

# Annual Report

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2023/24



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Providing our customers with  
a better tomorrow

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## Section 1: Introduction

### Chairman's Statement



#### Overview

2023/24 was marked by the approval of Surrey Pension Fund's (the Fund's) application to become a signatory to the UK Stewardship Code. The market value of the investments in the Fund as at 31 March 2024 was £5.8bn (2023 £5.2bn) with around 60% invested in equities, a proportion broadly unchanged from last year.

355 employers participate in the Fund and we have over 130,000 members.

#### Investment Strategy and Performance

The investment strategy is to ensure a fully diversified portfolio, to meet the Fund's long term objectives having regard to the Fund's size, the opportunities presented by pooling with the Border to Coast Pensions Partnership (BCPP), and with an appropriate assessment of risk. Ongoing adjustments in asset allocation are made proactively in line with these aims.

In July 2023 the Fund switched its Emerging Markets equities from a passive to an active management approach. This enabled the Fund to continue to access investment opportunities in the region whilst also lowering its carbon footprint.

For the year to 31 March 2024, the overall investment return of the Fund was 11.3%. Over three years, performance was 5.3% per annum, ahead of strategic target of 5% but below the benchmark of 7.4%.

#### Investment pooling within the LGPS

The Fund continues to make the most of opportunities for pooling its assets with other Local Government Pension Scheme (LGPS) funds. As at 31 March 2024, 53% of the Fund's investments were held directly with BCPP with a further 28% under pool management.

#### Investing Responsibly

A Net Zero date of 2050 or sooner was set in June 2023, grounded in rigorous scenario analysis and consultations with external service providers.

The Committee has a revised Responsible Investment (RI) Policy which articulates how our RI Beliefs are put into practice and followed an extensive consultation

process with members and other stakeholders. More than 7,000 responses were received in that consultation which were carefully considered by the Committee. The Fund takes an active role in ensuring it invests with due attention to our environmental, social and governance (ESG) responsibilities. The focus remains on our fiduciary duty, maintaining appropriate investments for financial return while also having regard to the United Nations Sustainable Development Goals (UNSDG).

The Fund has a policy of engagement on ESG issues and enhances its influence through the Local Authority Pension Fund Forum (LAPFF) as well as BCPP's engagement lead, Robeco. The Committee is regularly informed about shareholder voting outturns and how this may impact the Fund's investment decisions.

The Fund is signed up to the Task Force for Climate-Related Financial Disclosures (TCFD) and reports against the required disclosures. Since 2018, the estimated Weighted Average Carbon Intensity (WACI) of the listed equity portfolio has fallen by over 75%.

## **Management**

In March 2024 the Fund embarked on year two of its three-year Strategic Plan. The Strategic Plan provides the foundations for our path towards achievement of our Vision and Mission. The theme for year is "Trailblaze", with ambitious plans to improve service delivery to our customers. The Committee receives updates on the Strategic Plan on a quarterly basis through a Surrey Pension Team Dashboard. I thank the Surrey Pension Team (SPT) for their ongoing hard work as we aim to ensure the best experience for our members.

### **Nick Harrison**

Chair of the Surrey Pension Fund Committee.

## About the Surrey Pension Fund

The Surrey Pension Team has reviewed its strategic plan for the next three years.

The vision and mission remain the same.

**Our vision** Providing our customers with a better tomorrow.

**Our mission** Responsibly delivering a first-class customer experience by ensuring we deliver the right benefits and services to the right people at the right time.

These are underpinned by our four pillars with the foundation of people, systems & processes, and culture & values.

Our four pillars are:

**Customer focus** Relentless focus on delivering value to the customer through provision of a first class service and customer experience.

**Investment Expertise** Delivering our investment requirements by thought leadership in responsible investment and quality partnerships.

**Fit for Purpose** Continuously improving the efficiency and effectiveness of all our resources achieving excellence and the highest assurance ratings.

**Ready for Tomorrow** Organisational resilience and agility to design and pivot to new service models

## Policies and Strategies

Every policy and strategy referenced in this annual report can be found on the Surrey Pension Team website at: [www.surreypensionfund.org/about/annual-reports](http://www.surreypensionfund.org/about/annual-reports)

## Section 2: Overall Fund Management



### Contents

Scheme Management and Advisors

Risk Management

## Scheme Management and Advisors

### Senior Officer Contact Details



**Leigh Whitehouse**  
Deputy Chief Executive



**Anna D'Alessandro**  
Director – Finance, Corporate & Commercial  
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**Neil Mason**  
Assistant Director - LGPS Senior Officer  
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### Key Advisors



**Steve Turner**  
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**Anthony Fletcher**  
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[Anthony.Fletcher@MJHudson.com](mailto:Anthony.Fletcher@MJHudson.com)  
020 7079 100



**Steven Scott**

**Fund Actuary – Hymans Robertson**

[steven.scott@hymans.co.uk](mailto:steven.scott@hymans.co.uk)

[Hymans Robertson](#)

0141 566 7565



<b>Scheme Management &amp; Advisers During the year</b>	<b>Name of Organisation</b>
<b>Asset Pool &amp; Asset Pool operator</b>	<ul style="list-style-type: none"> <li>• <a href="#">Border to Coast Pensions Partnership (Pool Operator)</a></li> </ul>
<b>Fund Managers</b>	<ul style="list-style-type: none"> <li>• Border to Coast Pensions Partnership</li> <li>• CBRE Global Investors</li> <li>• Legal and General Investment Management</li> <li>• Newton Investment Management</li> </ul>
<b>Global Custodian</b>	<ul style="list-style-type: none"> <li>• <a href="#">Northern Trust</a></li> </ul>
<b>AVC Provider</b>	<ul style="list-style-type: none"> <li>• <a href="#">Prudential Assurance Company</a></li> <li>• <a href="#">Utmost Life and Pensions Limited</a></li> </ul>
<b>Legal Advisors</b>	<ul style="list-style-type: none"> <li>• Eversheds (Pensions Law)</li> <li>• Browne Jacobson (Legal Due Diligence)</li> </ul>
<b>Bankers</b>	<ul style="list-style-type: none"> <li>• HSBC</li> </ul>
<b>Auditors</b>	<ul style="list-style-type: none"> <li>• <a href="#">Ernst &amp; Young LLP</a></li> </ul>
<b>Private Market Managers</b>	<ul style="list-style-type: none"> <li>• Border to Coast Pensions Partnership (BCPP)</li> <li>• BlackRock</li> <li>• Capital Dynamics</li> <li>• Darwin Alternative Investment Management</li> <li>• Goldman Sachs Asset Management</li> <li>• Hg Capital</li> <li>• Livingbridge Equity Partners</li> <li>• Nuveen Infrastructure</li> <li>• Pantheon Global Infrastructure</li> <li>• Patria Investors</li> </ul>
<b>Independent advisors or Consultants</b>	<ul style="list-style-type: none"> <li>• Apex Group</li> <li>• Mercer</li> <li>• Minerva</li> </ul>

## Risk Management

### Overview

The risk management policy of the Surrey Pension Team is to adopt best practice in the identification, evaluation and control of risks in order to ensure that the risks are recognised, and then either eliminated or reduced to a manageable level. If neither of these options are possible, then means to mitigate the implications of the risks are established.

Risk areas have been assessed in terms of their impact on the Fund as a whole, on the Fund employers, and on the reputation of the Pension Fund Committee (PFC) and Surrey County Council as the Administering Authority. Assessment has also been made of the likelihood of the risk.

A quarterly assessment of the risk register provides the Local Pension Board (LPB) and PFC with the opportunity to influence and drive the risk management process.

### Identifying and managing risks

The policies, processes, systems, and internal controls in place for SPT ensure that the internal and external activities of SPT are documented. These in turn enable an understanding of the internal controls and information workflows in operation, the relationships between them, their impact on each other and the financial values associated with them. This understanding lends all risks to be initially identified and then prioritised and a ranking system is developed.

The risks are scored separately and included in SPT's risk register before actions to manage, monitor and mitigate them are identified, recorded and given overall risk scores based on their likelihood and impact. Risk scores may be reduced as they are being addressed.

The SPF has adopted the following matrix when considering risk.

**Likelihood**

Level	Likelihood	Odds
1	Rare	<10%
2	Unlikely	10% to 30%
3	Possible	30% to 70%
4	Likely	70% to 90%
5	Very Likely	>90%

**Impact**

<b>Level</b>	<b>Impact</b>	<b>Financial (revenue)</b>	<b>Residents</b>	<b>Reputational</b>	<b>Performance</b>
1	Minimal	<£100k	Minimal impact on a small proportion of the population	Has no negative impact on reputation and no media interest	Minimal impact on achievement of one or more SCC priority objectives
2	Minor	£100K to £1m	Minor impact on a small proportion of the population	Minor damages in a limited area. May have localised, low level negative impact on reputation and generates low level of complaints	Minor impact on achievement of one or more SCC priority objectives
3	Moderate	£1m-£2.5m	Moderate impact on a large (or particularly vulnerable group) proportion of the population	Moderate damages but widespread. Significant localised low level negative impact on the organisations reputation which generates limited complaints.	Moderate impact on achievement of one or more SCC priority objectives
4	Major	>£2.5m to £10m	Major impact on a large (or particularly vulnerable group) proportion of population	Major damage to the reputation of the organisation. Generates significant number of complaints and likely loss of public confidence. Unwanted local or possibly national media attention.	Major impact on achievement of one or more SCC priority objectives
5	Severe	>£10m	Serious long term impact on a large (or particularly vulnerable group) proportion of population	Serious damage to the reputation of the organisation. Large number of complaints. National media coverage. Possible government intervention.	Serious long term impact on achievement of one or more SCC priority objectives

## **Investment, governance and administration risk management**

In addition to quarterly reviews of the risk register (including risks identified in investments, governance and administration), emerging risks are added to the register as they are identified.

Examples of emerging risks include the introduction of a new IT system, new and amended policies, changes to working practices, influences of internal and external control environments and systems etc. in each of the above areas which influence the SPT operations so that adequate controls and mitigating actions can be documented and implemented.

## **Cyber risk management**

The SPT is reliant on a number of internal and external third parties for providing pension investment and administration services and managing cyber security arrangements. Examples include reliance on Surrey County Council (SCC) as the administering authority and the largest employer in the SPF. The SPT is an integral part of SCC and its organisational structure, policies, procedures, IT and non-IT systems and working practices. As such, SPT continues to rely on SCC for managing some cyber risks and examples include access to SCC network (email, SharePoint, SPF banking areas).

Similarly, there are external third parties supporting the SPF (such as its custodian, Fund managers, actuary and pensions administration system provider). Each third party has its own cyber security arrangements which is an integral part of the contract between SPF and the service provider.

## **Investment and pooling risk management**

The SPF is one of 11 partners in the Border to Coast Pension Partnership (BCPP) and some SPF asset classes of investments are pooled within BCPP. The identification of investment risks is documented in SPT's risk register and reviewed regularly.

## **Managing third party risks**

The SPT Pensions Administration Strategy identifies and mitigates against risks associated with scheme employers such as the late payment of contributions, provision of member data and employer administration performance. [The Pension Administration Strategy can be found here.](#)

## Risks due to the Fund's relationship to the administering authority

Staff of SPT are employees of SCC and as such are governed by SCC's Terms and Conditions and employee policies. Critical activities of the SPT that are reliant on SCC (as the Administering authority) are identified and documented in the Business Continuity Plan. Risks may also be identified and managed through the Conflict of Interest policies for both the PFC and LPB

As at 31 March 2024, there were 16 areas of risk identified as shown below:

LIKELIHOOD						
5	Very Likely					
4	Likely				16	Implementation of new financial systems leads to delayed processing, data integrity issues or financial loss
3	Possible			10 Data administration failure / fraud leads to data integrity issues 3 Funding requirements higher due to actuarial assumptions materially different to experience 9 Skills / knowledge gaps lead to inefficiency and poor performance 11 Work volume mismatch with capacity leading to backlogs	5 Investment strategy/implementation affects performance 6 Investment returns impacted by mkt volatility/performance 7 Investment returns impacted by 3rd party performance/default 13 Impact from lack of regulatory/legal compliance 14 Reputational issues due to inaccurate public domain info	
2	Unlikely		8 Insufficient liquidity to meet obligations for rebalancing / payments	2 Employers delay making payments	1 Employers unable/unwilling to make payments 12 Business interruption/cyber security breach 15 Internal protocols for governance not followed	
1	Rare				4 Investment performance impacted by insufficient attention to ESG	
IMPACT		Minimal 1	Minor 2	Moderate 3	Major 4	Severe 5

Risk scores with current mitigation controls in place are shown below.

<b>Risk ID</b>	<b>Risk Title</b>	<b>Risk Owner</b>	<b>Likelihood (1-5)</b>	<b>Impact (1-5)</b>	<b>Overall Score</b>
16	Ongoing issues (access, training, reporting etc.) following implementation of new financial system leading to delayed processing, data integrity issues, financial loss and build up of backlogs.	A&G	4	4	<b>16</b>
5	Investment strategy and proposed implementation materially affects investment performance	I&S	3	4	<b>12</b>
6	Investment returns impacted by market volatility/ performance	I&S	3	4	<b>12</b>
7	Investment returns impacted by third party or counter party performance/default	I&S	3	4	<b>12</b>
13	Scheme is financially or reputationally impacted by failure to adhere to (changes in) regulatory and legislative compliance requirements	SD	3	4	<b>12</b>
14	Reputational issues due to inaccurate public domain information (external stakeholder relationships / comms) or inefficient service	A&G	3	4	<b>12</b>
3	Funding requirements higher due to actuarial assumptions materially different to experience	A&G	3	3	<b>9</b>
9	Skills / knowledge gaps lead to inefficiency and poor performance	SD	3	3	<b>9</b>
10	Data administration failure / fraud leads to data integrity issues	SD	3	3	<b>9</b>
1	Employers unable/unwilling to make payments	A&G	2	4	<b>8</b>
12	Business interruption or cyber security breach leads to data integrity issues or financial loss	SD	2	4	<b>8</b>

<b>Risk ID</b>	<b>Risk Title</b>	<b>Risk Owner</b>	<b>Likelihood (1-5)</b>	<b>Impact (1-5)</b>	<b>Overall Score</b>
15	Internal protocols for governance not followed	A&G	2	4	<b>8</b>
11	Work volume mismatch with operational capacity leading to backlogs	SD	2	3	<b>6</b>
2	Employers delay making payments	A&G	2	3	<b>6</b>
4	Investment performance materially impacted by insufficient attention to ESG factors	I&S	1	4	<b>4</b>
8	Insufficient liquidity / lack of cash to meet obligations for collateral rebalancing / payments out	A&G	2	2	<b>4</b>



## Section 3: Governance and Training

### Pension Fund Committee

Responsibility and governance for the Surrey Pension Fund, including its investment strategy, administration, liability management and corporate governance is delegated to the Pension Fund Committee. The Committee is made up of:

- 6 nominated members of the County Council
- 2 representatives from the Borough/District Councils nominated by the Surrey Local Government Association
- 1 representative from the external employers
- 1 representative of the employees of the Fund.

The Committee is advised by a representative of the Fund's professional investment consultant, an independent advisor, the Director of Finance and the Assistant Director – LGPS Senior Officer. The Pension Fund Committee meets on a quarterly basis.

### Local Pension Board

The Committee is assisted in its management of the Fund by the Local Pension Board (the Board). The Board is made up of members and employer representatives.

The role of the Board, as defined by Regulation 106 of the Local Government Pension Scheme Regulations 2013, is to assist the County Council as Administering Authority:

- (a) to secure compliance with:
  - (i) the scheme regulations
  - (ii) any other legislation relating to the governance and administration of the LGPS Scheme and any connected scheme
  - (iii) any requirements imposed by the Pensions Regulator in relation to the LGPS Scheme.
- (b) to ensure the effective and efficient governance and administration of the LGPS Scheme.

The Board will ensure it effectively and efficiently complies with the Code of Practice on the governance and administration of public service pension schemes issued by the Pensions Regulator.

The Board will also help ensure that the Fund is managed and administered effectively and efficiently and complies with the Code of Practice on the governance and administration of public service pension schemes issued by the Pensions Regulator. The Board has power to do anything that is calculated to facilitate or is conducive or incidental to the discharge of any of its functions but should always act within its terms of reference.

The Board shall consist of at least 8 members and may contain up to 10 members. It shall be constituted as follows:

- (i) 4 employer representatives
- (ii) 4 scheme member (employee) representatives
- (iii) The Board may also contain 2 independent members.

The Local Pension Board agenda and minutes of meetings, as well as those of the Surrey Pension Fund Committee, are available on the [Surrey County Council website](#).

## Members of Committee and Board

### Membership of the Pension Fund Committee as at 31 March 2024



**Cllr Nick Harrison: Chairman**

**Elected Member**

Appointed: 25/05/21



**Cllr Trefor Hogg: Vice Chairman**

**Elected Member**

Appointed 25/05/21



**Cllr David Harmer**

**Elected Member**

Appointed: 25/05/21



**Cllr George Potter**

**Elected Member**

Appointed 25/05/21



**Cllr Richard Tear**

**Elected Member**

Appointed 25/05/21



**Cllr Robert Hughes**  
**Elected Member**

Appointed 24/05/22



**Kelvin Menon**  
**Co-opted Member**

Employer Representative

Re-appointed 25/05/21



**Duncan Eastoe**  
**Co-opted Member**

Employees Representative

Appointed 4/09/23



**Cllr Steve Williams**  
**Co-opted Member**

Borough / District Representative

Appointed 02/08/21



**Cllr Robert King**  
**Co-opted Member**  
Borough / District Representative

Appointed 11/07/22

## Terms of Reference and Decision Making

### Terms of Reference

**Governance Principle: Effective Committee delegation; written plan policies.**

The Pension Fund Committee's Terms of Reference as approved by Full Council on 10 October 2023.

**Governance Principle: Administration, Funding, Investment, Communications and Risk Management.**

In line with the Council's Constitution, the Pension Fund Committee shall oversee Pension Fund investments, the overall management of the Fund, the governance surrounding the Fund, and the administration of the Pension Scheme.

### Structure of the Pension Fund Committee and representation

**Governance Principle: Effective Committee delegation**

The Pension Fund Committee shall be made up of:

- 4 Conservative members
- 1 Liberal Democrat member
- 1 Independent member
- 2 Districts and Boroughs Members
- 1 Employer representative
- 1 Employee representative

### Decision Making

**Governance Principle: Effective Committee delegation; rigorous supervision and monitoring.**

The Pension Fund Committee shall have full decision-making powers.

Each member of the Pension Fund Committee shall have full voting rights.

## Pension Fund Committee Terms of Reference

- a) To undertake statutory functions on behalf of the Local Government Pension Scheme and ensure compliance with legislation and best practice
- b) To determine policy for the investment, funding and administration of the pension fund
- c) To consider issues arising and make decisions to secure efficient and effective performance and service delivery
- d) To appoint and monitor all relevant external service providers:
  - Fund managers
  - Custodian
  - Corporate advisors
  - Independent advisors
  - Actuaries
  - Governance advisors
  - All other professional services associated with the pension fund.
- e) To monitor performance across all aspects of the service
- f) To ensure that arrangements are in place for consultation with stakeholders as necessary
- g) To consider and approve the annual statement of pension fund accounts
- h) To consider and approve the Surrey Pension Fund actuarial valuation and employer contributions
- i) To receive minutes and consider recommendations from and ensure the effective performance of the Joint Committee of the Border to Coast Pensions Partnership and any other relevant bodies.

