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Surrey Local Pension Board

Annual Report

2023/24

	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



2023/2024 has turned out to be a busy and challenging year for the Pension Fund with the introduction of a new financial system MySurrey (Unit4) in June 2023 and the Pension Regulator (tPR) publishing its new

General Code of Practice.

The Transformation Programme continues to drive improvements with successfully delivering a 3-year strategic plan and the adjacent workforce strategy. Development of a Surrey Pensions One Team dashboard and building on the culture and training within the Surrey Pension Team in line with its Vision and Mission.

The Pension Fund has 355 employers participating in the Fund including county and district councils, schools, academies, colleges, universities and admitted bodies (such as, cleaning, and catering companies performing outsourced services on behalf of participating organisations).

In September, Board Member Fiona Skene stepped down following her retirement. And I would like to thank her for contribution to the work of the Board.

During the year we welcomed Chris Draper as a Member of the Board.

The Board continued to meet during the year to provide the necessary oversight and guidance to the Fund. This Complies with the Public Service Pensions Act 2013 and the Local Government Pension Scheme Regulations 2013.

The Board's primary function is to assist the Pension Fund Committee and Surrey County Council (as the Administering Authority) with:

- 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 closely tracked the administrative performance of the Fund and its impact on the member and employer experience through quarterly KPI reporting, updates on projects, system changes, evolving pension legislation and best practice guidance.

It has also maintained oversight of the Fund's risk management protocols and risk register.

The Board has taken a lead in reviewing administrative performance, projects, the risk registers, and reporting issues of concern to the Committee. It also reviews the activities of the Committee at each subsequent meeting, providing input as required.

I would like to take this opportunity to thank all members of the Board for their contributions during the year and for the support of officers.

The meetings of the Board are held in public. We welcome anyone with an interest in the Fund to attend and see for themselves how we operate. 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 Governance Manager at the Surrey Pension Team (adele.seex@surreycc.gov.uk)

Tim Evans

Chair of the Surrey Local Pension Board

July 2024

Compliance checklist

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:

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| <p>a Review regular compliance monitoring reports which shall include reports to, and decisions made under the Regulations by the Committee.</p> | <p>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.</p> |
| <p>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.</p> | <p>The Board has oversight of Pension Fund policies and processes.
The Board reviews Key Performance Indicators (KPIs) for pension administration on a quarterly basis</p> |
| <p>c Review the compliance of scheme employers with their duties under the Regulations and relevant legislation.</p> | <p>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. A review is underway by Surrey Pension Team.</p> |
| <p>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.</p> | <p>This was reviewed as part of the Fund Annual Report, with specific policies also reviewed periodically in 2023/24 meetings. The Board will review these on an annual basis as part of the Fund Annual Report and as part of its Forward Plan.</p> |
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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:

<p>e Assist with the development of and continually review scheme member and employer communications as required by the Regulations and relevant legislation.</p>	<p>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 17 February 2023.</p>
<p>f Monitor complaints and performance on the administration and governance of the scheme.</p>	<p>The Board reviews complaints on a quarterly basis.</p>
<p>g Assist with the application of the Internal Dispute Resolution Process.</p>	<p>The Board receives a quarterly update on the number of Internal Dispute Resolution Process cases and monitors any key themes emerging from these.</p>
<p>h Review the complete and proper exercise of Pensions Ombudsman cases.</p>	<p>N/A – No current or outstanding Ombudsman cases to consider</p>
<p>i Review the implementation of revised policies and procedures following changes to the Scheme.</p>	<p>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</p>
<p>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.</p>	<p>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.</p>

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:

<p>k Review the complete and proper exercise of employer and administering authority discretions.</p>	<p>The Board received a verbal update on discretions on 11 November 2021. A review is underway by the Surrey Pension Team.</p>
<p>l Review the outcome of internal and external audit reports.</p>	<p>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.</p>
<p>m Review draft accounts and scheme annual report.</p>	<p>The Board received both the Draft Statement of Accounts and Fund Annual Report 2022/23 on 30 November 2022.</p>
<p>n Review the compliance of particular cases, projects or process on request of the Committee.</p>	<p>N/A</p>
<p>o Any other area within the core function (i.e., assisting the Administering Authority) the Board deems appropriate.</p>	<p>The Board receives regular Breach of Law updates as and when potential breaches occur, the last report was on 18 February 2022.</p>

