2023 and, a xx% of annual allowance correspondence issued by October 5<sup>th</sup> 2023.
- Improvements were made to key processes such as transfers during this period, which was confirmed by the internal audit ratings received.

**Data**

- The roll out of iConnect (the monthly employer return) set a target to onboard 50%. Due to an unexpected number of schools moving to new payroll providers from Surrey County Council, attention turned to supporting these employer's transition. The level enrolled by 31<sup>st</sup> March stood at 21%, which represents 54% of the memberships. The roll out is expected to catch up quickly and onboard close to 100% by the end of the next financial year.
- The GMP project was paused due to delays leaving this too close to pension increase. This project will resume in the coming year.

**Customer Relations**

- The customer insights project was initiated with the first phase of customer feedback provider by a cohort of employers. This work is still in progress as the interviews extend to various members and customers of the scheme. Once this feedback has been fully received and analysed, it will formulate a pipeline of improvement.
  1. Phase 2 of this project will be to embed a 'Voice of the Customer' mechanism within business as usual, allowing a constant flow of vital feedback that will drive meaningful service improvements.

**Systems**

- Pension Dashboard staging dates were delayed meaning the work to procure a Integrated Service Provider (ISP) that will connect the administration database to the dashboard eco-system, will move into the next year.
- The contract with our administration database system expires in April 2026. The procurement tender has been initiated, with the tender pack being collated. This work will continue into the next year.

**Legacy**

2. The overall completion of legacy cases was ahead of the expected milestone at this stage, standing at 63%.
3. The breakdown of completed cases at this stage were:
  4. 88% deferred
  5. 99% refunds
  6. 18% Transfers In cases
  7. 48% Transfers Out cases
  8. 14% Concurrent cases

**CONSULTATION:**

9. The Chair of the Committee has been consulted on this report.

**RISK MANAGEMENT AND IMPLICATIONS:**

10. There are no risk management implications.

**FINANCIAL AND VALUE FOR MONEY IMPLICATIONS**

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

**INTERIM EXECUTIVE DIRECTOR, FINANCE AND CORPORATE SERVICE COMMENTARY**

12. **The Interim Executive Director, Finance and Corporate Service** is satisfied that all material, financial and business issues, and possibility of risks have been considered and addressed.

**LEGAL IMPLICATIONS – MONITORING OFFICER**

13. There are no legal implications.

## **EQUALITIES AND DIVERSITY**

14. There are no equality or diversity issues.

## **OTHER IMPLICATIONS**

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

## **WHAT HAPPENS NEXT**

- a) The following steps are planned:
- i. We will monitor Year 2 progress as part of the usual Surrey Pension Team Dashboard overview at quarterly interviews and will action as required.

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**Contact Officer:**  
**Neil Mason – Assistant Director, LGPS Officer**  
**Consulted:** Chair of the Committee  
**Annexes:** None  
**Sources/background papers:** None

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