**The Governance Compliance Statement and Governance Policy can be found at : [Annual reports | Surrey Pension Fund](#)**

## Surrey Pension Fund Committee Meetings

Meeting date	Agenda items
16 June 2023	<ol style="list-style-type: none"> <li>1. The Surrey Pension Team 3 Year Strategic Plan</li> <li>2. Actions Tracker and Forward Plan</li> <li>3. Summary of the Local Pension Board Report – 19 May 2023</li> <li>4. Investment Manager Performance and Asset / Liabilities Update</li> <li>5. 2022 Valuation</li> <li>6. Company Engagement &amp; Voting</li> <li>7. Asset Class Focus - Equity</li> <li>8. Responsible Investment Update</li> <li>9. LGPS Update (Background Paper)</li> <li>10. Responsible Investment Update – (Part Two)</li> <li>11. Investment Strategy Review – Employer Strategies, Fixed Income Weights &amp; Investment Strategy Statement (Part Two)</li> <li>12. Real Estate Update (Part Two)</li> <li>13. Border to Coast Pensions Partnership Update (Part Two)</li> </ol>
8 September 2023	<ol style="list-style-type: none"> <li>1. Glossary, Actions Tracker, and Forward Plan</li> <li>2. Change Programme Update – Quarter 2</li> <li>3. Summary of the Pension Fund Committee Meetings of 28 July 2023</li> <li>4. Appointment of an Independent Chair of the Local Pension Board</li> <li>5. Investment Manager Performance and Asset / Liabilities Update</li> <li>6. Draft Annual Report 2022/23</li> <li>7. Investment Benchmarking</li> <li>8. Company Engagement &amp; Voting</li> <li>9. Asset Class Focus – UK Real Estate &amp; Listed Alternatives</li> <li>10. Responsible Investment Update</li> <li>11. LGPS Update (Background Paper)</li> <li>12. Investment Benchmarking (Part Two)</li> <li>13. Investment Strategy Review – Gilt Investment</li> <li>14. Response to Consultation on the Future for Investing</li> <li>15. Border to Coast Pension Partnership Update (Part Two)</li> </ol>

Meeting date	Agenda items
15 December 2023	<ol style="list-style-type: none"> <li>1. Glossary, Actions Tracker, and Forward Plan</li> <li>2. Change Programme Update – July – September 2023</li> <li>3. Summary of the Local Pension Board Meeting of 10 November 2023</li> <li>4. Investment Manager Performance and Asset / Liabilities Update</li> <li>5. Actuarial Update</li> <li>6. Company Engagement &amp; Voting</li> <li>7. Asset Class Focus- Private Markets</li> <li>8. Responsible Investment Update</li> <li>9. LGPS - Background Papers</li> <li>10. Response of the Department of Levelling up, Housing &amp; Communities (DHULC to its consultation on next steps for investing for the LGPS</li> <li>11. Competition &amp; Markets Authority (CMA) Investment Consultation Strategic Objectives (Part Two)</li> <li>12. Border to Coast Pensions Partnership Update (Part Two)</li> </ol>
22 March 2024	<ol style="list-style-type: none"> <li>1. Glossary, Actions Tracker, and Forward Plan</li> <li>2. Second Year of the Strategic Plan for Surrey Pension Fund</li> <li>3. Change Programme Update – October- December 2023</li> <li>4. Training Policy 2024/25</li> <li>5. Summary of the Local Pension Board Report</li> <li>6. Local Pension Board – Proposed Amendment to the Terms of Reference</li> <li>7. Budget 2024/25</li> <li>8. Investment Manager Performance and Asset/Liabilities Update</li> <li>9. Company Engagement &amp; Voting</li> <li>10. Asset Class Focus – Credit Markets</li> <li>11. Responsible Investment Implementation Report</li> <li>12. LGPS update – Background paper</li> <li>13. New Investment Propositions – (Part Two)</li> <li>14. Border to Coast Pensions Partnership Update (Part Two)</li> </ol>



### Members of the Surrey Pension Fund Committee as at 31 March 2024

<b>Name</b>	<b>Position</b>	<b>Representing</b>	<b>Appointed</b>
Nick Harrison	Chair	Elected Member	25/05/2021
Trefor Hogg	Vice-Chair	Elected Member	25/05/2021
Duncan Eastoe	-	Co-opted Member - Employees	04/09/2023
David Harmer	-	Elected Member	25/05/2021
Robert Hughes	-	Elected Member	24/05/2022
Robert King	-	Co-opted Member – Borough & Districts	11/07/2022
Kelvin Menon	-	Co-opted Member – Employer	25/05/2021
George Potter	-	Elected Member	25/05/2021
Richard Tear	-	Elected Member	25/05/2021
Steve Williams	-	Co-opted Member – Borough & Districts	02/08/2021

### Meeting attendance of the Surrey Pension Committee

<b>Name</b>	<b>Jun 2023</b>	<b>Sept 2023</b>	<b>Dec 2023</b>	<b>Mar 2024</b>
Nick Harrison	Yes	Yes	Yes	Yes
Trefor Hogg	Yes	Yes	Yes	Yes
Duncan Eastoe	N/A	No	Yes	Yes
David Harmer	Yes	Yes	No	Yes
Robert Hughes	Yes	Yes	Yes	Yes
Robert King	Yes	Yes	No	Yes
Kelvin Menon	Yes	Yes	Yes	Yes
George Potter	Yes	Yes	Yes	Online
Richard Tear	Yes	Yes	Yes	Yes
Phil Walker	Yes	N/A	N/A	N/A
Steve Williams	Yes	Yes	Yes	Online

## Membership of the Local Pension Board as at 31 March 2024



**Tim Evans: Chair**  
**Independent Chair**

Appointed 19/07/21



**Cllr David Lewis: Vice Chair**  
**Employer Representative**

Appointed 19/07/21



**Trevor Willington**  
**Member Representative**

Appointed 17/07/15



**Siobhan Kennedy**  
**Member Representative**

Appointed 25/04/20



**Fiona Skene**  
**Employer Representative**

Appointed 10/12/20

Resigned 22/09/23



**William McKee**  
**Member Representative**

Appointed 19/07/21



**Cllr Jeremy Webster**  
**Employer Representative**

Appointed 19/07/21



**Brendan Bradley**  
**Employer Representative**

Appointed 16/12/22



**Chris Draper**  
**Employer Member**

Appointed 15/11/2023

For contact details please contact the Governance at the Surrey Pension Team  
([adele.seex@surreycc.gov.uk](mailto:adele.seex@surreycc.gov.uk))

## Local Pension Board – Annual Report

### Chair's Statement



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](mailto:adele.seex@surreycc.gov.uk))

**Tim Evans**

Chair of the Surrey Local Pension Board  
July 2024

### Members of the Surrey Local Pension Board as at 31 March 2024

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 of the Surrey Local Pension Board

Name	May 2023	July 2023	November 2023	February 2024
Tim Evans	Yes	Yes	Online	Yes
David Lewis	Yes	Yes	Yes	Yes
Brendan Bradley	Yes	No	Yes	No
Chris Draper	N/A	N/A	N/A	Yes
Siobhan Kennedy	Online	No	Yes	Yes
William McKee	Yes	Yes	Online	Yes
Fiona Skene	Online	No	N/A	N/A
Jeremy Webster	Yes	Yes	Yes	Yes
Trevor Willington	No	Yes	Yes	Yes

## Meetings and Agenda Items

### Surrey Local Pension Board Meetings

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

Meeting date	Agenda items
10 November 2023	<ol style="list-style-type: none"> <li>1. Glossary, Actions Tracker and Forward Plan</li> <li>2. Change Programme Update – July – September 2023</li> <li>3. Summary of the Pension Fund Committee Meeting of 8 September 2023</li> <li>4. Risk Register Update 2023/24 Quarter 2</li> <li>5. Administration Performance Report and Update 1 28 July 2023 - 30 September 2023</li> <li>6. Business Continuity Plan Update</li> <li>7. Internal Audit Progress Report – November 2023</li> <li>8. External Audit Update</li> <li>9. LGPS - Background Papers</li> </ol>
16 February 2024	<ol style="list-style-type: none"> <li>1. Glossary, Actions Tracker and Forward Plan</li> <li>2. Change Programme update October to December 2023</li> <li>3. Communication Policy Statement 2024/25</li> <li>4. Summary of the Pension Fund Committee Meeting of 15 December 2023</li> <li>5. Administration Performance Report and Update – 1 October 2023 to 31 December 2023</li> <li>6. Risk Register 2023/24 - Quarter 3</li> <li>7. Business Continuity Plan – Interim Update</li> <li>8. Internal Audit Progress Report February 2024</li> <li>9. External Audit Update</li> <li>10. The Pensions Regulator – General Code of Practice</li> <li>11. The Pension Regulator – Scheme Return</li> <li>12. LGPS Update - Background Papers</li> </ol>



## Register of Interests

### Surrey Local Pension Board

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.

<b>Name</b>	<b>Employment</b>	<b>LGPS Pension?</b>	<b>Conflict with Employment?</b>	<b>Other Conflicts</b>
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

## Knowledge and Skills Policy

The Surrey Pension Fund (the Fund) recognises the importance of providing appropriate training to both Pension Fund Committee and Local Pension Board members, as well as officers in relation to the operation of the Fund. Compliance to a comprehensive training policy meets the Fund's strategic governance and delivery objectives and as such the Pension Fund Committee considered and acknowledged the 2024/25 [Training Policy](#) (Version 2) at its meeting of 22 March 2024.

The Fund is committed to providing training to those involved in the governance of the Fund and to ensuring the Pension Fund Committee and the Local Pension Board members have the necessary skills and knowledge to act effectively in line with their responsibilities.

The objectives of the Fund's training policy are to:

- ensure the Fund is managed, and its services delivered, by members and officers with the appropriate knowledge and expertise to be competent in their role
- provide those with responsibility for governing the Fund to evaluate the information they receive and effectively challenge it where appropriate
- support effective and robust decision making, ensuring decisions are well founded and comply with Regulatory requirements or guidance from the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC)
- ensure an understanding of the operation and administration of the Surrey Pension Fund
- meet the required needs in relation to the Fund's objectives.

The Fund will demonstrate compliance with its training plan on a yearly basis through the Annual Report.

### Training of current Committee Members

Training	Nick Harrison	David Harmer	Trefor Hogg	Richard Tear	George Potter	Kelvin Menon	Steve Williams	Robert Ashley King	Robert Hughes	Duncan Eastoe
TPR Public Service Toolkit	Y	N	Y	Y	N	Y	N	N	N	Y
TPR Trustee Toolkit	Y	N	Y	N	N	Y	N	N	N	N
LGA Fundamentals 1	Y	N	Y	N	N	Y	Y	N	N	Y
LGA Fundamentals 2	Y	N	Y	N	N	Y	Y	N	N	Y
LGA Fundamentals 3	Y	N	Y	N	N	Y	Y	N	N	Y
LOLA Unit 1	Y	N	Y	Y	N	Y	Y	N	N	N
LOLA Unit 2	Y	N	Y	Y	N	Y	N	N	N	N

Training	Nick Harrison	David Harmer	Trefor Hogg	Richard Tear	George Potter	Kelvin Menon	Steve Williams	Robert Ashley King	Robert Hughes	Duncan Eastoe
LOLA Unit 3	Y	N	Y	Y	N	Y	N	N	N	N
LOLA Unit 4	Y	N	Y	Y	N	Y	N	N	N	N
LOLA Unit 5	Y	N	Y	Y	N	Y	N	N	N	N
LOLA Unit 6	Y	N	N	Y	N	Y	N	N	N	N
LOLA Unit 7	Y	N	N	Y	N	N/A	N	N	N	N
LOLA Unit 8	Y	N	N	Y	N	N/A	N	N	N	N
LOLA Current Issues	Y	N	Y	Y	N	N/A	N	N	N	N

Key: Y = Attended; N = Not attended; N/A = LOLA training completed on original system, covering all content in 6 units.

### Training of current Board Members

Training	Tim Evans	David Lewis	Jeremy Webster	William McKee	Trevor Willington	Siobhan Kennedy	Brendan Bradley	Chris Draper
TPR Public Service Toolkit	N	Y	Y	Y	Y	Y	Y	Y
TPR Trustee Toolkit	N	N	N	N	Y	Y	Y	N
Local Government Association Fundamentals 1	N	Y	Y	Y	Y	Y	N	N
Local Government Association Fundamentals 2	N	Y	Y	Y	N	Y	N	N
Local Government Association Fundamentals 3	N	Y	Y	Y	Y	Y	N	N

Training	Tim Evans	David Lewis	Jeremy Webster	William McKee	Trevor Willington	Siobhan Kennedy	Brendan Bradley	Chris Draper
LOLA Unit 1	N	Y	Y	N	N	Y	Y	N
LOLA Unit 2	N	Y	Y	N	N	Y	Y	N
LOLA Unit 3	N	Y	Y	N	N	Y	Y	N
LOLA Unit 4	N	Y	Y	N	N	Y	Y	N
LOLA Unit 5	N	Y	Y	N	N	Y	Y	N
LOLA Unit 6	N	Y	Y	N	N	Y	Y	N
LOLA Unit 7	N	N/A	N/A	N	N	Y	Y	N
LOLA Unit 8	N	N/A	N/A	N	N	Y	Y	N
LOLA Current Issues	N	N/A	N/A	N	N	Y	Y	N

Key: Y = Attended; N = Not attended; N/A = LOLA training completed on original system, covering all content in 6 units.

## Conflict of Interest

Conflicts of interest, including those relating to matters of investment stewardship, are managed across three areas: (i) the Board, (ii) the Committee, and (iii) Officers and third parties. The relevant Codes have been produced to ensure that Members, Officers and third parties uphold the highest standards of conduct in alignment with the Seven Principles of Public Life: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, and Leadership.

### Board

The process through which the Fund identifies and manages Board conflicts of interest is outlined in the Surrey Local Pension Board's Code of Conduct & Conflict of Interest Policy which was updated in early 2024. For the Board, 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. In other words, conflicts of interest impinge upon individuals' objectivity, therefore prejudicing their capacity to perform their duties and responsibilities towards the Board. Prior to appointment, all prospective Board Members are required to complete the Surrey Local Pension Board Conflict of Interest declaration which is held on a Register of Interests managed by the Fund's Accounting and Governance team. A preventative training policy (the Public Service Toolkit) is also maintained for all Members. As part of this training, Members must successfully complete a Conflicts of Interest module within the first three months of their appointment in order to improve their awareness and understanding of conflicts of interest.

### Committee

Conflicts of interest within the Committee are governed by the Administering Authority's Constitution which details how the Administering Authority conducts its business, how decisions are made, and the procedures that must be followed to ensure that these decisions are efficient, transparent, and accountable to local people. Part 6 of the Constitution explains the process for identifying and managing Councillors' conflicts of interest with a specific emphasis placed on the Register of Interests that must be consulted when or before an issue arises to ensure that the public, employees, and fellow Councillors are aware of the interests that may give rise to a conflict.

The Constitution also states that Councillors are personally responsible for deciding whether an interest should be declared during the standing item relating to conflicts of interest at the start of each Committee meeting. Such declarations help to ensure that public confidence in the integrity of the Committee and the Administering Authority is maintained. These declarations are managed and monitored by the Administering Authority's Democratic Services team. Part 6 of the Administering



Authority's Constitution can be found at the following link: [Part 6 01 - Member Code of Conduct.doc.pdf \(surreycc.gov.uk\)](#).

### Officers and third parties

In line with the governance of Committee conflicts of interest, Part 6 of the Administering Authority's Constitution also includes an Officer Code of Conduct document which explains the process by which personal interests and outside commitments of Officers and third parties should be identified and managed. This policy document applies to all Officers within the Administering Authority in addition to agency workers, contractors and their staff whilst working on behalf of the Administering Authority. Specifically, the policy document states that Officers must ensure that:

- Their private interests or beliefs do not conflict with their professional duties
- Their position within the Council is not used to confer an advantage or disadvantage on any person
- They are not involved in, nor influence, any decision or allocation of Council services or resources from which they, their family or friends might benefit.

Officers are required to declare personal interests whenever there is, or could be perceived to be, a conflict of interest between their duties as an employee and their membership of an organisation. Any conflicts should be approved and reassessed every 12 months by the relevant Officer's Line Manager. Further details relating to the identification and management of Officer conflicts of interest can be found at the following link: [Officers code of conduct \(surreycc.gov.uk\)](#).

### Asset Pooling

Border to Coast Pensions Partnership Ltd is an FCA-authorized investment fund manager (AIFM). It operates investment funds for its eleven shareholders which are Local Government Pension Scheme funds ([Partner Funds](#)). The purpose is to make a difference to the investment outcomes for our Partner Funds through pooling to create a stronger voice; working in partnership to deliver cost effective, innovative, and responsible investment now and into the future; thereby enabling great, sustainable performance

Border to Coast Pensions Partnership (BCPP) became a fully regulated asset management company on 26 July 2018. The Surrey Pension Fund started transitioning assets to BCPP in 2018.

There are a number of governance issues to be considered under pooling arrangements such as the relationship between the pension fund and asset pool, governance structure of the pool and the role of administering authorities.

## Governance

Border to Coast's performance as a company is overseen by shareholder representatives from the Administering Authorities of the Partner Funds both on an ongoing basis and formally once a year at its AGM.

The Partner Funds and Border to Coast work collaboratively to build the investment capabilities required to ensure that the Partner Funds are able to efficiently and effectively deliver their Strategic Asset Allocations in line with the guiding principles. However, in order to hold Border to Coast to account and to meet FCA requirements for a regulated asset manager, the governance structure is designed to ensure sufficient independence between the Partner Funds and Border to Coast during implementation and ongoing management of the sub-funds

The [Governance Charter](#) can be found on this link which sets out a summary of the governance arrangements for the pool including the structure and roles, responsibilities and authority of the following in relation to Border to Coast.

### Governance Structures Supporting the Pension Committees

The following groups and individuals support the Pension Committees in working with and overseeing Border to Coast:

- Joint Committee
- Officers Groups
- Local Pension Boards
- Advisors

## Section 4: Financial Performance

### Pension Fund Forecast

The table below sets out a summary of the income and expenditure of the Fund for 2023/24 and that budgeted for in 2024/25.

£m	2023/24 Budget	2023/24 Actual	2023/24 Variance	2024/25 Budget
<b>Income</b>				
Employer contributions	170	161	-9	159
Member contributions	50	48	-2	49
Other contributions	-	3	3	-
<b>Total contributions</b>	<b>220</b>	<b>212</b>	<b>-8</b>	<b>208</b>
Transfers in	35	24	-11	37
Investment income	35	38	3	45
<b>Total income</b>	<b>290</b>	<b>274</b>	<b>-16</b>	<b>290</b>
<b>Expenditure</b>				
Pensions	-165	-169	-4	-177
Commutation/lump sum retirement	-20	-27	-7	-21
Other	-5	-5	0	-10
<b>Total benefits</b>	<b>-190</b>	<b>-201</b>	<b>-11</b>	<b>-208</b>
Transfers out	-20	-31	-11	-37
Administrative expenses	-3	-3	0	-5
Oversight/governance costs	-3	-3	0	-2
Investment expenses	-12	-8	4	-9
Taxes on income	-1	0	-1	-1
<b>Total expenditure</b>	<b>-229</b>	<b>-246</b>	<b>-17</b>	<b>-262</b>
<b>Net income</b>	<b>61</b>	<b>28</b>	<b>33</b>	<b>28</b>
Change in Market Value	100	560	-460	183
<b>Net increase in Fund Value</b>	<b>150</b>	<b>588</b>	<b>-427</b>	<b>211</b>
<b>Fund Value</b>	<b>5,440</b>	<b>5,879</b>	<b>-439</b>	<b>5,651</b>

Income for 2023/24 versus budget in the Draft Unaudited Financial Statements was £16m adverse due to lower-than-expected Contribution and Transfer In values.

Expenditure for 2023/24 versus budget in the Draft Unaudited Financial Statements was £17m due to higher-than-expected Benefits Paid and Transfers Out.

Income and Cashflows into the Fund were positive £28m, however lower than expected budget of £61m as per the adverse variances on Income and Expenditure. Administration and Oversight & Governance costs were in line with Budget, and a favourable variance on Investment expenses.

Non-Investment Net Assets increased in 2023/24 due to Cash held in Money Market Funds increasing from £18m to £41m. In 2024/25, dividends that were previously received as Cash, as opposed to reinvested, were reduced or ceased to utilise this surplus Cash.

Contribution Income Budget and Forecast to 2026/27 increases due to increase in Scheme Members joining the Fund, and efficiencies in the TUPE and Admission Agreements processes.

Direct and Indirect costs to the Fund are based on current FTE and are not forecast to increase significantly in 2025/26. Indirect recharges are reviewed annually based on services provided by Surrey County Council. Indirect costs include, but are not limited to Business Operations such as Payments Team and Income Management, Democratic Services, Premises costs, IT&D and HR.

Late payment of Contributions is monitored however no late payment penalties have been exercised in 2023/24 or 2024/25 to date. Contribution Income over / under payments are rectified and recovered in year by the Employer in agreement with the Fund. No Contribution Income write offs have occurred in 2023/24 or 2024/25 to date. The Fund does not exercise a Write Off policy for Contribution Income.

## 2024/25 Operational Budget

The table below sets out the operational budget for the Fund for 2024/25.

£000	2024/25 Budget
Admin Staffing	2,800
Non staffing	800
Overheads	690
<b>Total administration</b>	<b>4,290</b>
Fund Officers and Management	1,140
Advisors	590
Audit	90
Memberships and Benchmarking	240
Non staffing	370
Training	100
Projects	500
<b>Total oversight and governance</b>	<b>3,030</b>
Fund Officers	160
Pooling Costs (including Governance)	2,360
Custody	130
Investment Management Fees	6,250
<b>Total investment and custody</b>	<b>8,900</b>
<b>Total operational budget</b>	<b>16,220</b>

## Three Year Forecast

The table below sets out a draft high level forecast of the income and expenditure of the Fund for the three years 2024/25 to 2026/27. The final budget and forecast will be formally agreed by the Pension Fund Committee by 31 March 2025.

£m	2024/25	2025/26	2026/27
Total contributions	208	218	222
Transfers in	37	25	25
Investment income	44	40	40
<b>Total income</b>	<b>289</b>	<b>283</b>	<b>287</b>
Total benefits	-208	-210	-212
Transfers out	-37	-30	-30
Management expenses	-16	-18	-20
<b>Total expenditure</b>	<b>-261</b>	<b>-258</b>	<b>-262</b>
<b>Net income</b>	<b>28</b>	<b>25</b>	<b>25</b>

A list of Scheme Employers along with employers' and employees' contributions as a percentage of pensionable pay is given in the Annexe.