Meeting date	Agenda items
19 May 2023	<ol style="list-style-type: none"> 1. Action Tracker and Forward Plan 2. Summary of the Pension Fund Committee Meeting of 10 March 2023 3. Risk Register 2022/23 Quarter 4 4. MySurrey (Unit4) – Programme Status 5. Administration Performance Report 1 January 2022 - 31 March 2023 6. Change Programme Update 7. Internal Audit Update 8. 2022 Valuation 9. The Pensions Regulator – Public Service Governance & Administration Survey 2023 10. LGPS Update (Background Paper)
28 July 2023	<ol style="list-style-type: none"> 1. Action Tracker and Forward Plan 2. Summary of the Pension Fund Committee Meetings of 16 June 2023 3. Risk Register 2023/24 Quarter 1 4. Administration Performance Report 1 April 2023 - 30 June 2023 5. Legacy Rectification 6. Change Programme Update April – June 2023 7. Internal Audit Progress Report – July 2023 8. 2022 Valuation 9. Surrey Local Pension Board Annual Report 2021/22 10. Surrey Local Pension Board Annual Report 2022/23 11. LGPS Update (Background Paper)
10 November 2023	<ol style="list-style-type: none"> 1. Glossary, Action Tracker and Forward Plan 2. Change Programme Update – July – September 2023 3. Summary of the Pension Fund Committee Meeting of 8 September 2023 4. Risk Register Update 2023/24 Quarter 2 5. Administration Performance Report and Update 1 28 July 2023 - 30 September 2023 6. Business Continuity Plan Update 7. Internal Audit Progress Report – November 2023 8. External Audit Update 9. LGPS - Background Papers

Meeting date	Agenda items
16 February 2024	<ol style="list-style-type: none">1. Glossary, Action Tracker and Forward Plan2. Change Programme update October to December 20233. Communication Policy Statement 2024/254. Summary of the Pension Fund Committee Meeting of 15 December 20235. Administration Performance Report and Update – 1 October 2023 to 31 December 20236. Risk Register 2023/24 - Quarter 37. Business Continuity Plan – Interim Update8. Internal Audit Progress Report February 20249. External Audit Update10. The Pensions Regulator – General Code of Practice11. The Pension Regulator – Scheme Return12. LGPS Update - Background Paper

Board attendance and training log 4

Members of the Local Pension Board

Name	Position	Representing	Appointed	Appointment ended
Tim Evans	Chair	Independent Chair	19/07/2021	-
David Lewis	Vice-Chair	Scheme Employers	19/07/2021	-
Brendan Bradley		Scheme Employers	06/12/2022	-
Chris Draper		Scheme Employers	15/11/2023	-
Siobhan Kenedy		Scheme Members	29/04/2020	-
William McKee		Scheme Members	19/07/2021	-
Fiona Skene		Scheme Employers	10/12/2020	22/09/2023
Jeremy Webster		Scheme Employers	19/07/2021	-
Trevor Willington		Scheme Members	17/07/2015	-

Meeting attendance

Name	May 2023	July 2023	November 2023	February 2024
Tim Evans	✓	✓	Online	✓
David Lewis	✓	✓	✓	✓
Brendan Bradley	✓	X	✓	X
Chris Draper	N/A	N/A	N/A	✓
Siobhan Kenedy	Online	X	✓	✓
William McKee	✓	✓	Online	✓
Fiona Skene	Online	X	N/A	N/A
Jeremy Webster	✓	✓	✓	✓
Trevor Willington	X	✓	✓	✓

Key ✓ = Attended

Training of current Board members

Training	Tim Evans	David Lewis	Jeremy Webster	William McKee	Trevor Willington	Siobhan Kennedy	Brendan Bradley	Chris Draper (new)
TPR Public Service Toolkit	-	✓	✓	✓	✓	✓	✓	✓
TPR Trustee Toolkit	-	-	-	-	✓	✓	✓	-
Local Government Association Fundamentals 1	-	✓	✓	✓	✓	✓	-	-
Local Government Association Fundamentals 2	-	✓	✓	✓	-	✓	-	-
Local Government Association Fundamentals 3	-	✓	✓	✓	✓	✓	-	-
LOLA v2 Unit 1	-	✓	✓	-	-	✓	✓	-
LOLA v2 Unit 2	-	✓	✓	-	-	✓	✓	-
LOLA v2 Unit 3	-	✓	✓	-	-	✓	✓	-
LOLA v2 Unit 4	-	✓	✓	-	-	✓	✓	-
LOLA v2 Unit 5	-	✓	✓	-	-	✓	✓	-
LOLA v2 Unit 6	-	✓	✓	-	-	✓	✓	-
LOLA v2 Unit 7	-	N/A	N/A	-	-	✓	✓	-
LOLA v2 Unit 8	-	N/A	N/A	-	-	✓	✓	-

Training	Tim Evans	David Lewis	Jeremy Webster	William McKee	Trevor Willington	Siobhan Kennedy	Brendan Bradley	Chris Draper (new)
LOLA v2 Current Issues	-	N/A	N/A	-	-	✓	✓	-

Key ✓ = Attended

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?	Other Conflicts
Tim Evans	Yes	Yes	No	N/A
David Lewis	Not in paid Employment	No	No	N/A
Brendan Bradley	Head of Finance for Epsom & Ewell Borough Council.	No	No	N/A
Chris Draper	Business Manager for Collingwood College, Camberley	No	No	N/A
Siobhan Kennedy	Homelessness, Advice & Allocations Lead for Guildford Borough Council.	No	No	N/A
William McKee	Retired – T/A Consultancy	Yes	No	N/A
Fiona Skene	Corporate Head of HR & OD – for Runnymede Borough Council	No	No	N/A
Jeremy Webster	Not in paid Employment	Yes	No	N/A
Trevor Willington	Not in paid Employment	Yes	No	N/A