The Surrey Pension Team uses a variety of measures to prevent and detect fraud:

- Participation in the National Fraud Initiative
- Use of a mortality screening service
- Participation in the LGPS national database
- Participation in the Tell Us Once programme
- Separation of duties of staff, enforced through role security profiles
- System reporting and audit controls, including duplicate matching and data quality checks
- Internal and external audits
- Education and training of staff on fraud and cybersecurity
- Participation in Surrey County Council data and information security
- Overseas pensioner proof of existence
- Bank account verification
- Member tracing services

## Section 5: Pension Fund Accounts 2023/24



The following pages present the accounts for the Surrey Pension Fund for the year ended 31 March 2024.

Note: The accounts on the following pages are unaudited. Figures presented therefore remain subject to further review and amendment.

## Statement of Responsibilities

### The responsibilities of the County Council

The County Council is required to:

- Make arrangements for the proper administration of the financial affairs of the Fund and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the S151 Officer.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

### The S151 Officer's responsibilities

The S151 Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain (The Code).

In preparing this Statement of Accounts, the S151 Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the local authority Code.

The S151 Officer has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the statement of accounts set out in this report presents a true and fair view of the financial position of the Surrey County Council Pension Fund at 31 March 2024 and its income and expenditure for the year then ended.



**Andy Brown**

**Deputy Chief Executive and  
Executive Director of Resources  
(Section 151 Officer)**



**Victor Lewanski**

**Chairman of Audit & Governance  
Committee**

## Surrey Pension Fund Accounts 2023/24

### Fund Account

£000	Note	2023/24	2022/23
Contributions receivable	7	213,194	207,586
Transfers in	8	23,413	36,287
<b>Contributions Sub-total</b>	-	<b>236,607</b>	<b>243,873</b>
Benefits payable	9	(216,611)	(176,888)
Payments to and on account of leavers	10	(30,675)	(26,341)
<b>Benefits Sub-total</b>	-	<b>(247,286)</b>	<b>(203,229)</b>
<b>Net additions from dealings with members</b>	-	<b>(10,679)</b>	<b>40,644</b>
Management expenses	11	(13,379)	(19,765)
<b>Net additions including fund management expenses</b>	-	<b>(24,058)</b>	<b>20,879</b>
<b>Return on investments</b>	-	-	-
Investment income	12	37,997	41,850
Taxes on income	-	(491)	(1,020)
Profit and (losses) on disposal of investments and changes in the value of investment	17	559,901	(127,825)
<b>Net return on investments</b>	-	<b>597,407</b>	<b>(86,995)</b>
<b>Net increase in the net assets available for benefits during the year</b>	-	<b>573,349</b>	<b>(66,116)</b>
<b>Opening net assets of the scheme</b>	-	<b>5,291,396</b>	<b>5,357,512</b>
<b>Closing net assets of the scheme</b>	-	<b>5,864,745</b>	<b>5,291,396</b>



## Net Assets Statement

<b>£000</b>	<b>Note</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Investment assets	14	5,818,738	5,240,381
Investment liabilities	14	(15,238)	-
<b>Total net investments</b>	-	<b>5,803,500</b>	<b>5,240,381</b>
Current assets	21	70,018	58,896
<b>Total assets</b>	-	<b>5,886,100</b>	<b>5,299,277</b>
Current liabilities	22	(8,773)	(7,881)
<b>Net assets of the fund available to fund benefits at the end of the reporting period</b>	-	<b>5,864,745</b>	<b>5,291,396</b>

**Note:** The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 20.

## Notes to the Accounts

### 1. Description of the Fund

The Surrey Pension Fund ('the Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by Surrey County Council. The Surrey Pension Fund is the reporting entity.

#### (i) General

The scheme is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment Funds) Regulations 2016

It is a contributory defined benefit pension scheme administered by Surrey County Council to provide pensions and other benefits for pensionable employees of Surrey County Council, the borough and district councils in Surrey and a range of other scheduled and admitted bodies within the county area. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The Fund is overseen by the Surrey Pension Fund Committee, which is a committee of Surrey County Council.

#### (ii) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Surrey Pension Fund include:

- Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.
- Admitted bodies, which are other organisations that participate in the Fund under an admissions agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing of services to the private sector.

Membership details are set out below:

<b>Membership Details</b>	<b>31 March 2024</b>	<b>31 March 2023 *Restated</b>
Number of employers	355	345
<b>Employees in scheme</b>	<b>31 March 2024</b>	<b>31 March 2023 *Restated</b>
Surrey County Council	16,101	16,454
Other Employers	20,275	19,360
<b>Total Employees in the Scheme</b>	<b>36,376</b>	<b>35,814</b>
<b>Pensioners</b>	<b>31 March 2024</b>	<b>31 March 2023 *Restated</b>
Surrey County Council	15,947	15,469
Other Employers	14,997	14,421
<b>Total Pensioners</b>	<b>30,944</b>	<b>29,890</b>
<b>Deferred Pensioners</b>	<b>31 March 2024</b>	<b>31 March 2023 *Restated</b>
Surrey County Council	35,953	35,264
Other Employers	27,062	25,725
<b>Total Deferred Pensioners</b>	<b>63,015</b>	<b>60,989</b>
<b>Total Number of Members</b>	<b>130,335</b>	<b>126,693</b>

### **(iii) Funding**

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the Local Government Regulations 2013 as disclosed in the introduction and ranged from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2024. Employers' contributions are set following triennial actuarial funding valuations. The last such valuation was at 31 March 2022 and new rates applied from April 2023.

The employer contribution rates for 2023/24 ranged from 12.7% to 43.6% of pensionable pay.

### **(iv) Benefits**

Prior to 1 April 2014, pension benefits under the LGPS were based on final salary and length of pensionable service. From 1 April 2014, the scheme became a career average revaluation scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49<sup>th</sup>. Accrued pension is updated annually in line with the Consumer Prices Index.

A range of other benefits are also provided including early retirement, ill health

pensions and death benefits, as explained on [the LGPS website](#).

## 2. Basis of preparation

The Statement of Accounts summarises the Fund's transactions for the 2023/24 financial year and its position at the year end at 31 March 2024. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

Paragraph 3.3.1.2. of the Code requires disclosure of any accounting standards issued but not yet adopted. This requirement applied to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. on or before 1 January for 2024/25). For this disclosure the standards introduced by the 2024/25 Code include:

- a. IFRS 16 Leases issued in January 2016
- b. Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020
- c. Lease Liability in a Sale and Leaseback (Amendments to IFRS16) issues in September 2022
- d. Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022
- e. International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023
- f. Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023

Implementation of the above accounting standards is not expected to have a material impact or is not applicable to the pension fund.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits valued according to the International Accounting Standard (IAS) 26 is disclosed at note 20 of these accounts.

These accounts have been prepared on a going concern basis. The liabilities of the pension fund are ultimately backed by the employing organisations within the Fund including government bodies with tax raising powers.

The Fund does not anticipate a significant impact on the Fund's cashflow or balance sheet position over the next couple of years as a result of the Covid-19 pandemic. The fund has not received any requests from employers for a contribution deferral and continues to receive contributions from all employers in line with the rates set in 2022 actuarial valuation.

The Fund's cashflow monitoring shows that the cashflows from dealing with members is neutral and is expected to become cashflow negative by 2028.

Even if the cashflow position from dealing with members turns negative the Fund generates investment income that can also be used to pay pensions without the need to sell assets at a potentially suboptimal time. The Fund has a level of assets that would be able to cover pension payments for over a decade at current pension payment levels even if no further income was received.

The Fund is subject to an actuarial valuation every three years so any deterioration in the funding position leading up to the valuation would be factored in when setting contribution rates for employers to ensure the fund is able to meet all its future obligations. The funding level of the Pension Fund as assessed by the Fund's actuary at the 2022 valuation was 102%. Therefore, management are assured the pension fund remains a going concern.

### **3. Summary of significant accounting policies**

#### **Fund account – revenue recognition**

##### **(i) Contribution income**

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis in the payroll period to which they relate.

Employers' augmentation contributions and pension strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Contributions due for forthcoming periods are not represented within the financial statements.

##### **(ii) Transfers to and from other schemes**

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations.

Transfers in and out of the Fund are accounted for when received or paid, which is normally when the member liability is accepted or discharged. Transfers in from members wishing to use the proceeds of their additional voluntary contributions to purchase scheme benefits are accounted for on a receipts basis and are included within transfers in.

Bulk (group) transfers are accounted for in accordance with the terms of the transfer agreement.

##### **(iii) Investment income**

- Interest income is recognised in the Fund account as it accrues using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.
- Dividend income is recognised on the date the shares are quoted as ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net asset statement as a current financial asset.
- Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net asset statement as a current financial asset.
- Changes in the value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.
- Distributions and drawdowns from private equity partnerships are accounted for according to guidance from the private equity manager as to the nature of the distribution or drawdown. Income and purchases and sales are recognised at the date the capital call or distribution falls due.

### **Fund account – expense items**

#### **(iv) Benefits payable**

Pensions and lump sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net asset statement as current liabilities.

#### **(v) Management expenses**

The Fund discloses its management expenses in line with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016), as shown below. All items of expenditure are charged to the Fund on an accruals basis as follows:

- **Administrative expenses:** Pension administrative expenses reflect the costs incurred in the payment of pensions and other benefits, the maintenance of member records and provision of scheme and entitlement information. Costs incurred in relation to specific employers are recharged to those individual organisations and therefore excluded from the accounts. All administration expenses are accounted for on an accruals basis. The relevant staffing costs of the pension administration team are recharged to the Fund. Management, accommodation and other overheads are apportioned to the Fund in accordance with council policy.
- **Investment management expenses:** All investment management expenses are accounted for on an accruals basis. Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under management and therefore increase or reduce as the value of these investments change.
- **Oversight and governance expenses:** Governance costs reflect those expenses which fall outside the parameters of administrative or investment expenses. All oversight and governance expenses are accounted for on an accruals basis with associated staffing and overhead costs apportioned in accordance with council policy.

#### **(vi)Taxation**

The Fund is a registered public service scheme under section 1 (1) of the Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments may be subject to withholding tax in the country of origin. Irrecoverable tax is accounted for as a fund expense as it arises. Tax on income due but unpaid at the end of the year is reported as a current liability.

### **Net assets statement**

#### **(vii)Financial assets**

All investment assets are included in the financial statements on a fair value basis as at the reporting date. Loans and receivables are held at amortised cost. A financial asset is recognised in the net assets statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of the assets are recognised by the Fund.

Surrey Pension Fund is a partner fund of Border to Coast Pensions Partnership. Each Partner Fund invested in Class A and B Shares at a cost (transaction price) of £1 and £1,181,818 respectively. This investment has been valued at cost and will continue to be, as the fair value of these assets cannot be reliably estimated.

#### **(viii) Foreign currency transactions**

Dividends, interest and purchases and sales of investments in foreign currencies

have been accounted for at the spot rate on the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

#### **(ix) Derivatives**

The Fund uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculation purposes.

Derivative contract assets are fair valued at bid prices and liabilities are fair valued at offer prices. Changes in fair value of derivative contracts are included in the change in market value.

The value of futures contracts is determined using exchange prices at the reporting date. Amounts due from or owed to the broker are the amounts outstanding in respect of the initial margin and variation margin.

The future value of forward currency contracts is based on the market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contracts were matched at the year end with an equal and opposite contract.

#### **(x) Cash and cash equivalents**

Cash comprises cash in hand and demand deposits and includes amounts held by the Fund's external managers. All cash balances are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to minimal risk of changes in value.

#### **(xi) Loans and receivables**

Financial assets classed as amortised cost are carried in the net asset statement at the value of outstanding principal receivable at the year-end date plus accrued interest.

#### **(xii) Financial liabilities**

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the net asset statement on the date the Fund becomes party to the liability. From this date any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

#### **(xiii) Actuarial present value of promised retirement benefits**

The actuarial present value of promised retirement benefits is assessed on a



triennial basis by the scheme actuary in accordance with the requirement of IAS 26 and relevant actuarial standards.

As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net asset statement.

#### **(xiv) Additional voluntary contributions**

Surrey Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those in the pension fund. The Fund has appointed Prudential as the AVC provider. A small number of members remain with the previous provider Equitable Life. AVCs are paid to the AVC provider by employees and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amounts held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed for information in a note to the accounts.

### **4. Critical judgements in applying accounting policies**

There are no critical judgements in applying accounting policies.

### **5. Sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends and future expectations. However, actual outcomes could be different from the assumptions and estimates made. The items in the net asset statement for which there is a significant risk of material adjustment the following year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
<b>Private equity</b>	Private equity investments, both limited partnership and fund of funds (pooled investments), are disclosed at fair value, provided by the administrators of the funds. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation. These are usually classified as Level 3 Investments.	There is more uncertainty regarding the valuation of these asset types and could potentially be subject to material adjustments. Sensitivity analysis is provided in note 16 to the accounts.
<b>Property Unit Trust</b>	Valuation techniques are used to determine the carrying amount of pooled property funds.	There is more uncertainty regarding the valuation of these asset types and could potentially be subject to material adjustments. Sensitivity analysis is provided in note 16 to the accounts.
<b>Actuarial present value of promised retirement benefits</b>	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, salary increase, changed in retirement age, morality rates and returns on fund assets. A firm of consulting actuaries is engaged to provide the fund with expert advice about the assumptions to be applied.	<p>The actuarial present value of promised retirement benefits at 31 March 2024 is £5,740m. The sensitivities regarding the principal assumptions used to measure the obligations are as follow:</p> <ul style="list-style-type: none"> <li>• a 0.1% p.a. reduction in the discount rate would increase the promised retirement benefits by approximately 2% or £104m</li> <li>• a 0.1%p.a. increase in salary growth would increase the promised retirement benefits by approximately £4m</li> <li>• a 0.1% p.a. increase in the pension increase rate (CPI) would increase the promised retirement benefits by approximately 2% or £101m</li> </ul>

## 6. Events after the reporting date

The Statement of Accounts is adjusted to reflect events after the balance sheet date, both favourable and unfavourable, that occur between the end of the reporting date and the date when the Statement of Accounts is authorised for issue. Adjustments are made that provide evidence of conditions that existed at the end of the reporting period unless deemed insignificant to the true and fair value of the Fund's assets and liabilities. Those events taking place after the date of authorisation for issue will not be reflected in the statement of accounts.

There are no events after the reporting date that needs to be disclosed as part of the financial statement.

## 7. Contributions receivable

### By Category

£000	2023/24	2022/23
<b>Total Employees' Contributions</b>	<b>51,833</b>	<b>49,142</b>
Normal contributions	132,052	130,303
Deficit recovery contributions	23,544	27,364
Augmentation contributions	3,108	388
<b>Total Employers' Contributions</b>	<b>158,704</b>	<b>158,055</b>
Other contributions	2,657	389
<b>Total Contributions Receivable</b>	<b>213,194</b>	<b>207,586</b>

### By Employer

£000	2023/24	2022/23	2021/22
Administering authority	85,537	91,313	87,048
Scheduled bodies	121,854	110,045	102,187
Admitted bodies	3,146	5,840	4,405
Other	2,657	389	-
<b>Total</b>	<b>213,194</b>	<b>207,586</b>	<b>193,640</b>

**8. Transfers in from other pension funds**

<b>£000</b>	<b>2023/24</b>	<b>2022/23</b>
Group transfers	-	9,359
Individual transfers	23,413	26,928
<b>Total Transfers</b>	<b>23,413</b>	<b>36,287</b>

**9. Benefits Payable****By Category**

<b>£000</b>	<b>2023/24</b>	<b>2022/23</b>
Pensions	(184,267)	(151,030)
Commutation and lump sum retirement benefits	(27,246)	(21,206)
Lump sum death benefits	(4,723)	(4,514)
Interest on late payment of benefits	(375)	(138)
<b>Total Benefits Payable</b>	<b>(216,611)</b>	<b>(176,888)</b>

**By Type of Employer**

<b>£000</b>	<b>2023/24</b>	<b>2022/23</b>
Administering authority	(86,241)	(81,786)
Scheduled bodies	(101,035)	(81,073)
Admitted bodies	(29,335)	(14,029)
<b>Total Benefits Payable</b>	<b>(216,611)</b>	<b>(176,888)</b>

**10. Payments to and on account of leavers**

<b>£000</b>	<b>2023/24</b>	<b>2022/23</b>
Group transfers to other schemes	(29,884)	(25,529)
Refunds of contributions	(798)	(822)
Payments for members joining state schemes	7	10
<b>Total Payments</b>	<b>(30,675)</b>	<b>(26,341)</b>

## 11. Management expenses

£000	2023/24	2022/23
Administrative costs	(3,495)	(4,198)
Investment management expenses	(7,725)	(8,131)
Oversight and governance costs	(2,159)	(7,436)
<b>Total Management expenses</b>	<b>(13,379)</b>	<b>(19,765)</b>

As part of its oversight and governance costs in 2023/24, the Fund had also paid £1,613k (2022/23: £1,521k) in respect of pooling costs payable to the Border to Coast Pensions Partnership (BCPP).

### Investment management expenses

2023/24

£000	Management fees	Performance related fees	Transaction costs	Total
Equities	(2,375)	-	(460)	<b>(2,835)</b>
Pooled investments	(1,989)	-	(546)	<b>(2,535)</b>
Pooled property investments	(989)	-	-	<b>(989)</b>
Private equity	(1,262)	-	-	<b>(1,262)</b>
<b>Sub-total</b>	<b>(6,615)</b>	-	<b>(1,006)</b>	<b>(7,621)</b>
Custody fees	-	-	-	<b>(104)</b>
<b>Total</b>	-	-	-	<b>(7,725)</b>
Oversight and Governance	-	-	-	<b>(2,159)</b>
<b>Total</b>	-	-	-	<b>(9,884)</b>

**2022/23**

<b>£000</b>	<b>Management fees</b>	<b>Performance related fees</b>	<b>Transaction costs</b>	<b>Total</b>
Equities	(3,594)	-	(198)	<b>(3,792)</b>
Pooled investments	(631)	-	(254)	<b>(885)</b>
Pooled property investments	(1,256)	-	-	<b>(1,256)</b>
Private equity	(2,031)	-	-	<b>(2,031)</b>
Property	-	-	-	-
Derivatives	-	-	-	-
Cash and FX contracts	-	-	-	-
<b>Sub-total</b>	<b>(7,512)</b>	-	<b>(452)</b>	<b>(7,964)</b>
Custody fees	-	-	-	<b>(167)</b>
<b>Total</b>	-	-	-	<b>(8,131)</b>
Oversight and Governance	-	-	-	<b>(7,436)</b>
<b>Total</b>	-	-	-	<b>(15,567)</b>

**12. Investment income**

<b>£000</b>	<b>2023/24</b>	<b>2022/23</b>
Income from equities	8,071	18,401
Private equity income	15,925	10,426
Pooled property investments	8,757	10,720
Interest on cash deposits	2,886	1,445
Other	2,358	858
<b>Total Investment income</b>	<b>37,997</b>	<b>41,850</b>

**13. Other fund account disclosures**

<b>£000</b>	<b>2023/24</b>	<b>2022/23</b>
Payable in respect of external audit	(99)	(64)
Payable in respect of other services	-	-
<b>Total External audit costs</b>	<b>(99)</b>	<b>(64)</b>

## 14. Investments

### Investment assets and liabilities £000

<b>Investment assets</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Equity	466,344	485,691
Bonds	849,554	563,595
Pooled funds: Equity unit trusts	3,230,195	2,999,453
<b>Sub-total</b>	<b>4,546,093</b>	<b>4,048,739</b>
Other investments: Pooled property investments	279,927	293,784
Other investments: Private equity	929,217	795,159
Derivatives	514	22,607
<b>Total net investments</b>	<b>5,755,752</b>	<b>5,160,289</b>
Cash deposits	60,828	77,750
Other investment balances	2,158	2,342
<b>Sub-total</b>	<b>5,818,738</b>	<b>5,240,381</b>
<b>Investment liabilities</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Derivatives	(3,830)	-
Pending Purchase	(11,391)	-
Pending Spot FX	(16)	-
<b>Total investment assets</b>	<b>5,803,500</b>	<b>5,240,381</b>

**14A. Reconciliation of movements in investments and derivatives****2023/24**

<b>£000</b>	<b>Market value 1 April 2023</b>	<b>Purchases and derivative payments</b>	<b>Sales and derivative receipts</b>	<b>Change in value during the year</b>	<b>Market value 31 March 2024</b>
Equities	485,691	244,970	(365,940)	101,623	466,344
Pooled investments	3,563,048	458,859	(420,441)	478,283	4,079,749
Pooled property investments	293,784	74,255	(67,523)	(20,589)	279,927
Private equity	795,159	237,306	(71,526)	(31,722)	929,217
<b>Sub-total</b>	<b>5,137,682</b>	<b>1,015,390</b>	<b>(925,430)</b>	<b>527,595</b>	<b>5,755,237</b>
Derivatives	22,607	24,390	(83,250)	32,397	(3,316)
<b>Sub-total</b>	<b>5,160,289</b>	<b>1,040,320</b>	<b>(1,008,680)</b>	<b>559,992</b>	<b>5,751,921</b>
Other investment balances: Cash	77,750	-	-	(143)	60,838
Spot FX Contracts	-	-	-	41	(16)
Other investment balances:	-	-	-	11	(11,391)
Accrued income/other	2,342	-	-	-	2,158
<b>Total</b>	<b>5,240,381</b>	<b>-</b>	<b>-</b>	<b>(559,901)</b>	<b>5,803,500</b>



**2022/23**

<b>£000</b>	<b>Market value 1 April 2022</b>	<b>Purchases and derivative payments</b>	<b>Sales and derivative receipts</b>	<b>Change in value during the year</b>	<b>Market value 31 March 2023</b>
Bonds	760,065	-	-	-	-
Equities	3,569,755	219,922	(196,128)	(13,836)	485,691
Pooled investments	-	13,350	(285,642)	(104,419)	3,563,048
Pooled property investments	331,775	6,631	(3,997)	(40,624)	293,784
Private equity	548,856	257,061	(92,077)	81,318	795,159
<b>Sub-total</b>	<b>5,210,451</b>	<b>496,964</b>	<b>(577,844)</b>	<b>(77,560)</b>	<b>5,137,682</b>
Derivatives	(21,552)	133,217	(39,180)	(49,878)	22,607
<b>Sub-total</b>	<b>5,188,899</b>	<b>630,180</b>	<b>(617,024)</b>	<b>(127,438)</b>	<b>5,160,289</b>
Other investment balances: Cash	133,939	-	-	(387)	77,750
Other investment balances: Accrued income/other	2,126	-	-	-	2,342
<b>Total</b>	<b>5,324,964</b>	<b>-</b>	<b>-</b>	<b>(127,825)</b>	<b>5,240,381</b>

**Note:** Bonds and Equity assets sub-categorised in 22/23 between pooled and non-pooled funds.

**14B. Investments analysed by fund manager****Investments managed by Border to Coast Pension Partnership**

<b>Fund Manager</b>	<b>Market value 31 March 2024 £000</b>	<b>%</b>	<b>Market Value 31 March 2023 £000</b>	<b>%</b>
Border to Coast UK Equity Alpha	368,447	6	499,575	10
Border to Coast Global Equity Alpha	875,418	15	739,481	14
Border to Coast Global MAC	849,560	15	563,595	11
Border to Coast Global Listed Alt	80,072	1	250,709	5
Border to Coast Emerging Mkt Eq	285,286	5	-	-
<b>Sub-total</b>	<b>2,458,783</b>	<b>42</b>	<b>2,053,360</b>	<b>40</b>

**Investments managed outside Border to Coast Pension Partnership**

<b>Fund Manager</b>	<b>Market value 31 March 2024 £000</b>	<b>%</b>	<b>Market Value 31 March 2023 £000</b>	<b>%</b>
LGIM (Legal & General Investment Management)	1,621,031	28	1,509,699	29
Newton Investment Management	478,281	8	490,754	9
CBRE Global Multi-Manager	286,932	5	306,891	6
Private equity/other	961,789	17	857,070	16
Derivatives	(3,316)	-	22,607	-
<b>Sub-total</b>	<b>3,344,717</b>	<b>58</b>	<b>3,187,021</b>	<b>60</b>
<b>Total</b>	<b>5,803,500</b>	<b>100</b>	<b>5,240,381</b>	<b>100</b>

The table below shows investments that represent 5% or more of the net assets of the scheme.

<b>Fund Manager</b>	<b>Market value 31 March 2024 £000</b>	<b>%</b>	<b>Market value 31 March 2023 £000</b>	<b>%</b>
LGIM Future World Global Equity Index	1,306,376	23	925,281	18
Border to Coast Global Equity Alpha	875,418	15	739,481	14
Border to Coast Multi Asset Credit	849,554	15	563,595	11
Border to Coast UK Equity Alpha	368,429	6	499,573	10
Border to Coast Multi Listed Alternatives	-	-	250,701	5
LGIM World Emerging Markets Fund	-	-	275,163	5
LGIM - TLCV Bespoke (34048)	-	-	187,215	4
<b>Total</b>	<b>3,399,777</b>	<b>59</b>	<b>3,441,009</b>	<b>67</b>

### 14C. Stock lending

Stock lending is the act of loaning a stock, derivative or other security to an investor or firm. The Fund operates a stock lending programme in partnership with the Fund custodian. As at 31 March 2024 the value of quoted securities on loan was £0 million (£16 million as at 31 March 2023) in exchange for collateral held by the Fund custodian at fair value of £0 million (£17.3 million as at 31 March 2023).

## 15. Analysis of derivatives

### Forward currency contracts

Forward foreign exchange contracts are over the counter contracts whereby two parties agree to exchange two currencies on a specified future date at an agreed rate of exchange. At 31 March 2024 the Fund had forward currency contracts in place with a net unrealised gain of £3.3m (net unrealised gain of (£22.6m) at 31 March 2023).

**2023/24**

Number of contracts	Contract settlement date within	Currency bought	Currency Sold	Notional amount in local currency bought £000	Notional amount in local currency sold £000	Asset £000	Liability £000
5	Three months	GBP	EUR	213,560	(249,341)	-	-
2	Three months	GBP	JPY	77,739	(14,628,300)	1	-
8	Three months	GBP	USD	77,226	(986,925)	-	(4)
-	-	-	-	-	-	1	(4)

**2022/23**

Number of contracts	Contract settlement date within	Currency bought	Currency Sold	Notional amount in local currency bought £000	Notional amount in local currency sold £000	Asset £000	Liability £000
4	Three months	GBP	EUR	199,059	(223,072)	2,636	-
2	Three months	GBP	JPY	66,264	(10,543,400)	1,724	-
7	Three months	GBP	USD	656,649	(790,288)	18,247	-
-	-	-	-	-	-	22,607	-

**16. Fair value – basis of valuation**

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year.

Assets and liabilities have been classified into three levels, according to the quality and reliability of information used to determine fair values.

<b>Description of Asset</b>	<b>Valuation Hierarchy</b>	<b>Basis of Valuation</b>	<b>Observable and Unobservable Inputs</b>	<b>Key Sensitivities Affecting the Valuations Provided</b>
Market quoted investments (equities)	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted bonds	Level 1	Fixed interest securities are valued at a market value based on current yields	Not required	Not required
Futures and options in UK bonds	Level 1	Published exchange prices at the year-end	Not required	Not required
Exchange traded pooled investments	Level 1	Closing bid value on published exchanges	Not required	Not required
Unquoted bonds (bonds)	Level 2	Average of broker prices	Evaluated price feeds	Not required
Forward foreign exchange derivatives (derivatives and other)	Level 2	Market forward exchange rates at the year-end	Exchange rate risk	Not required
Overseas bond options	Level 2	Option pricing model	Annualised volatility of counterparty credit risk	Not required

Description of Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable Inputs	Key Sensitivities Affecting the Valuations Provided
Pooled investments – overseas unit trusts and property funds (pooled Property)	Level 2 & 3	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts
Pooled investments – hedge funds	Level 3	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts
Unquoted equities (Equities and private equities)	Level 3	Comparable valuation of similar companies in accordance with <i>International Private Equity and Venture Capital Valuation Guidelines</i> (2012)	EBITDA multiple, Revenue multiple, Discount for lack of marketability, Control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts

### Sensitivity of assets held at Level 3

The Fund has determined that the valuation methods described above for Level 3 investments are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2024 and 31 March 2023.

**2024**

<b>31 March 2024</b>	<b>Potential variation in fair value (+/-%)</b>	<b>Value at 31 March 2024 £000</b>	<b>Potential value on increase £000</b>	<b>Potential value on decrease £000</b>
Private Equity	5	929,217	978,678	879,755
Property Funds	7	116,287	124,035	108,538
Pooled investments	10	124,579	137,037	112,121
<b>Total</b>	<b>-</b>	<b>1,170,082</b>	<b>1,239,750</b>	<b>1,100,414</b>

**2023**

<b>31 March 2023</b>	<b>Potential variation in fair value (+/-%)</b>	<b>Value at 31 March 2023 £000</b>	<b>Potential value on increase £000</b>	<b>Potential value on decrease £000</b>
Private Equity	10	795,159	874,675	715,643
Property Funds	10	126,189	138,808	113,570
<b>Total</b>	<b>-</b>	<b>921,348</b>	<b>1,013,483</b>	<b>829,213</b>

## 16A. Fair Value Hierarchy

### Financial Assets and Liabilities at Fair Value 31 March 2024

£000 Financial assets at fair value:	Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Equities	466,344	-	-	466,344
Pooled investments	-	3,955,170	124,579	4,079,749
Pooled property investments	-	163,640	116,287	279,927
Private equity	-	-	929,217	929,217
Derivatives	-	514	-	514
Cash*	60,828	-	-	60,828
Other investment balances	1,969	189	-	2,158
<b>Sub-total</b>	<b>529,141</b>	<b>4,119,513</b>	<b>1,170,083</b>	<b>5,818,737</b>
£000 Financial liabilities at fair value:	Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
Derivatives	-	(3,846)	-	(3,846)
Pending Investment Purchase	-	(11,391)	-	(11,391)
<b>Total</b>	<b>529,141</b>	<b>4,104,276</b>	<b>1,170,083</b>	<b>5,803,500</b>



## Financial Assets and Liabilities at Fair Value 31 March 2023

<b>£000 Financial assets at fair value:</b>	<b>Quoted market price Level 1</b>	<b>Using observable inputs Level 2</b>	<b>With significant unobservable inputs Level 3</b>	<b>Total</b>
Equities	485,691	-	-	485,691
Pooled investments	-	3,563,048	-	3,563,048
Pooled property investments	-	167,595	126,189	293,784
Private equity	-	-	795,159	795,159
Derivatives	-	22,607	-	22,607
Cash*	77,570	-	-	77,570
Other investment balances	2,497	25	-	2,522
<b>Sub-total</b>	<b>565,758</b>	<b>3,753,275</b>	<b>921,348</b>	<b>5,240,381</b>
<b>£000 Financial liabilities at fair value:</b>	<b>Quoted market price Level 1</b>	<b>Using observable inputs Level 2</b>	<b>With significant unobservable inputs Level 3</b>	<b>Total</b>
Derivatives	-	-	-	-
<b>Total</b>	<b>565,758</b>	<b>3,753,275</b>	<b>921,348</b>	<b>5,240,381</b>

\*This financial instrument is classified at amortised cost in note 17.

**16B. Reconciliation of Fair Value measurements within Level 3****2023/24**

<b>£000</b>	<b>Value at 31 March 2023</b>	<b>Purchases</b>	<b>Sales</b>	<b>Realised gains and losses</b>	<b>Unrealised gains and losses</b>	<b>Value at 31 March 2024</b>
Private equity	795,159	237,306	(71,525)	18,601	(50,323)	929,218
Pooled Investments	-	111,438	(3)	1	13,143	124,579
Property funds	126,189	7,057	(7,851)	(2,506)	(6,603)	116,286
<b>Total</b>	<b>921,348</b>	<b>355,801</b>	<b>(79,379)</b>	<b>16,096</b>	<b>(43,783)</b>	<b>1,170,083</b>

**2022/23**

<b>£000</b>	<b>Value at 31 March 2023</b>	<b>Purchases</b>	<b>Sales</b>	<b>Realised gains and losses</b>	<b>Unrealised gains and losses</b>	<b>Value at 31 March 2024</b>
Private equity	548,856	256,874	(91,889)	31,018	50,300	795,159
Property funds	153,524	6,039	(3,997)	-	(29,337)	126,189
<b>Total</b>	<b>702,380</b>	<b>262,913</b>	<b>(95,886)</b>	<b>31,018</b>	<b>21,923</b>	<b>921,348</b>

## 17. Classification of financial instruments

### Financial assets and liabilities 31 March 2024

£000 Financial assets	Fair value through Profit and Loss	Assets at amortised cost	Liabilities at amortised cost
Equities	466,344	-	-
Pooled investments	4,079,750	-	-
Pooled property investments	279,927	-	-
Private equity	929,217	-	-
Derivatives	514	-	-
Other investment balances	-	2,158	(11,391)
<b>Sub-Total</b>	<b>5,755,752</b>	<b>62,986</b>	<b>(11,391)</b>

£000 Financial Liabilities	Fair value through Profit and Loss	Asset at amortised cost	Liabilities at amortised cost
Derivatives	(3,830)	-	(16)
<b>Total</b>	<b>5,751,922</b>	<b>62,986</b>	<b>(11,407)</b>

### Financial assets and liabilities 31 March 2023

£000 Financial assets	Fair value through Profit and Loss	Assets at amortised cost	Liabilities at amortised cost
Equities	485,691	-	-
Pooled investments	3,563,048	-	-
Pooled property investments	293,784	-	-
Private equity	795,159	-	-
Derivatives	22,607	-	-
Cash	-	77,750	-
Other investment balances	2,342	-	-
<b>Sub-Total</b>	<b>5,162,631</b>	<b>77,750</b>	<b>-</b>

£000 Financial Liabilities	Fair value through Profit and Loss	Asset at amortised cost	Liabilities at amortised cost
Derivatives	-	-	-
<b>Total</b>	<b>5,162,631</b>	<b>77,750</b>	<b>-</b>

**17A. Net gains and losses on financial instruments**

<b>£000 Financial Assets</b>	<b>2023/24</b>	<b>2022/23</b>
Fair value through profit and loss	527,596	(77,560)
Amortised cost - realised gains on derecognition of assets	-	-
Amortised cost - unrealised gains	53	91
<b>£000 Financial Liabilities</b>	<b>2023/24</b>	<b>2022/23</b>
Fair value through profit and loss	32,397	(49,877)
Amortised cost - realised (losses) on derecognition of assets	(144)	(479)
Amortised cost - unrealised (losses)	-	-
<b>Total gain / (loss)</b>	<b>559,901</b>	<b>(127,825)</b>

**18. Nature and extent of risks arising from financial instruments**

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e., promised benefits to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gain across the whole portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The council manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Committee. Risk management policies are established to identify and analyse the risks faced by the council's pensions operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

**Market risk**

Market risk is the risk of loss from fluctuations in equity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price, yield and the asset mix.

To mitigate market risk, the pension fund is invested in a diverse pool of assets to ensure a reasonable balance between different asset categories, having taken external professional advice as necessary. The management of the assets is split between a number of investment fund managers with different benchmark performance targets and investment strategies. Managers are expected to maintain a diverse portfolio and each manager has investment guidelines in place that specify

the manager's investment powers and restrictions. Managers are required to report on any temporary breaches of their investment powers and are required to take corrective action as soon as is practicable.

### Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. The maximum risk resulting from a financial instrument is determined by the fair value of the instrument. By diversifying investments across asset classes and managers, the Fund aims to reduce the exposure to price risk. Statutory limits prescribed by Regulations are also in place to avoid concentration of risk in specific areas.

### Other price risk – sensitivity analysis

In consultation with its investment advisors, the Fund has determined that the following movements in market price risk are reasonably possible in the short term, assuming that all other variables, in particular foreign exchange rates and interest rates, remain the same.

#### 2024

Asset	Potential market movement (+/-%)	Value at 31 March 2024 £000	Potential value on Increase £000	Potential value on decrease £000
Equities	11	466,344	517,033	415,654
Equity unit trusts	11	3,230,196	3,590,319	2,870,072
Bonds	7	849,554	906,718	792,391
Pooled property investments	7	279,927	298,580	261,274
Cash	7	60,648	65,197	56,099
Private equities	5	929,217	978,678	879,755
Other assets	2	(12,385)	(12,683)	(12,088)
<b>Total</b>	<b>7</b>	<b>5,803,500</b>	<b>6,343,842</b>	<b>5,263,157</b>

**2023**

<b>Asset</b>	<b>Potential market movement (+/-%)</b>	<b>Value at 31 March 2023 £000</b>	<b>Potential value on increase £000</b>	<b>Potential value on decrease £000</b>
Equities	13	485,691	546,888	424,494
Equity unit trusts	6	2,999,453	3,179,420	2,819,486
Bonds	7	563,595	604,117	523,073
Pooled property investments	6	293,784	312,674	274,894
Cash	3	77,750	79,818	75,682
Private equities	6	795,159	844,459	745,859
Other assets	2	24,949	25,548	24,350
<b>Total</b>	<b>7</b>	<b>5,240,381</b>	<b>5,592,924</b>	<b>4,887,838</b>

**Interest rate risk**

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund is predominantly exposed to interest rate risk through its holdings in bonds.

**Interest rate risk – sensitivity analysis**

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 1% change in interest rates. The analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances.

Assets exposed to interest rate risk:

**2024 analysis by asset type**

<b>£000</b>	<b>Value at 31 March 2024</b>	<b>Potential value on 1% rate increase</b>	<b>Potential value on 1% rate decrease</b>
Cash and cash equivalents – includes direct and indirect holdings	60,828	60,828	(60,828)
Fixed interest securities	849,554	858,050	(841,059)
<b>Total</b>	<b>910,382</b>	<b>918,878</b>	<b>(901,887)</b>

**2023 analysis by asset type**

<b>£000</b>	<b>Value at 31 March 2023</b>	<b>Potential value on 1% rate increase</b>	<b>Potential value on 1% rate decrease</b>
Cash and cash equivalents – includes direct and indirect holdings	95,497	95,497	(95,497)
Fixed interest securities	563,595	569,231	(557,959)
<b>Total</b>	<b>659,092</b>	<b>664,728</b>	<b>(653,456)</b>

**Currency risk**

Currency risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than sterling. The Fund holds monetary and non-monetary assets denominated in currencies other than sterling.

The Fund therefore has a policy to passively hedge up to 50% of the equity exposure to US Dollar, Yen and the Euro. Legal and General Investment Management manages this currency hedge. Individual fund managers may also use derivatives if permitted by their investment management agreements. Furthermore, fund managers will take account of currency risk in their investment decisions.

**Currency risk – sensitivity analysis**

The tables below show assets with potential non-UK exposures. These assets are identified as overseas investments.

**2024**

<b>Analysis by asset type</b>	<b>Potential market movement (+/-%)</b>	<b>Value at 31 March 2024 £000</b>	<b>Potential value on increase £000</b>	<b>Potential value on decrease £000</b>
Overseas equities	6	2,090,961	2,222,692	1,959,231
Bonds	6	849,554	903,076	796,032
Property & private equity	6	797,535	847,780	747,290
<b>Total</b>	<b>6</b>	<b>3,738,051</b>	<b>3,973,548</b>	<b>3,502,553</b>

**2023**

<b>Analysis by asset type</b>	<b>Potential market movement (+/-%)</b>	<b>Value at 31 March 2023 £000</b>	<b>Potential value on increase £000</b>	<b>Potential value on decrease £000</b>
Overseas equities	6	2,073,088	2,204,635	1,941,541
Bonds	6	563,595	599,358	527,832
Property & private equity	6	677,218	720,191	634,245
<b>Total</b>	<b>6</b>	<b>3,313,901</b>	<b>3,524,184</b>	<b>3,103,618</b>

**Credit risk**

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

Contractual credit risk is represented by the net payment or receipt that remains outstanding, and the cost of replacing the derivative position in the event of a counterparty default. The residual risk is minimal due to the various insurance policies held by exchanges to cover defaulting counterparties.

The Fund's cash balance is lent to borrowers in accordance with the county council's treasury management strategy. There are rigorous procedures in place to manage the security of all cash deposits, including criteria for the quality of counterparties and limits on the amount that can be placed with any of those counterparties.

The Fund holds a separate bank account with HSBC, which holds AA long term credit ratings (or equivalent) with all three credit rating agencies (Fitch, Moody's, Standard and Poor's).



The Fund has 5 accounts with money market funds, managed by Morgan Stanley, Aberdeen, Black Rock, Deutsche and Aviva (all with AAA credit rating). In line with the treasury strategy, the maximum deposit level allowed with each counterparty is £25 million.

<b>£000 Money market fund</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Aberdeen MMF	8,100	100
Aviva	25,000	100
Blackrock	5,100	12,700
Deutsche	2,300	3,300
Morgan Stanley	100	400
<b>Sub-total</b>	<b>40,600</b>	<b>16,600</b>

<b>£000 Current account</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
HSBC	165	1,147
<b>Sub-total: Internally managed cash</b>	<b>40,765</b>	<b>17,747</b>

<b>£000 Externally managed cash</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
LGIM	2	-
Custodian	60,826	77,750
<b>Total cash and cash equivalents</b>	<b>101,593</b>	<b>95,497</b>

### Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The council therefore takes steps to ensure that the pension fund has adequate cash to meet its commitments. The Fund needs to manage its cash flows to ensure pensioner payroll costs are met and sufficient cash is available to meet investment commitments.

The treasury management activities of the Fund are managed by the Orbis Treasury Function on a daily basis. A cash flow forecast is updated daily to help understand and manage the timings of the Fund's cash flows. The Fund has immediate access to the internally managed cash holdings and money market fund. The Fund is able to borrow cash to meet short-term cash requirements.

The Fund monitors prospective cash flow. Cash flow surpluses are invested with fund managers, given that the Fund has an aim of being as fully invested as possible after allowing for the need to hold working balances. Regular rebalancing exercises take place, which involves assessing the level of internal cash available to be invested with managers.

## Derivative risk

Some portfolios in which the Fund invests may utilise financial derivative instruments to reduce risks or costs or to generate additional returns to meet the portfolio's objectives. Use of such derivatives does not guarantee a positive result for the portfolio.

Derivatives may invoke a small initial investment but carry the potential for a much greater liability. This is known as leverage. A small market movement could therefore have a proportionately larger impact either for or against the Fund. Other specific risks include the inability of the portfolio manager to close out a derivative position due to illiquidity in the derivative market.

The employment of derivatives within the Fund is limited to specific portfolios where their usage is primarily to manage volatility associated with other holdings. A significant movement to the detriment of the portfolio is intended to be balanced by positive movements in other areas of the portfolio. Fund managers will be expected to ensure a balanced, diverse pool of assets with internal exposure restrictions to limit the impact of potential market movements.

## 19. Funding arrangements

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

### Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS). In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
- use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimise cash contributions from employers in the long term)
- where appropriate, ensure stable employer contributions
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 70% likelihood that the Fund will achieve the funding target over 20 years.

### **Funding position as at the last formal funding valuation**

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £5,358 million, were sufficient to meet 102% of the liabilities (i.e., the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £101 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers' contribution for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

### **Principal Actuarial Assumptions and Method used to value the liabilities**

Full details of the methods and assumptions are described in the 2022 valuation report and FSS

#### **Method**

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

## Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value. The key financial assumptions adopted for the 2022 valuation were as follows:

<b>Financial assumptions</b>	<b>31 March 2022 %</b>
Discount rate	4.4 pa
Salary increase assumption	2.7 pa
Benefit increase assumption (CPI)	2.7 pa

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50%

p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

<b>Average future life expectancy at age 65</b>	<b>Males - Years</b>	<b>Females - Years</b>
Current pensioners	22.3	24.9
Future pensioners (age 45 at the 2022 valuation)	23.1	26.3

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.

## Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. High levels of inflation in the UK (compared to recent experience), have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024.

However, asset performance has improved towards the end of 2023 and into 2024 and inflation has begun to return towards historical levels and the Bank of England's target (2% pa). There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities.

Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025. The Funding Strategy Statement will also be reviewed at that time.

Adrian Loughlin FFA May 2024

For and on behalf of Hymans Robertson LLP

## 20. Actuarial present value of promised retirement benefits

CIPFA's Code of Practice on Local Authority Accounting 2023/24 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits. The actuary Hymans Robertson was instructed by the Administering Authority to provide the necessary information for the Surrey Pension Fund ("the Fund").

The actuarial present value of promised retirement benefits is to be calculated similarly to the Defined Benefit Obligation under IAS19. There are three options for its disclosure in the pension fund accounts:

- Showing the figure in the Net Assets Statement, in which case it requires the statement to disclose the resulting surplus or deficit
- As a note to the accounts, or
- By reference to this information in an accompanying actuarial report.

If an actuarial valuation has not been prepared at the date of the financial statements, IAS26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation should be carried out using assumptions in line with IAS19 and not the Fund's funding assumptions.

### Present value of promised retirement benefits

Member category	31 March 2024 £m	31 March 2023 £m
Active members	2,079	1,926
Deferred members	1,410	1,428
Pensioners	2,251	2,311
<b>Total</b>	<b>5,740</b>	<b>5,665</b>

The promised retirement benefits at 31 March 2024 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, I have not made any allowance for unfunded benefits.

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any other purpose (i.e., comparing against liability measures on a funding basis or a cessation basis).

### Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2024 and 31 March 2023. I estimate that the impact of the change in financial assumptions to 31 March 2024 is to decrease the actuarial present value by £316m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £34m.

### Financial assumptions

% Rate	31 March 2024	31 March 2023
Pension Increase Rate	2.75	2.95
Salary Increase Rate	3.75	3.95
Discount Rate	4.85	4.75

## Demographic assumptions

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund. Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a..

Based on these assumptions, the average future life expectancies at age 65 are summarised below:

<b>Average future life expectancy at age 85</b>	<b>Males – Years</b>	<b>Females – Years</b>
Current pensioners	21.9	24.5
Future pensioners (assumed to be aged 45 at the latest formal valuation)	22.6	25.9

All other demographic assumptions are unchanged from last year and as per the latest funding valuation of the Fund.

## Sensitivity analysis

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

<b>Sensitivity to the assumptions for the year ended 31 March 2024</b>	<b>Approximate increase to liabilities %</b>	<b>Approximate monetary amount £m</b>
0.1% p.a. decrease in the Discount Rate	2	104
1 year increase in member life expectancy	4	230
0.1% p.a. increase in the Salary Increase Rate	-	4
0.1% p.a. increase in the Pension Increase Rate (CPI)	2	101

## Professional notes

This statement accompanies the 'Accounting Covering Report – 31 March 2024' which identifies the appropriate reliance and limitations for the use of the figures above, together with further details regarding the professional requirements and assumptions.

Adrian Loughlin FFA 17 May 2024

For and on behalf of Hymans Robertson LLP

## Section 37 confirmations (Virgin Media vs NTL Pension Trustees II Limited ruling)

We have made no additional allowance within the accounting balance sheet for this June 2023 legal judgement. We have taken this approach because at the time of writing:

- The ruling only applies to the above-named private sector pension scheme
- The legal judgement was subject to appeal (however the Court of Appeal dismissed in July 2024 and the original ruling stands)
- It is unknown whether Section 37 certificates exist for prior LGPS scheme amendments (HMT and GAD are currently looking into this)
- It is unknown whether there would be any potential remedy required to public service schemes (including the LGPS)
- It is unknown what the impact of any potential remedy would be
- DWP are being asked by pension bodies to look at pragmatic solutions where schemes are unable to evidence historic section 37 confirmation (eg introduce legislation that would allow retrospective section 37 certificates to be produced now to validate historic changes).

Updated 11 October 2024

For and on behalf of Hymans Robertson LLP

### 21. Current assets

£000	31 March 2024	31 March 2023
Contributions – employees	3,823	3,039
Contributions - employer	22,056	8,658
Sundry debtors	3,374	29,452
<b>Sub-total</b>	<b>29,253</b>	<b>41,149</b>
Cash balances	40,765	17,747
<b>Total Current Assets</b>	<b>70,018</b>	<b>58,896</b>

### 22. Current liabilities

£000	31 March 2024	31 March 2023
Sundry creditors	(8,773)	(7,700)
Benefits payable	-	(181)
<b>Total Current liabilities</b>	<b>(8,773)</b>	<b>(7,881)</b>



## 23. Additional voluntary contributions

£000	31 March 2024	31 March 2023
Prudential - market value	15,929	14,753
Utmost – Market value	383	373

£000	2023/24	2022/23
Prudential - contributions paid	98	1,100
Utmost – contributions paid	0	0

## 24. Agency services

The Surrey Pension Fund pays discretionary awards to former employees of district councils on an agency basis as shown below. The amounts paid are reclaimed from the employer bodies.

£000	2023/24	2022/23
District & Boroughs	2,110	2,007
Other bodies	276	306
<b>Total</b>	<b>2,386</b>	<b>2,313</b>

## 25. Related party transactions

The Surrey Pension Fund is administered by Surrey County Council. During the reporting period, the council incurred costs of £4.783m (2022/23 £4.720m) in relation to the administration and management of the Fund and was reimbursed by the Fund for these expenses.

The council is also the single largest employer of members of the pension fund. Net amounts owed by Surrey County Council to the Fund as at 31 March 2024 were £10.305m (2022/23 £2.047m).

Members of both the Pension Fund Committee and Local Pension Board are required to declare their disclosable pecuniary interests in respect of any item to be considered at each meeting. Declarations of interest are recorded in the minutes of each meeting as part of the public record and a copy can be found on the Surrey County Council website.

### 25A. Key management personnel

Key management personnel are members of the Pension Fund Committee, the Executive Director of Corporate Resources, the Director of Corporate Finance and the Assistant Director – LGPS Senior Officer.

Their remuneration is set out below:

<b>£000</b>	<b>2023/24</b>	<b>2022/23</b>
Short-term benefits	148	143
Post-employment benefits	18	17
<b>Total Remuneration</b>	<b>166</b>	<b>160</b>

## 26. Contingent Liabilities and Contractual Commitments

Outstanding capital commitments (investments) as at 31 March 2024 were £687m (31 March 2023: £846m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

At the end of the year, the additional potential liabilities related to pension fund transfers, pending final decisions from employing bodies, were deemed immaterial.

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## Section 6: Investment and Funding

### Contents

Investment Arrangements and Performance Reporting

Strategic Asset Allocation

Pooling

Asset Table

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Implementation of the Funding Strategy Statement

Annual Investment Review

## Investment Arrangements and Performance

### Investments and Funding

Details of the investment administration and custodianship can be found in the Overall Fund Management section of this Annual Report. Northern Trust is the Fund's main custodian. The Fund is managed on both an active and passive basis.

Investment managers have been appointed to undertake day-to-day decisions on the allocation of investment between types of asset and choices of individual investments within approved classes. They are required to take a long-term view, balancing risk against return and are remunerated on scales related to the value of funds under management and in certain cases for performance over and above benchmark return. Regular meetings are held with the managers to assess performance.

## Investment performance net of fees for 12 months to 31 March 2024

Investment Name	Amount £m	1Y Return	1Y Benchmark	1Y Relative Return
<b>Total Fund</b>	<b>5,844.59</b>	11.30%	15.34%	-4.04%
<b>Active Global Equity</b>	<b>1,353.9</b>	-	-	-
BCPP Global Equity Alpha	875.4	18.38%	20.60%	-2.22%
Newton Global Equity	478.5	25.44%	20.60%	4.84%
<b>Active Regional Equity</b>	<b>653.7</b>	-	-	-
BCPP UK Equity Alpha	368.4	5.11%	8.43%	-3.31%
BCPP Emerging Markets Alpha	285.3	-	-	-
<b>Passive Global Equity</b>	<b>1,307.0</b>	-	-	-
LGIM - Future World Global	1,307.0	21.44%	21.05%	0.39%
<b>Passive Regional Equity</b>	<b>127.2</b>	-	-	-
LGIM - Europe Ex-UK	61.3	13.05%	13.42%	-0.37%
LGIM - Japan	19.8	22.37%	22.32%	0.04%
LGIM - Asia Pacific ex-Japan	46.1	4.60%	4.64%	-0.04%
<b>Fixed Income</b>	<b>974.1</b>	-	-	-
BCPP MAC	849.6	9.37%	8.67%	0.69%
LGIM - 15 Yr+ Gilts Index Fund	124.6	-	-	-
<b>Private Markets Proxy</b>	<b>80.1</b>	-	-	-
BCPP Listed Alternatives	80.1	11.27%	20.60%	-9.34%
<b>Private Markets</b>	<b>929.2</b>	-4.97%	16.81%	-21.77%
<b>Real Estate</b>	<b>288.1</b>	-	-	-
CBRE	288.1	-4.00%	-0.69%	-3.31%
<b>LGIM Currency Overlay</b>	<b>3.3</b>	-	-	-
<b>LGIM Sterling Liquidity Fund</b>	<b>63.0</b>	-	-	-
<b>Liquidity</b>	<b>71.5</b>	-	-	-

The table below shows the Fund's investment mandates and benchmarks for each.

<b>Mandate</b>	<b>Benchmark Index</b>
BCPP UK Equities Alpha	FTSE All Share
BCPP Global Equities Alpha	MSCI ACWI
BCPP Multi-Asset Credit	SONIA
BCPP Listed Alternatives	MSCI ACWI
BCPP Emerging Markets Equity Alpha	MSCI EM
Newton Global Equities	MSCI ACWI
Various Private Markets	MSCI World
CBRE Real Estate	MSCI/AREF UK QPFI All Balanced Property Fund (for UK Assets)
CBRE Real Estate	Global Alpha Fund Absolute Return 9-11%
LGIM Europe ex-UK Equities Index	FTSE Developed Europe ex-UK Net Tax (UKPN)
LGIM Future World Global Equity Index	Solactive L&G ESG Global Markets Net
LGIM Japan Equity Index	FTSE Japan NetTax (UKPN)
LGIM Asia Pacific ex-Japan Development Equity Index	FTSE Developed Asia Pacific ex-Japan NetTax (UKPN)
LGIM Sterling Liquidity	SONIA
LGIM 15 Yr+ Gilts Index	FTA Over 15Y Total Return

## Responsible Investment (RI) Developments

### Responsible Investment Policy, Net Zero Date

During the year ended 31 March 2024, the Pension Fund Committee approved its own Responsible Investment (RI) Policy, with the help of Minerva Analytics. After several rounds of review by the Responsible Investment Sub-Committee, a consultation with the Pension Fund members and suggested changes to the wording, the Policy was approved by the Pension Fund Committee in June 2023 and can be found at the link below.

[Surrey RI Policy Update \(surreypensionfund.org\)](https://surreypensionfund.org)

In June 2023 the Committee also agreed to set a carbon Net Zero target date of '2050 or sooner' in line with the priority set out in the Fund's RI Policy to 'make a commitment to achieving "net zero" in terms of the Fund's investments,' This commitment was made following rigorous scenario analysis and engagement by the Committee, the Fund's RI Sub-Committee and the Fund's Investment Consultant.

### Responsible Investment Activities of our Key Partners

The responsible investment activities undertaken by Border to Coast Pensions Partnership (BCPP) and supporting documents can be found by following the link below.

[Publications - Border To Coast - Reports](#)

The responsible investment activities undertaken by Legal & General Investment Management (LGIM) and supporting documents can be found by following the link below.

[Responsible Investing | LGIM Institutional](#)

The Fund is a member of the Local Authority Pension Fund Forum, LAPFF, a membership group of LGPS funds that campaigns on Environmental, Social and Governance (ESG), issues. This engagement demonstrates a commitment to sustainable investment and the promotion of high standards of corporate governance and responsibility. More information and engagement activities can be found at the link below.

[LAPFF | The leading voice for local authority pension funds across the UK \(lapffforum.org\)](https://lapffforum.org)

## UK Stewardship Code

During the year ended 31 March 2024, the Fund gathered all evidence in preparation for the May 2024 window to apply to become a signatory to the UK Stewardship Code.

## Voting Policy

The Fund's voting policy was reviewed and updated to reflect best practice in the industry. Working with Minerva, the policy was updated to account for best practice from the UK Corporate Governance Code, the International Corporate Governance Network (ICGN), the Organisation for Economic Cooperation and Development (OECD), EU Directives, the Financial Conduct Authority (FCA) diversity rules, guidance from the Pensions and Lifetime Savings Association (PLSA), the Investment Association Principles of Remuneration and BCPP. This policy was approved at the September 2023 Committee meeting and can be found at the link below

You can find our voting policy on our website: [Annual reports | Surrey Pension Fund](#)

Voting reports for the Fund are published quarterly in the Committee papers as a standing item in the RI Update. Committee papers can be found [here](#).

## Collaborations

The Fund recognises the importance of engaging with industry initiatives and works closely with a range of stakeholders to manage market-wide and systemic risks and promote a well-functioning financial system. The principal industry initiatives that the Fund is involved in are outlined below

**Cross-Pool Collaboration Client Group (CPCCG):** The Fund's Assistant Director, LGPS Senior Officer represents the Fund as a Member of the CPCCG which was established by and for LGPS Administering Authority Pension Funds involved in investment pooling across the LGPS. The CPCCG comprises representatives from Administering Authorities from the LGPS Investment Pools and meets on at least a bi-monthly basis to enable ideas and best practice to be exchanged between Funds across a wide range of areas including governance, regulatory matters and investment management and pooling.

**LAPFF:** The Fund is a member of the Local Authority Pension Fund Forum (LAPFF), a collaborative shareholder engagement group representing most of the LGPS Funds and UK Pension Pools that campaigns on ESG issues, thereby demonstrating the Fund's commitment to sustainable investment and the promotion of high standards of corporate governance and responsibility.



**LGPS Cross-Pool Responsible Investment Group:** The Fund participates in the LGPS Cross-Pool Responsible Investment Group, a collaborative group consisting of representatives from each of the eight LGPS pools. The Fund plays an active role in meetings within the group which aims to share information and best practice in relation to Responsible Investment between funds and pools.

**Pensions and Lifetime Savings Association (PLSA):** The Fund is a Member of the PLSA and is represented on the Policy Board and in the Local Authority Committee by the Assistant Director, LGPS Senior Officer. The Fund plays an active role in the quarterly meetings held by the Policy Board which guides and decides the public policy positions of the PLSA with a particular focus on the six priority themes of adequacy, pensions dashboards, Defined Benefit funding, Defined Contribution decumulation, responsible investment and the LGPS.

**Pensions for Purpose:** In 2021, the Fund became a member of Pensions for Purpose, a professional investment member network with the objective of directing capital towards sustainable and impactful investments by empowering members through a range of training platforms, events, and member forums which the Fund has continued to play an active role in throughout this reporting period, as well as an online Knowledge Centre. The network functions to create connections between asset managers, pension funds and their professional advisors to encourage investments that align with environmental and social aims.

**TCFD:** In June 2019, the Fund voluntarily became an early adopter of the Task Force for Climate-Related Financial Disclosures (TCFD), an industry-led initiative created by the Financial Stability Board to provide recommendations regarding climate-related financial risk disclosures across a wide range of sectors to demonstrate the risk that climate change poses at a macro-economic level. In developing such disclosures, the TCFD's aim is that organisations will be better placed to identify and consider relevant information about material climate-related financial risks and opportunities that can have an impact on the decisions made by their stakeholders. The Committee supports the recommendations of the TCFD as a framework to help manage and report on the actions being taken to identify climate change-related risks and opportunities in the Fund's investment strategy. Since its launch, the TCFD has become the de-facto climate framework for global regulators. The Fund became an early adopter of the TCFD because it recognised the importance of understanding climate risks and opportunities relative to its role as an institutional investor. The Fund's first formal annual report on its commitment to the TCFD was approved by the Committee at its meeting on 11 September 2020 and the Fund produces an annual TCFD Report detailing how the Committee maintains oversight to ensure that the Fund's relevant climate-related risks and opportunities are considered appropriately by all stakeholders involved in the day-to-day management of the Fund. The Fund's most recent TCFD can be found at the link below.

[Surrey TCFD report September 2023 \(surreypensionfund.org\)](https://surreypensionfund.org)

## **Investment Fees – Cost Transparency**

Given the level of scrutiny that had existed historically with the transparency of investment management expenses, a Voluntary Code of Transparency covering investment management fees and costs was developed and approved by the Local Government Scheme Advisory Board and launched in May 2017. A copy of the Code can be found on [the LGPS Board website](#).

Fund managers to the LGPS are encouraged to sign up to this Code and there are currently over 150 signatory firms. The aim of this Code is to improve fee transparency and consistency.

In total, managers responsible for over 99% of the Fund's assets, are signatories to the Code and have provided Cost Transparency templates for the production of this year's annual report.

Total investment fees for 2023/24 as submitted by fund managers through CTI templates. This includes both direct and indirect fees. The table below shows actual CTI fees as reported by Fund Managers on templates.

2023/24 Investment Management Expenses from CTI Templates	Pooled BCPP £000's	Pooled BCPP - Private £000's	Pooled LGIM £000's	Non-Pooled Equity £000's	Non-Pooled Real Estate £000's	Non-Pooled Private £000's	Total Assets £000's
<b>% of Assets</b>	<b>43%</b>	<b>11%</b>	<b>28%</b>	<b>8%</b>	<b>5%</b>	<b>5%</b>	<b>100%</b>
<b>Total Fund Management &amp; Administration Expenses</b>	<b>6,614</b>	<b>28,047</b>	<b>954</b>	<b>1,863</b>	<b>2,843</b>	<b>4,483</b>	<b>44,804</b>
Management Fees	6,431	8,934	954	1,863	2,284	2,581	<b>23,047</b>
Administration	164	18,843	0	0	235	1,606	<b>20,848</b>
Governance & Compliance	19	270	0	0	318	296	<b>903</b>
Client Service/ Custody & Communication	0	0	0	0	6	0	<b>6</b>
<b>Total Transaction Costs</b>	<b>2,518</b>	<b>0</b>	<b>487</b>	<b>1,791</b>	<b>6,523</b>	<b>0</b>	<b>11,319</b>
Indirect transaction costs	0	0	282	0	146	0	<b>428</b>
Commissions	499	0	0	137	97	0	<b>733</b>
Taxes and stamp duty	568	0	0	324	189	0	<b>1,081</b>
Implicit Costs	1,840	0	91	1,330	11	0	<b>3,272</b>
Other transaction costs	176	0	196	0	6,100	0	<b>6,472</b>
Less: Dilution Levy Offset	(565)	0	(82)	0	(20)	0	<b>(667)</b>
<b>Total Investment Management Expenses</b>	<b>9,132</b>	<b>28,047</b>	<b>1,441</b>	<b>3,654</b>	<b>9,366</b>	<b>4,483</b>	<b>56,123</b>

## Strategic Asset Allocation

The table below shows the actual asset allocation as at 31 March 2024 compared with the strategic asset allocation as shown in the Investment Strategy Statement.

Asset Class	Total Fund (£M)	Actual (%)	Target (%)	Advisory ranges %
<b>Listed Equities</b>	-	<b>58.9%</b>	<b>55.8</b>	<b>52.8 – 58.8</b>
UK	368.4	6.3%	6.7	-
Global Market Cap	1,353.9	23.2%	21.8	-
Global Regional	127.2	2.2%	2.2	-
Emerging Markets	285.3	4.9%	5.6	-
Global Sustainable	1,307.0	22.4%	19.5	-
<b>Alternatives</b>	-	<b>22.2%</b>	<b>27.3</b>	<b>22.3-32.3</b>
Private Equity	328.3	5.6%	5	2.0-8.0
Infrastructure	367.6	6.3%	6	3.0-9.0
Private Debt	165.3	2.8%	6	2.0-8.0
Climate Opportunities	68.0	1.2%	3	0.0-6.0
Listed Alternatives	80.1	1.4%		
Real Estate	288.1	4.9%	7.3	4.3–10.3
<b>Credit</b>	-	<b>14.5%</b>	<b>12.1</b>	<b>12.1-21.7</b>
Multi Asset Credit	849.6	14.5%	15.1	12.1-18.1
Fixed Interest Gilts	124.6	2.1%	1.8	0.0-3.6
<b>Cash &amp; Currency Overlay</b>	131.2	<b>2.2%</b>	-	-
<b>Total</b>	<b>5,844.6</b>	-	<b>100</b>	-

## Pooling

Border to Coast Pensions Partnership (BCPP) is the Fund's selected pooling partner. As at 31 March 2024, 81% of the Fund's assets are pooled or under pool management. The assets outside the pool can be classified into three areas.

Legacy private investment. Private Investment is an illiquid asset type and thus cannot be moved on demand. The remaining legacy portfolio will expire naturally as underlying assets are sold.

Real Estate. Real Estate is currently managed by CBRE. BCPP has been working on developing real estate products for many years and the Committee have agreed to invest in BCPP real estate funds as they become available. As at 31 March 2024, a commitment to the BCPP Global Core Real Estate had been made. The Fund follows the transition plan set by BCPP.

Global Equities. The remaining global equities assets have been designated for meeting private investment capital calls and increasing investment in real estate, both asset classes which are managed by the pool.

### Transition Costs and Fee Savings

The cumulative transition and operating costs, as provided by BCPP, are highlighted in the table below.

<b>Pooling Costs 2023/24</b>	<b>Total £000s</b>	<b>Cumulative £000s</b>
<b>Set up and Operating Costs</b>	<b>358.2</b>	<b>5,098.6</b>
Other Costs	-	903.0
<b>Transition Costs</b>	-	-
Transition Fees	46.3	-
Other Transition Costs Commissions	-	-
Other Transition Costs Taxes and Stamp Duty	-	-
<b>Total Transition costs ex implicit</b>	<b>46.3</b>	<b>1,903.3</b>
<b>Other Transition Costs Implicit</b>	<b>-</b>	<b>12,649.0</b>
<b>Total Transition Costs</b>	<b>404.5</b>	<b>20,553.9</b>

These figures have been provided by BCPP using their own assumptions.

The table below shows historic, expected and cumulative savings that BCPP believes it can deliver.

<b>Cost / Saving (£m)</b>	<b>2016-20 (Cum)</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
Set up and Operating Costs	(1,564)	(643)	(691)	(660)	(358)	(414)	(305)	(305)	(305)
Transition Costs	(1,409)	-	(374)	-	-	-	-	-	-
Fee Savings	2,075	1,282	3,043	5,636	4,691	4,800	5,270	5,372	5,423
<b>Cumulative Savings</b>	<b>(898)</b>	<b>(259)</b>	<b>1,719</b>	<b>6,695</b>	<b>11,028</b>	<b>15,414</b>	<b>20,379</b>	<b>25,446</b>	<b>30,564</b>

## Asset Table

<b>£m Asset values as at 31 March 2024</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not pooled</b>	<b>Total</b>
<b>Equities (including convertible shares)</b>	1,609.2	1,434.2	478.5	3,521.9
<b>Bonds</b>	849.6	124.6	-	974.1
<b>Property</b>	-	-	288.1	288.1
<b>Hedge funds</b>	-	-	-	-
<b>Diversified Growth Funds (including multi-asset funds)</b>	-	-	-	-
<b>Private equity</b>	127.2	-	205.3	332.5
<b>Private debt</b>	165.3	-	-	165.3
<b>Infrastructure</b>	265.4	-	98.0	363.4
<b>Derivatives</b>	-	-	-	-
<b>Cash and net current assets</b>	29.6	59.7	41.9	131.2
<b>Other*</b>	67.9	-	-	67.9
<b>Total</b>	<b>3,114.2</b>	<b>1,618.4</b>	<b>1,111.9</b>	<b>5,844.6</b>

\*Other assets include £67.9m of private investment in the BCPP Climate Opportunities Fund, which is made up of various types of private investment - equity, infrastructure and debt.

## Supplementary Table

<b>£m Asset values as at 31 March 2024</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not pooled</b>	<b>Total</b>
<b>UK Listed Equities</b>	461.7	44.0	47.0	552.7
<b>UK Government Bonds</b>	-	125.0	-	125.0
<b>UK Infrastructure</b>	60.2	-	18.0	66.2
<b>UK Private Equity</b>	23.2	-	102.3	125.5

### UK Levelling Up

As a minimum, the Fund's investment in Darwin Alternative Investment Management Limited can be considered as fulfilling at least two of the Levelling Up Missions and is therefore included in the table below.

<b>£m Asset values as at 31 March 2024</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not pooled</b>	<b>Total</b>
<b>Additional memorandum: UK Levelling up</b>	-	-	95.5	95.5



## Implementation of the Funding Strategy Statement

The Local Government Pension Scheme (LGPS) regulations require funds to maintain and publish a Funding Strategy Statement (FSS). The purpose of the FSS is to document the processes the administering authority uses to:

- Take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
- Use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency
- Where appropriate, ensure stable employer contribution rates
- Reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- Use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

To prepare this FSS, the administering authority has used guidance by the Chartered Institute of Public Finance and Accountancy (CIPFA). To prepare this FSS, the administering authority has used guidance by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Both the LGPS regulations and most recent CIPFA guidance state the FSS should be prepared in consultation with "persons the authority considers appropriate". This should include 'meaningful dialogue... with council tax raising authorities and representatives of other participating employers'.

The consultation process included:

- A draft version of the FSS was issued to all participating employers on 30/01/2023 for comment.
- The draft FSS was accompanied with a statement setting out the impact of variations from the previous funding strategy.
- There was a consultation period, during which questions regarding the FSS could be raised and answered. The consultation period ended on 17<sup>th</sup> February 2023
- Following the end of the consultation period the FSS was updated where required and then published on 01/04/2023.

The FSS is made available through the following routes:

- Publishing on the fund website.
- A copy is sent by email to each participating employer in the Fund.
- A copy is included in the Fund annual report and accounts.

- Copies can be sent to independent advisors.
- Copies are available on request.

The FSS is published at [Annual reports | Surrey Pension Fund](#).

The FSS is reviewed in detail at least every three years as part of the valuation. Amendments may be made before then if there are regulatory or operational changes. Any amendments will be consulted on, agreed by the Pensions Committee, and included in the Committee meeting minutes.

### Who is the FSS for?

The FSS is mainly for employers participating in the fund because it sets out how money will be collected from them to meet the fund's obligations to pay members' benefits.

Different types of employers participate in the fund:

#### Scheduled bodies

Employers who are specified in a schedule to the LGPS regulations, including councils and employers like academies and further education establishments. Scheduled bodies must give employees access to the LGPS if they can't accrue benefits in another pension scheme, such as another public service pension scheme.

#### Designating employers

Employers like town and parish councils can join the LGPS through a resolution. If a resolution is passed, the fund can't refuse entry. The employer then decides which employees can join the scheme.

#### Admission bodies

Other employers can join through an admission agreement. The fund can set participation criteria for them and can refuse entry if the requirements aren't met. This type of employer includes contractors providing outsourced services like cleaning or catering to a scheduled body.

Some existing employers may be referred to as **community admission bodies** (CABs). CABs are employers with a community of interest with another scheme employer. Others may be called **transferee admission bodies** (TABs), that provide services for scheme employers. These terms aren't defined under current regulations but remain in common use from previous regulations.

### **How does the funding strategy link to the investment strategy?**

The funding strategy sets out how money will be collected from employers to meet the fund's obligations. Contributions, assets, and other income are then invested according to an investment strategy set by the administering authority. The fund's Investment Strategy Statement (ISS) includes full details of the employer investment strategies that apply. You can find the investment strategy at [\[Annual reports | Surrey Pension Fund\]](#).

The funding and investment strategies are closely linked. The fund must be able to pay benefits when they are due – those payments are met from a combination of contributions (through the funding strategy) and asset returns and income (through the investment strategy). If investment returns or income fall short the fund won't be able to pay benefits, so higher contributions would be required from employers.

### **Does the funding strategy reflect the investment strategy?**

The funding policy is consistent with the investment strategy. Future investment return expectations are set with reference to the investment strategy, including a margin for prudence which is consistent with the regulatory requirement that funds take a 'prudent longer-term view' of funding liabilities.

### **Annual Investment Review**

The Annual Investment Review has been prepared by the Independent Investment Advisor for the Fund. The purpose of the report is to fulfil the following aims:

- To provide a review of the economic and market background over the 12 months to 31 March 2024
- To provide an overview of market returns by asset class over the last 12 months
- To provide an overview of the Fund's performance versus the Fund specific benchmark for the last 12 months
- To provide an overview of the outlook for market.

The Fund's Annual Investment Review can be found on the following pages.

## Annual Investment Review 2023/2024

Prepared for:

Surrey Pension Fund

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July 2024



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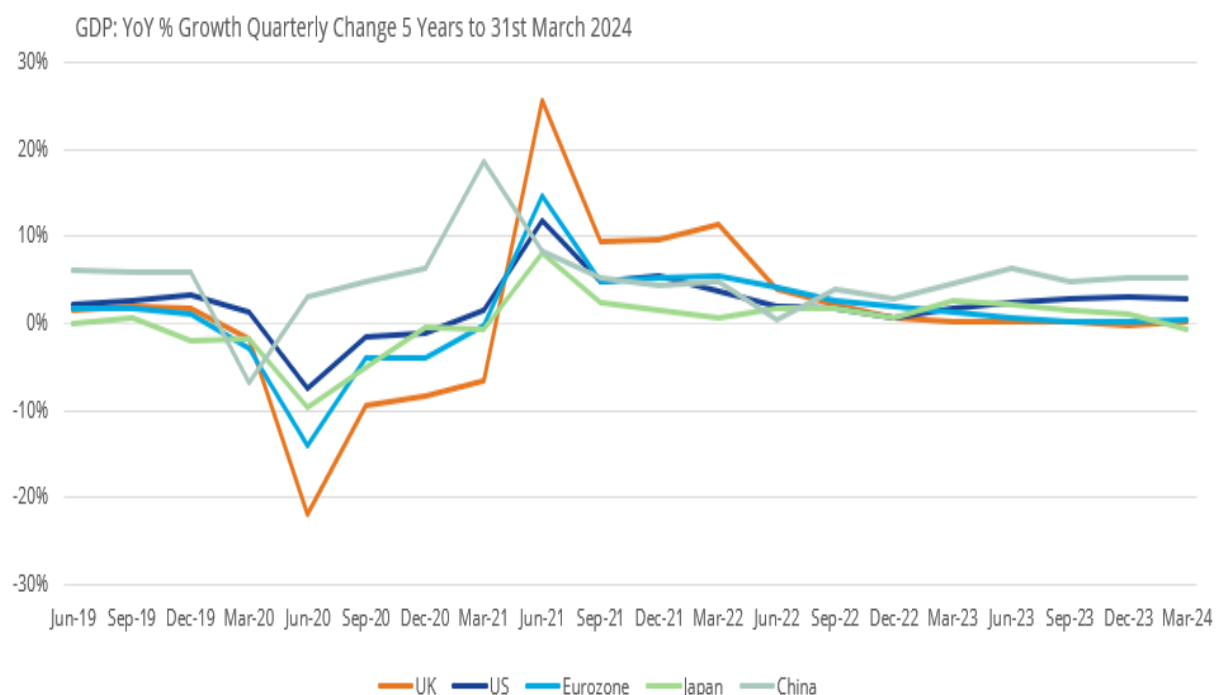
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# 1. Economic and market background

Over the Financial year ended 31st March 2024 the global economy turned out to be much more resilient than expected at the start of the year. Although outcomes were mixed, growth was higher than expected in all regions except China. Of the Developed economies US growth was the strongest and while Europe and the UK's growth rates oscillated around zero for the year it was not the extended period of negative growth expected. Chinese domestic growth was much weaker than expected as the property market contraction impacted consumer sentiment and the post covid bounce did not materialise. Despite stubbornly high core inflation data and higher for longer interest rates economic activity was supported by higher Fiscal spending and higher real incomes from both earnings and savings and a significant improvement in world trade flows, see chart 1 below.

In the second half of the financial year a new conflict between Israel and Gaza had the potential to renew inflationary pressures in Europe, especially as tensions in the middle east increased attacks on shipping in the Red Sea causing traffic to re-route around Africa rather than using the Suez Canal.

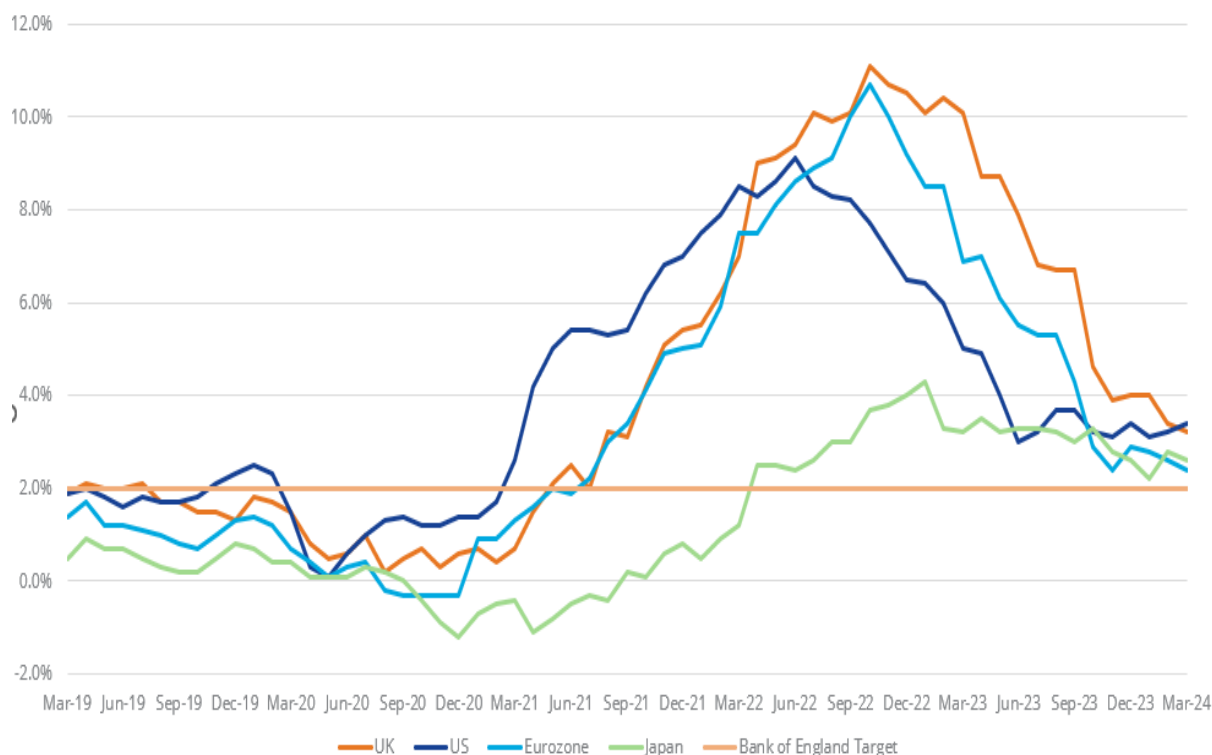
**Chart 1:** - GDP growth, quarterly % change. (Source: - Bloomberg.)



Just as last year the dominant macro-economic factor of the financial year remained higher and more persistent inflation than expected. As can be seen in chart 2 below, base effects from the energy and food price spike following the invasion of Ukraine and falling goods prices following the improvements in the flow of global trade have enabled headline inflation rates to continue to trend lower but tight labour markets and strong wage growth has kept core rates much higher. Stronger than expected

growth and high core rates of inflation have made it much more difficult for central banks to cut rates.

**Chart 2:** - Headline CPI inflation and the Central bank target rate. (Source: - Bloomberg.)



## Central Banks

As can be seen in chart 2 above US headline inflation (dark blue line), continued to fall in the early part of the financial year and this caused the US Fed to stop raising interest rates in the summer of 2023. Sharp falls in the headline rate of CPI over the summer also enabled the Bank of England (BoE) and the European Central Bank (ECB) to stop increasing rates shortly afterwards. By November 2023 the US Fed governor was so optimistic about the possibility of further falls in the US headline rate of inflation that he suggested there could be three 0.25% interest rate cuts starting early in 2024.

Unfortunately, as can be seen in the chart US headline CPI ticked up towards the end of the financial year. In 2024, continued strong economic growth, the increase in the headline rate and stubbornly high core rates of inflation have caused the US Fed to suggest that interest rate cuts will have to be delayed until much later in the year. If the Fed has not cut rates by September, they may not cut rates until late November, because they will not want to be accused of influencing the US Presidential Election campaign, which will be getting into full swing in the autumn. While it could be possible for the BoE and ECB to cut rates ahead of the US Fed,

because the level of growth is much lower, I believe it is unlikely that there will be more than one 0.25% cut until the US Fed starts to cut rates.

Elsewhere central bank policy has changed in Japan, where for the first time in over 20 years they have started to tighten monetary policy. Firstly, by announcing the end of their bond purchase programme and in March 2024 by increasing the overnight rate from below 0% to a positive range of 0% to 0.1%. The Peoples Bank of China on the other hand has been forced to ease monetary policy with measures aimed at reducing the impact of the very weak property market on the domestic economy.

## Market Returns

As can be seen in table 1 below, over the financial year in sterling terms Global equities delivered very strong returns of 21.3%, UK and emerging equity markets performed poorly by comparison. While Japan delivered its strongest performance in decades the largest contribution to global equity returns came from the exceptional performance of the US Mega-cap Tech stocks, referred to as the “Magnificent 7”. These stocks alone were responsible for almost all of the uplift in US stock market indices and because the US is around 65% of the weight in the Global indices, in effect the vast majority of the return enjoyed by these indices also came from the same US companies. Emerging equity markets were held back by the poor performance of Chinese equity, China has a dominant weight in these indices. Chinese equity returns were held back by the very poor performance of the domestic property market and the weakness of its post Covid economic recovery.

Government bond markets continued to deliver negative returns, with the highly interest rate sensitive UK index linked Gilt market achieving a second year of negative returns. Higher than expected and for longer than expected, inflation and interest rates were the main drivers of returns. Investment grade and high yield, non-government bonds with their much lower interest rate sensitivity, higher yields and greater economic sensitivity, significantly outperformed as spreads narrowed.

**Table 1**, below shows the total investment return in pound Sterling for the major asset classes, using FTSE indices except where noted; for the 3 and 12 months to the end of March 2024.



**% Total return dividends reinvested****Market returns**

	<b>Period end 31<sup>st</sup> March 2024</b>	
	<b>3 months</b>	<b>12 months</b>
Global equity - FTSE – All World	+9.3	+21.3
FTSE Regional indices		
UK All Share	+3.6	+8.4
Japan	+11.6	+22.3
Emerging	+3.3	+5.8
UK Gilts - Conventional All Stocks	-1.9	-0.5
UK Gilts - Index Linked All Stocks	-2.5	-5.6
UK Corporate bonds*	+0.2	+7.2
Overseas Government Bonds**	-0.4	+1.8
UK Property quarterly^	-1.1	-2.7
Sterling 7 day SONIA	1.4	5.1

FTSE Indices except where noted \* ICE £ Corporate Bond; \*\*ICE Global Government ex UK hedged; ^ MSCI.

UK property markets continue to be affected by higher inflation and interest rates and by the poor demand and supply dynamics, returning -2.7%. Higher inflation and rates also reduced the returns available from Private markets assets (not represented in the table above). This had the biggest impact on Infrastructure and private equity, which delivered mixed returns, private debt delivered steady positive returns.

## 2. Fund Performance and Manager Structure

At the end March 2024, the Surrey Pension Fund was valued at £5,845 million, this represents an increase of £588 million, since 31st March 2023. The Fund's total net investment return was +11.3%, which was below the benchmark returns of +15.3%. Over the last 3 years the Fund has achieved a total return of +5.3% p.a. which is below the benchmark return of +7.4% p.a. Over the year the "Past Service funding level" of the Surrey Pension Fund improved from 127% to 135%.

Equity markets were again volatile over the first half of the financial year, however from October they showed steady gains supported by two factors: a belief that interest rates would be cut on falling inflation and the exceptional performance of the "Magnificent 7" referenced earlier. Towards the end of the financial year stock performance narrowed even further with Nvidia's earnings performance exceeding the extreme expectations of the most optimistic equity analysts.

UK Government bonds on the other hand saw yields rise and another year of negative returns. The 10 year benchmark yield increased from 3.5% to 4.1%, yield curves also steepened for longer maturity bonds, as markets worried about persistent inflation combined with concerns about the size of government deficits and the increased cost of funding them. Markets were not without volatility, yields that had been steadily increasing through the first half of the financial year, fell dramatically on mis-placed optimism fuelled by the US central bank that they were going to cut rates in 1q24. Needless to say, when US growth turned out to be better than expected and inflation stopped falling the cuts were not forthcoming and yields increased to finish the financial year much higher. Fortunately for the Surrey Pension Fund, exposure to Government bonds is very low and the much higher yielding, less interest rate sensitive bonds owned by the Multi-Asset Credit (MAC) fund delivered strong returns throughout the year. Property and Private markets returns were also disappointing over the year. The main driver of Surrey's poor relative to benchmark performance over the financial year and last three years was the underperformance of the active equity funds managed by BCPP on Surrey's behalf.

In terms of the overall Fund structure there was some rebalancing between asset classes driven by changes to the Fund's strategic asset allocation. Active UK equity exposure was reduced and invested in the passively managed LGIM Future World

Global Fund, further sales of active UK and global equity were used to increase exposure to MAC. In terms of fund management approach, the passive emerging equity exposure was transferred to a new active fund managed by BCPP and the Fund's bespoke holdings in UK Government bonds was transferred to a passive fund managed by LGIM. New capital calls to existing private market commitments were funded predominantly as planned by sales of assets in the BCPP Listed Alternatives Fund and the LGIM Liquidity Fund.

Towards the end of the financial year the Fund also decided to commit new cash to Series 2C of the BCPP Private markets Programme and invest in the Series 2 Climate Opportunities Fund and a new fund called UK Opportunities.

### **3. Economic and Market outlook**

Over the last year forecasters have been consistently wrong on growth and inflation and I expect them to make the same mistake over the next financial year. GDP forecasts for 2024 have recently been revised up. Most of the drivers of economic activity remain positive. Fiscal spending in all the developed economies is still increasing, higher interest rates mean savers have more money and while employment data may be softening, higher incomes are likely, unless one becomes unemployed. As headline inflation continues to fall, cost pressures for businesses are stabilising and higher wages and interest income, are resulting in real increases in spending power. Forward looking indicators in all the major developed economic regions are now in positive / expansionary territory.


The resilience of growth and sticky inflation, especially in the US has made it more difficult for the Fed, and to date they have been unable to justify a cut interest rates even though they have indicated they would like to. Some commentators have even suggested the Fed may have to increase rates. I still expect the next decision by the Fed will be to cut rates, probably before September to avoid being accused of political bias as the Presidential election campaign properly gets underway. The new question is, will the ECB and the BoE take the decision to cut before the Fed? It is increasingly possible that they could, as inflation could be within acceptable target ranges over the summer. The reason they may not is labour markets remain tight and core services inflation remains high. Also, just as in the US it is possible that headline inflation could pick up as nearly all the benefit of base effects from the previous year falls away, the BoE has suggested as much in its recent inflation report.

The weakness of the Chinese domestic economy caused by the property market overhang is having a significant impact on growth. Weak domestic demand and repaired supply chains are encouraging increased Chinese exports, which could lead to further softening goods prices. In a US election year this could lead to increased

talk of trade restrictions, especially as China has become a dominant manufacturer of higher quality goods.

In terms of markets, I believe the end of the rising interest rate cycle may lead to continued good returns from non-government bonds. However, I believe government bonds could continue to underperform. The size of the fiscal deficits and cost of funding them and the lack of any plans to reduce these burdens could lead to market volatility and a gradual steepening in yield curves.

I am also concerned about the increasing narrowness of the equity market rally and would not be surprised to see increased price volatility especially in the highly valued sectors of the market. Having said that many regions and sectors have become relatively very cheap by comparison to the US. This cheapness is encouraging companies and investors to look elsewhere for returns and the stabilisation and a potential small fall in interest rates later in the year could lead to a rotation into less overvalued sectors of the equity market.



Anthony Fletcher - Independent Investment Adviser to the Surrey Pension Fund.

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Senior Adviser

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## Section 7: Administration

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## Overview

The Service Delivery team is part of the wider Surrey Pension Team (SPT) sitting within the Corporate Finance Division of the Resources Directorate of Surrey County Council. Service Delivery provides a full range of pension services to current and former members and pensioners of the Surrey Pension Fund (the Fund). The Service provision includes:

- Administering the Local Government Pension Scheme (LGPS) in accordance with relevant legislation and Committee decisions
- Administering the early retirement arrangements and local policies for 355 employers in accordance with the relevant legislation, discretion policies and Committee decisions
- Maintaining a central database of all scheme members
- Actively contributing to the formulation of national pension policy to reflect the Fund's preferred approach
- Providing advice to scheme members, employers, and other key parties in line with scheme legislation
- Maximising the technology available to improve standards and efficiency to deliver excellent customer service.
- Proactively training and developing staff to meet service objectives.

The Service Delivery team consists of 50 FTE staff; split across 5 teams in 2 sections – Operations and Benefits Administration. The work of each section is as follows:

### Benefits Administration

This section is overseen by the Deputy Head of Service Delivery - Benefits Administration and is responsible for the effective administration of all member benefits in line with the legislation and the operation of the service wide Customer Relationship Team.

#### **Immediate Benefits Team:**

This team is managed by the Immediate Benefits Manager and deals with the processing of entitlements for: forthcoming retirements, pensions and deaths benefits.

#### **Future Benefits Team:**

The team is managed by the Future Benefits Manager and deals with the processing of entitlements for: refunds, transfers into and out of the Fund and deferred benefits.

### **Customer Relationship Team:**

The team provides an advisory service through varying communication channels for our members, employers, and other key stakeholders. Additionally, the team coordinates and monitors the complaints procedure for the wider service.

## **Operations**

This section is overseen by the Deputy Head of Service Delivery - Operations and is responsible for effective management of the pension administration system, ensuring data integrity of the database and the processing of new entrants to the scheme.

### **Pension Trainee Team:**

This team is managed by the Membership and Data Manager and deals with the setting up of new members, incoming correspondence and provides flexible support across the SPT when required.

### **Data Quality Team:**

This team is managed by the Membership and Data Manager and deals with the cleansing and validation of data; both that which is currently held in the administration system and any new incoming data.

### **Systems Team:**

This team is managed by the Systems Manager and deals with maintaining and developing the administration system, including implementing additional software products, ensuring it's fit for purpose.

## **General**

The team has an active role in the delivery of scheme events and key projects such as Annual Benefit Statements, Annual Allowance statements and other required projects, both on a legislative and a continuous improvement basis. Additionally, the team takes an active role in dealing with complaints raised; both on an informal basis and/or where these have been raised through the two stage Independent Dispute Resolution Procedure (IDRP) within the LGPS regulations.

The Head of Service Delivery is Tom Lewis, and he has two deputies in Jim Woodlingfield (Deputy Head of Service – Benefits Administration) and John Coombes (Deputy Head of Service – Operations). The management group is contactable through our Customer Relationship Team at [crt pensions@surreycc.gov.uk](mailto:crt pensions@surreycc.gov.uk)

The Service Delivery team reports to the Assistant Director – LGPS Senior Officer, Neil Mason.

## Key Works Update

During the year there has been a series of additional works carried out to drive the service forward and improve the services provided to our customers.

- Data has always been important within the Fund to support key events such as valuation however, there has been an increased focus this year with the Pensions Dashboard go live moving ever closer. The roll out of monthly employer returns has been at the forefront of our plans, recognising the benefits this will bring to our members on several fronts. As of 31 March 2024, 54% of the scheme employers have been enrolled onto monthly returns, representing 70% of the total scheme membership.
- One of the key priorities within Service Delivery this year was to significantly reduce the backlog cases and ensure our members benefits were correctly calculated and given the correct member status, supporting the cleansing requirements for the Pension Dashboard. It will also provide a clear platform to drive through other service improvements and place the fund in a good position for the next triennial valuation. Having identified circa' 12,000 items of work that constituted a backlog, made up of unchecked deferred, undecided leavers, transfers and aggregation cases, a team of 8 FTE was recruited specifically to target this area of work. During the period between August 2023 – March 2024 the backlog had been reduced by 63%, with the team expected to fully remove this by the end of 2024.
- Delivering a high-quality service is an ongoing objective for the team and meeting our KPIs is a good indicator to monitor this. However, this can often be a reactive measure rather than encouraging a proactive approach. Therefore, the development and enhanced use of management intelligence data is of growing importance to the team. By instilling the use of an analytics dashboard to forecast work, track cases as they approach the SLA, and understand the case trends in more depth, is enhancing the focus on productivity, both at a team and individual level, to improve our customer experience. In the coming year this will become fully embedded across the service and used to improve the performance levels and processes where required.
- To ensure that we place our customers at the heart of everything we do, an anonymous survey was undertaken with tranches of employers and members. The surveys were undertaken on our behalf by an independent third-party provider as face-to-face group discussions carried out over Microsoft Teams. With these results having now been compiled, the feedback will be utilised to determine where improvements can be made to variety of processes,



communications and engagement initiatives in the coming year, forming part of service improvements plans.

## Regulatory Update

- The GMP Reconciliation project has been ongoing, working in partnership with a third-party administrator Aptia to deliver this. Whilst there had been some progress made in understanding the data and affects it may have on our members, the work was paused just prior to pension increase to minimise any impact on this key area of work. Work will continue into 2024/25 to fully deliver the reconciliation and ensure the impact is understood for both the affected members and the Fund itself.
- The McCloud Remediation project has affected amendments to the regulations during this year which the Fund has continued to track and monitor throughout. To date Surrey Pensions has received more than 90% of the expected employer returns containing the necessary data, which has gone through a series of quality assurance checks in partnership with a third-party data specialist, ITM. Alongside this, our pension system provider Heywood Pension Technologies has continued to develop the tools and modules to accommodate these changes in regulation. This has led to a detailed set of scenario testing in response to system upgrades throughout the year. Work is currently on track to deliver this in time for the 31 March 2025 deadline.
- This year saw the successful production of annual benefit statements for over 99% of the deferred membership, with 46,014 issued. There were 34,104 (99%) issued to our active members.
- Each year we are required to provide data scores as part of the Pensions Regulator's Annual Scheme Return. The data is split into two categories. Common Data relates to member data such as name, date of birth, National Insurance number. Scheme Specific Data (SSD) refers to member information held to process a benefit such as their status or events taken place during membership. The results are as follows:

Data Type	2021	2022	2023
Common Data	95%	96%	96%
Scheme Specific Data (SSD)	95%	98%	98%

## Fund members and employers

The table below shows membership by category at 31 March in each of the last five years.

Membership Details	2024	2023	2022	2021	2020
Actives	36,376	35,814	41,445	39,366	35,458

Deferred*	63,105	60,989	43,327	44,062	48,612
Pensioners	30,944	29,890	29,610	28,363	27,244
Total	130,335	126,693	114,382	111,791	111,314

\*Deferred totals from 2023 have been restated to include undecided leavers.

A summary of the number of active and ceased (with some current outstanding liability) employers analysed by scheduled, admitted, designating bodies, and academies is shown below.

	Active	Ceased	Total
Scheduled Body	22	-	22
Admitted Body	73	11	62
Designated Body	29	1	28
Academies	243	-	243
Total	<b>367</b>	<b>12</b>	<b>355</b>

A list of Fund Employers along with employers' and employees' contributions as a percentage of pensionable pay is given in the annexe.

## Key Performance Summary

Below is a summary of some main headlines identified from the Service Delivery KPIs over the course of this year.

### Total Casework

- With a focus on reducing backlogs this year and with the introduction of a designated project team of 8 FTE to reduce these cases, the team were able to process 3,948 deferred cases in addition to the 3,868 processed as part of day-to-day operations. Thus, giving a total case completion rate of 186%.
- The number of new scheme joiners is significantly lower this year due a series of delays in receiving the necessary monthly returns from our largest employer Surrey County Council, due to the introduction of a new finance and payroll system. An additional 3,085 new joiners were processed in June 2024 that related to the 2023/24 period, which would have seen the total closer to 6,486.

## Time Taken to Process Work

- On the whole performance has remained consistent with the previous year, with some slight movement of performance in both directions.
- There has been a significant increase in the issuance of quotation communications to deferred members taking their pension, rising from 81% to 96%.
- There has also been a reduction in the performance when issuing an active member their actual pension and payment figures, reducing from 73% to 61%.
- There have been changes made to the team structure which will look to increase the service's resilience levels and improve its ability to flex resource to meet customer demands.

Details of the actual performance against our KPIs is given on page 125.

## Pensioner Membership Demographics

Please see pension member demographics below:

Age	Number of Pensioners	Number of Dependants	Total
0-20	-	195	195
21-30	-	38	38
31-40	2	28	30
41-50	21	65	86
51-60	1,563	292	1,855
61-70	11,661	721	12,382
71-80	10,741	1,222	11,963
81-90	3,545	1,054	4,599
Over 90	597	352	949
<b>Total</b>	<b>28,130</b>	<b>3967</b>	<b>32,097</b>

## Value for Money Statement

CEM Benchmarking services were procured to better understand the service levels being provided to our members and employers, with a view to understanding the quality and cost effectiveness of our service delivery.

Information was supplied to the detailed survey covering key criteria such as:

- Service costs
- Membership activity

- Service provisions offered to our members and employers
- Online and digital services
- Regulatory compliance for scheme events such as PI and ABS
- Customer query handling

Using a consistent scoring criterion, the results provided a summary report that presented Service Delivery with both an individual service provision score that indicated where we ranked against our peers within the LGPS and similar schemes.

Based on these findings it was determined that the administration and customer services provided were as follows:

- Overall, the services provided were above those classified as a basic administration service
- The cost per member was below our peer average
- Services offered in the telephony space were higher than our peers, with a good level of targeted newsletter campaigns and excellent ABS provisions
- Areas where improvements could be made were obtaining employer and member feedback and increasing levels of member tracing services

With this benchmarking exercise to be repeated each year, it will support the Funds ambition to provide a high-quality service in the most cost effective way.

## Dispute Resolution

There are instances when Scheme members and employers may disagree with the Administering Authority regarding a pension issue. The initial approach is to discuss these situations and aim to find a suitable resolution for all parties however, if this is not possible the Fund has an established Internal Dispute Resolution Procedure in place.

The IDRP is a two-stage process. Stage 1 provides a formal process for which the member, pensioner or beneficiary can apply to the employer or the Fund to have their complaint reviewed. If the complainant is dissatisfied with the Stage 1 decision, they can invoke Stage 2 of the IDRP process within 6 months of the Stage 1 decision.

If after the Stage 2 decision the complainant is still dissatisfied with the outcome, they can contact the Pension Ombudsman (TPO) for help in dealing with their complaint.

Below are the Fund's IDRP statistics for the last 3 years:

**2023/24**

<b>Result of Procedure</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>PO</b>
Complaint Not Upheld	1	2	0
Complaint Upheld	6	1	0
Withdrawn	0	0	0
<b>Total</b>	<b>7</b>	<b>3</b>	<b>0</b>

**2022/23**

<b>Result of Procedure</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>PO</b>
Complaint Not Upheld	0	1	0
Complaint Upheld	5	2	1
Withdrawn	0	0	0
<b>Total</b>	<b>5</b>	<b>3</b>	<b>1</b>

**2021/22**

<b>Result of Procedure</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>PO</b>
Complaint Not Upheld	2	0	0
Complaint Upheld	2	0	1
Withdrawn	0	0	0
<b>Total</b>	<b>4</b>	<b>0</b>	<b>1</b>

Formal complaints received outside of the IDRPs are reported quarterly to the Local Pension Board along with a summary of each complaint. During the year 54 complaints were received.

## Communications Statement Report

In accordance with regulation 61 of the Local Government Pension Scheme Regulations 2013, the Fund's Communications Policy Statement has been reviewed as part of the production of this report.

The revised policy was presented and considered at the meeting of the Local Pension Board on 16 February 2024 and the Pension Fund Committee on 22 March 2024. There is no immediate need to review the policy further at this time.

The key objective was to ensure that Surrey Pension Team delivers clear, timely and accessible communication to broad range of stakeholders.

## Member Communication Summary

The Surrey Pension Team issued newsletters to pensioners (in April), deferred members (in June) and active members (in April and August). Information contained in the newsletters included legislation changes, details of changes to the LGPS, pension scam awareness, helpful resources, pension scheme tax implications and notification of increases to pensions.

Pensioner Members received pay advice slips and a P60 in April.

An improved member website ([www.surreypensionfund.org.uk](http://www.surreypensionfund.org.uk)) was launched in January 2024 with improved access to forms, glossary terms and guidance videos.

Annual Benefit Statements were issued to active and deferred members by the August deadline.

Videos were produced for members on the topics of Annual Benefit Statements and using the 'My Pension' Portal.

Walk in pension clinics operated throughout this period, providing members with an opportunity to ask the Customer Relationship Team LGPS pension queries face to face or via Microsoft Teams.

In addition to our existing LGPS Pension overview webinars, a reoccurring monthly new joiner webinar was introduced as a way of engaging with new members. This webinar has been promoted on the website, new joiner letters/emails and in both the member and employer newsletters.

## Employer Communication Summary

The Surrey Pension Team produced 4 newsletters to Employers detailing key changes to the LGPS and helpful resources for both employers and their scheme members.

## Industry Communication Summary

The Surrey Pension Team regularly posted on LinkedIn promoting team achievements, award nominations, recruitment and conference attendance.

The Communications Policy can be found at [Annual reports | Surrey Pension Fund](#)

## Accessibility

We are committed to providing accessible websites that are easy to use by anyone, whatever their age, background, access device or level of ability/disability. This includes the documents that can be accessed on the websites.

This means that our pages and documents are written to be clear and easy to understand, with a function introduced to our member website which explains industry terms when hovered over or selected.

Our websites are designed to work well when used with access devices such as screen readers, braille readers, as well as smart phones and other devices.

Visitors to the website are able to:

- change colours, contrast levels and fonts
- zoom in up to 300% without the text spilling off the screen
- navigate most of the website using just a keyboard
- navigate most of the website using speech recognition software
- listen to most of the website using a screen reader (including the most recent versions of JAWS, NVDA and VoiceOver)

We recognise that not all scheme members will be able to access our services electronically. In response to this:

- we will deal with cases individually, for instance use a British Sign Language interpreter, provide Braille or use large font in documents when requested.
- we use the communication preferences (when a member says they want to be written to and not sent emails) this is stored in our system and used when we send out communications.
- we have a telephone line and postal service.
- we can also receive visitors at our Dakota office at 11 De Havilland Drive, Weybridge, KT13 0YP and
- we will make sure a suitable member of staff is available to discuss the query, we ask members to contact us in advance to make an appointment.

## Administration Key Report Indicators

**Table A – Total number of casework**

Ref	Casework KPI	Total number of cases open as of 31 March (stating position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
A1	Deaths recorded of active, deferred, pensioner and dependent members	7	893	890	99%	701	99%
A2	New dependent member benefits	15	325	311	96%	351	100%
A3	Deferred member benefits	168	1,294	1,357	98%	1,126	90%
A4	Active member benefits	59	818	803	93%	738	92%
A5	Deferred benefits	3,643	4,195	3,868	92%	4,576	56%
A6	Transfers in (including interfund in, club transfers)	543	2,466	2,128	86%	2,276	78%
A7	Transfers out (including interfund out, club transfers)	91	729	627	86%	612	90%
A8	Refunds	132	4,035	3,960	98%	4,029	99%
A9	Divorce quotations issued	14	203	190	94%	186	96%



Ref	Casework KPI	Total number of cases open as of 31 March (stating position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
A10	Actual divorce cases	2	12	13	105%	12	83%
A11	Member estimates requested either by scheme member or employer	45	336	351	97%	412	90%
A12	New joiner notifications	0	3,401	3,401	100%	8,345	100%
A13	Aggregation cases	175	727	661	91%	697	80%
A14	Optants out received after 3 months membership	0	1	1	100%	2	100%

**Table B – Time taken to process casework**

<b>Ref</b>	<b>Casework KPI</b>	<b>Suggested fund target*</b>	<b>% completed within fund target in year</b>	<b>% completed in previous year</b>
<b>B1</b>	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	90%	91%
<b>B2</b>	Communication issued confirming the amount of dependents pension	10 days	78%	84%
<b>B3</b>	Communication issued to deferred member with pension and lump sum options (quotation)	15 days	96%	81%
<b>B4</b>	Communication issued to active member with pension and lump sum options (quotation)	15 days	74%	80%
<b>B5</b>	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days	68%	69%
<b>B6</b>	Communication issued to active member with confirmation of pension and lump sum options (actual)	15 days	61%	73%
<b>B7</b>	Payment of lump sum (both actives and deferred)	15 days	98%	100%
<b>B8</b>	Communication issued with deferred benefit options	40 days	83%	88%
<b>B9</b>	Communication issued to scheme member with completion of transfer in	20 days	80%	80%
<b>B10</b>	Communication issued to scheme member with completion of transfer out	20 days	85%	90%

Ref	Casework KPI	Suggested fund target*	% completed within fund target in year	% completed in previous year
B11	Payment of refund	20 days	98%	96%
B12	Divorce quotation	45 days	68%	61%
B13	Communication issued following actual divorce proceedings i.e. application of a Pensions Sharing Order	15 days	69%	58%
B14	Communication issued to new starters	30 days	100%	100%
B15	Member estimates requested by scheme member and employer	10 days	61%	81%

\*Days in this column are a suggested Fund target for completion and not the statutory timescale.

**Table C – Communications and engagement**

<b>Ref</b>	<b>Engagement with online portals</b>	<b>Percentage as of 31 March</b>
<b>C1</b>	% of active members registered	56%
<b>C2</b>	% of deferred member registered	52%
<b>C3</b>	% of pensioner and survivor members	36%
<b>C4</b>	% total of all scheme members registered for self-service	47%
<b>C5</b>	Number of registered users by age	Unknown at this stage
<b>C6</b>	% of all registered users that have logged onto the service in last 12 months	10%

**Communication**

<b>Ref</b>	<b>Engagement with online portals</b>	<b>Total as of 31 March</b>
<b>C7</b>	Total number of telephone calls received in year	19,789
<b>C8</b>	Total number of email and online channel queries received	20,700
<b>C9</b>	Number of scheme member events held in year (total of in-person and online)	10
<b>C10</b>	Number of employer engagement events held in year (in-person and online)	5
<b>C11</b>	Number of active members who received a one-to-one (in-person and online)	54
<b>C12 (a)</b>	Number of times a communication (i.e. newsletter) issued to active members	2

Ref	Engagement with online portals	Total as of 31 March
<b>C12 (b)</b>	Number of times a communication (i.e. newsletter) issued to deferred members	1
<b>C12 (c)</b>	Number of times a communication (i.e. newsletter) issued to pensioners	1

#### Table D – Resources

Ref	Resources	Total as of 31 March
<b>D1</b>	Total number of all administration staff (FTE)	46.5
<b>D2</b>	Average service length of all administration staff	Unknown
<b>D3</b>	Staff vacancy rate as %	20%
<b>D4</b>	Ratio of all administration staff to total number of scheme members (all staff including management)	1:2795
<b>D5</b>	Ratio of administration staff (excluding management) to total number of scheme members	1:3333

**Table E – Data Quality****Annual Benefit Statements**

<b>Ref</b>	<b>Data</b>	<b>Result</b>
<b>E1</b>	Percentage of annual benefit statements issued as of 31 August	TBC
<b>E2</b>	Short commentary if less than 100%	N/A

**Data category**

<b>Ref</b>	<b>Data</b>	<b>Result</b>
<b>E3</b>	Common data score	96%
<b>E4</b>	Scheme specific data score	98%
<b>E5</b>	Percentage of active, deferred and pensioner members recorded as ‘gone away’ with no home address held, or address is known to be out of date.	2.3%
<b>E6</b>	Percentage of active, deferred and pension members with an email address held on file	77%

**Employer performance**

<b>Ref</b>	<b>Data</b>	<b>Result</b>
<b>E7</b>	Percentage of employers set up to make monthly data submissions	54%
<b>E8</b>	Percentage of employers who submitted monthly data on time during the reporting year	Unknown

## Section 8: Actuarial Report on Fund

### Surrey Pension Fund (the Fund) Actuarial Statement for 2023/24

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

#### Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS). In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependents
- use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimize cash contributions from employers in the long term)
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 70% likelihood that the Fund will achieve the funding target over 20 years.

#### Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £5,358 million, were sufficient to meet 102% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £101 million. Each employer had contribution requirements set

at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

### Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

#### Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

#### Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value. The key financial assumptions adopted for the 2022 valuation were as follows:

Financial assumptions	31 March 2022
Discount rate	4.4% pa
Salary increase assumption	3.7% pa
Benefit increase assumption (CPI)	2.7% pa

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

Current/Future	Males	Females
Current Pensioners	22.3 years	24.9 years
Future Pensioners*	23.1 years	26.3 years

\*Aged 45 at the 2022 Valuation



Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.

### **Experience over the period since 31 March 2022**

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. High levels of inflation in the UK (compared to recent experience), have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, asset performance has improved towards the end of 2023 and into 2024 and inflation has begun to return towards historical levels and the Bank of England's target (2% pa). There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025. The Funding Strategy Statement will also be reviewed at that time.



Adrian Loughlin FFA

For and on behalf of Hymans Robertson LLP

The full Valuation Report is published at:

[230330-surrey-county-council-2022-final-valuation-report.pdf](https://www.surreypensionfund.org/230330-surrey-county-council-2022-final-valuation-report.pdf)  
([surreypensionfund.org](https://www.surreypensionfund.org))

## Section 9: External Audit Option



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Independent Auditor's Statement to the Members of Surrey County Council on  
the Pension Fund Financial Statements

## Independent Auditor's Statement to the Members of Surrey County Council on the Pension Fund Financial Statements

### Opinion

We have examined the pension fund financial statements for the year ended 31 March 2024, which comprise the Fund Account, the Net Assets Statement and the related notes.

In our opinion, the pension fund financial statements are consistent with the full annual statement of accounts of Surrey County Council for the year ended 31 March 2024 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

### Respective responsibilities of the Deputy Chief Executive and Executive Director – Resources (S151 Officer) and the Auditor

As explained more fully in the statement of the Deputy Chief Executive and Executive Director – Resources (S151 Officer) Responsibilities, the Deputy Chief Executive and Executive Director – Resources (S151 Officer) is responsible for the preparation of the pension fund's financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Our responsibility is to report to you our opinion on the consistency of the pension fund financial statements within the pension fund annual report with the pension fund financial statements in the statement of accounts of Surrey County Council, and its compliance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We also read the other information contained in the pension fund annual report and consider the implications of our report if we become aware of any apparent misstatements or material inconsistencies with the pension fund financial statements. The other information consists the information within the Surrey Pension Fund Accounts 2023/24 and our auditor's statement thereon.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the administering authority's full annual statement of accounts describes the basis of our opinion on those financial statements.



Hassan Rohimun (Key Audit Partner)  
Ernst & Young LLP (Local Auditor)  
Manchester  
28 February 2025

## Section 10: Additional Information

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Internal Audit

Summary of Freedom of Information requests

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Glossary of Abbreviations

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## Internal Audit

Internal Audit compiles a planned annual programme of audit work for SPT including a contingency allocation (number of days) in consultation with the Pension Senior Leadership Team (PSLT) which is presented to the LPB in May of each year. Quarterly updates on the progress of the audits in the audit plan are a standing item at every LPB meeting to provide assurance to senior management and Board members. During 2023/24, audits were undertaken as set out in the table below.

Area of Work	Assurance Rating
Follow up of the LGPS Performance Management Review	Substantial Assurance
Cyber Security	Reasonable Assurance
Altair Pensions Administration i-Connect application	Fieldwork underway
Pension Administration (Transfers In)	Reasonable Assurance
Pension Fund Banking Controls	No opinion given, further follow up work will be completed in 2024/2025

## Audit Opinions and Definitions

Opinion	Definition
Substantial Assurance	Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Reasonable Assurance	Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Partial Assurance	There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
Minimal Assurance	Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.

## Summary of Freedom of Information requests

**The Freedom of Information Act** is part of a group of policies aimed to modernise government and ensure decision-making is more open and accountable.

We keep a record of freedom of information requests and responses in the Surrey County Councils [\*\*disclosure log online\*\*](#).

The table below summarises Freedom of Information requests received during the period of 2023/24.

<b>Period – Month received</b>	<b>No of requests received</b>
April 2023	2
May 2023	2
June 2023	0
July 2023	2
August 2023	2
September 2023	1
October 2023	1
November 2023	4
December 2023	1
January 2024	1
February 2024	1
March 2024	2
<b>Total</b>	<b>19</b>

## Glossary of Terms

### Active Management

A style of management where the Fund manager aims to outperform a benchmark by superior asset allocation, market timing or stock selection (or a combination of these). Compare with passive management.

### Actuary

An independent consultant who advises the County Council on the financial position of the Fund. See actuarial valuation.

### Actuarial Valuation

This is an assessment done by an actuary, usually every three years. The actuary will work out how much money needs to be put into a pension fund to make sure pensions can be paid in the future.

### Additional Voluntary Contribution (AVC)

An option available to individuals to secure additional pensions benefits by making regular payments in addition to the 5.5%-7.5% of basic earnings payable.

### Admitted Bodies

Employers whose staff can become members of the Fund by virtue of an admission agreement made between the Administering Authority and the employer.

### Asset Allocation

The apportionment of a fund's assets between asset classes and/or world markets. The long-term strategic asset allocation of a fund will reflect the Fund's investment objectives. In the short term, the Fund manager can aim to add value through tactical asset allocation decisions.

### Benchmark

A yardstick against which the investment policy or performance of a fund manager can be compared. The Surrey Pension Fund's benchmark is customised, meaning that it is tailored to the Fund's liability profile.

### Bond

A debt investment with which the investor loans money to an entity (company or government) that borrows the funds for a defined period of time at a specified interest rate.

### Broker

An individual or firm that charges a fee or commission for executing buy and sell orders submitted by an investor.

### Commission

A service charge assessed by an agent in return for arranging the purchase or sale of a security or real estate. The commission must be fair and reasonable, considering all the relevant factors of the transaction.

### **Corporate Bond**

A debt security issued by a corporation, as opposed to those issued by the government.

### **Corporate Governance**

The system by which companies are run, and the means by which they are responsible to their shareholders, employees and other stakeholders.

### **Creditors**

Amounts owed by the pension fund.

### **Custody**

Safekeeping of securities by a financial institution. The custodian keeps a record of the client's investments and may also collect income, process tax reclaims and provide other services such as performance measurement.

### **Debtors**

Amounts owed to the pension fund.

### **Derivative**

Used to describe a specialist financial instrument such as options or futures contracts. Financial instruments are agreements to buy or sell something, under terms laid out in a contract.

### **Diversification**

A risk management technique that mixes a wide variety of investments within a portfolio. It is designed to minimize the impact of any one security on overall portfolio performance.

### **Dividend**

Distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders. The amount of a dividend is quoted in the amount each share receives or in other words dividends per share.

### **Emerging Markets**

There are about 80 stock markets around the world of which 22 markets are generally considered to be mature. The rest are classified as emerging markets.

### **Equity**

Stock or any other security representing an ownership interest.

### **Ex-dividend**

Purchase of shares without entitlement to current dividends. This entitlement remains with the seller of the shares.

### **Final Salary Scheme**

An employer pension scheme, the benefits of which are linked to length of service and the final salary of the member (also known as defined benefit).



### **Fixed interest**

A loan with an interest rate that will remain at a predetermined rate for the entire term of the loan. See bond.

### **Funding Level**

A comparison of a scheme's assets and liabilities.

### **Futures Contract**

A contract to buy goods at a fixed price and on a particular date in the future. Both the buyer and seller must follow the contract by law.

### **Gilts**

The familiar name given to sterling, marketable securities (or bonds) issued by the British Government.

### **Hedge**

Making an investment to reduce the risk of adverse price movements in an asset. Normally, a hedge consists of taking an offsetting position in a related security, such as a futures contract.

### **Index Linked**

A bond which pays a coupon that varies according to some underlying index, usually the Consumer Price Index.

### **LGPS**

Local Government Pension Scheme.

### **Mandate**

The agreement between a client and investment manager laying down how the portfolio is to be managed, including performance targets.

### **Market Value**

A security's last reported sale price (if on an exchange) i.e. the price as determined dynamically by buyers and sellers in an open market. Also called market price.

### **Option**

The name for a contract where somebody pays a sum of money for the right to buy or sell goods at a fixed price by a particular date in the future. However, the goods do not have to be bought or sold.

### **Passive Management**

A style of fund management that aims to construct a portfolio to provide the same return as that of a chosen index. Compare with active management.

### **Pension Fund**

A fund established by an employer to facilitate and organise the investment of employees' retirement funds

contributed by the employer and employees. The pension fund is a common asset pool meant to generate stable growth over the long term and provide pensions for employees when they reach the end of their working years and commence retirement.

### **Private Equity**

When equity capital is made available to companies or investors, but not quoted on a stock market. The funds raised through private equity can be used to develop new products and technologies, to expand working capital, to make acquisitions, or to strengthen a company's balance sheet. Also known as development capital.

### **Property Unit Trusts**

Pooled investment vehicles that enable investors to hold a stake in a diversified portfolio of properties.

### **Return**

Synonymous with profit, be it income received, capital gain or income and capital gain in combination. Usually expressed as a percentage of the nominal value of the asset.

### **Risk**

The likelihood of performance deviating significantly from the average. The wider the spread of investment in an investment sector or across investment sectors, i.e. the greater the diversification, the lower the risk.

### **Scheme Employers**

Local authorities and other similar bodies whose staff automatically qualify to become members of the pension fund.

### **Security**

An investment instrument, other than an insurance policy or fixed annuity, issued by a corporation, government, or other organisation, which offers evidence of debt or equity.

### **Stock**

A type of security that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings. Also known as shares or equity.

### **Stock Selection**

The process of deciding which stocks to buy within an asset class.

### **Transaction Costs**

Those costs associated with managing a portfolio, notably brokerage costs and taxes.

### **Transfer Value**

The amount transferred to/from another pension fund should a member change employment. The amount transferred relates to the current value of past contributions.

### **Transition**

To move from one set of investment managers to another.

### **Unit Trust**

A pooled fund in which investors can buy and sell units on an ongoing basis.

### **Unrealised Gains/(losses)**

The increase/(decrease) at year-end in the market value of investments held by the Fund since the date of their purchase.

### **Yield**

The rate of income generated from a stock in the form of dividends, or the effective rate of interest paid on a bond, calculated by the coupon rate divided by the bond's market price. Furthermore, for any investment, yield is the annual rate of return expressed as a percentage.

## Glossary of Abbreviations

### **ABS**

Annual Benefit Statement

### **AIFM**

Alternative Investment Fund Manager

### **AVC**

Additional Voluntary Contributions

### **BCPP**

Border to Coast Pensions Partnership

### **CIPFA**

The Chartered Institute of Public Finance and Accountancy

### **CMA**

Competition and Markets Authority

### **CPI**

Consumer Price Index

### **CRT**

Customer Relationship Team

### **DLUHC**

Department for Levelling up, Housing and Communities

### **ECB**

European Central Bank

### **ESG**

Environmental, Social and Governance – factors in assessing an investments sustainability

### **FCA**

Financial Conduct Authority

### **FED**

Federal Reserve

### **FSS**

Funding Strategy Statement

### **FTA**

FTSE Actuaries UK Gilts Index Series

### **FTSE**

Financial Times Stock Exchange

### **GDP**

Gross Domestic Product

### **GMP**

Guaranteed Minimum Pension

### **ICGN**

International Corporate Governance Network

### **IDRP**

Internal Dispute Resolution Procedure

### **ISS**

Investment Strategy Statement

### **KPIs**

Key Performance Indicators

### **LAPFF**

Local Authority Pension Fund Forum

## **LGIM**

Legal and General Investment Management

## **LGPS**

Local Government Pension Scheme

## **LOLA**

Local Government Pension (LGPS) Scheme Online Learning Academy

## **LPB**

Local Pension Board

## **MAC**

Multi Asset Credit

## **MSCI**

Formerly Morgan Stanley Capital International, publisher of global indexes

## **OECD**

Organisation for Economic Co-operation and Development

## **PFC**

Pension Fund Committee

## **PLSA**

Pensions and Lifetime Savings Association

## **PSLT**

Pension Senior Leadership Team

## **RI**

Responsible Investment

## **SCC**

Surrey County Council

## **SLA**

Service Level Agreement

## **SONIA**

Sterling Over Night Index Average, the overnight interest rate paid by banks

## **SPT**

Surrey Pension Team

## **TCFD**

Taskforce on Climate Related Financial Disclosures

## **TPO**

The Pension Ombudsman

## **tPR**

The Pensions Regulator

## **TPS**

Teachers' Pension Scheme

## **UNSDG**

United Nations Sustainable Development Goals

## **WACI**

Weighted Average Carbon Intensity

## Annexe: Employer list and contributions received

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Ability Housing Association	Admitted Body	39.0%	6	36
ABM Catering - (Northmead Junior School)	Admitted Body	22.4%	0	1
ABM Catering (Unity Schools Trust)	Admitted Body	28.8%	4	18
Academies Enterprise Trust	Academy	17.8%	0	0
Achieve Lifestyle	Admitted Body	38.9%	10	49
ACM (Academy of Contemporary Music)	Academy	15.4%	1	4
Activate learning Guildford College	Scheduled Body	23.9%	358	1413
Albury Parish Council	Designated Body	17.7%	3	1
Alliance in Partnership	Admitted Body	25.1%	4	19
Aramark (Frimley & Tomlinscote School)	Admitted Body	28.5%	4	17
Ash Grange School	Academy	23.0%	32	126
Ash Parish Council	Designated Body	17.7%	12	36
Ashcombe School	Academy	20.2%	28	93
Ashley CofE Primary School	Academy	19.7%	36	130
Aspens (St Martins CofE)	Admitted Body	27.5%	1	4
Aspens Ltd (Wishmore Cross Academy)	Admitted Body	27.1%	3	15
Auriol Junior School	Academy	18.9%	22	73

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Banstead Infant School	Academy	18.1%	12	38
Barnardos (Waverley)	Admitted Body	28.5%	8	40
Barnsbury Primary School	Academy	19.0%	33	113
Beaufort Primary School	Academy	19.0%	42	144
Bishop David Brown School	Academy	21.8%	27	97
Bisley Parish Council	Designated Body	17.7%	3	8
Blenheim High School	Academy	18.7%	70	213
Bletchingley Village Primary School	Academy	18.2%	22	70
Bourne Education Trust	Academy	18.9%	0	0
Boxgrove Primary Academy	Academy	18.6%	13	44
Bramley CofE Aided Infant School	Academy	19.7%	7	24
Bramley Oak School	Academy	17.5%	37	108
Bramley Parish Council	Designated Body	17.7%	2	6
Bright Futures Learning Trust	Academy	18.6%	70	226
Broadmere Primary School	Academy	18.9%	23	73
Broadwater School	Academy	18.0%	56	163
Brooklands College	Scheduled Body	31.6%	144	746

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Brookwood Park Ltd	Admitted Body	24.0%	5	14
Brookwood Primary School	Academy	18.9%	15	51
Burstow Parish Council	Designated Body	17.7%	3	9
Busbridge Infant School	Academy	17.7%	10	30
Byfleet Primary School	Academy	17.9%	11	35
Cardinal Newman Catholic Primary School	Academy	19.6%	6	23
Carrington School	Academy	20.2%	17	60
Carwarden House Community School	Academy	18.0%	29	88
Catalyst (Southern Addictions Advisory Service (SADAS))	Admitted Body	40.7%	13	51
Caterlink (Good Shepherd Trust)*	Admitted Body	19.7%	0	0
Caterlink (Therfield School)	Admitted Body	28.3%	2	12
Caterlink (Weyfield School)	Admitted Body	24.2%	0	2
CH & Co (Pirbright School)	Admitted Body	30.1%	0	1
Chartwells (GLF Schools)	Admitted Body	20.0%	1	2
Chertsey High School	Academy	18.9%	38	119
Christ College	Academy	19.7%	35	118
Churt Parish Council	Designated Body	17.7%	1	5



Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Cleantec (The Abbey School)*	Admitted Body	28.4%	0	0
Cleves School	Academy	19.0%	45	146
Cobham Free School	Academy	18.3%	53	167
Collingwood College	Academy	17.7%	70	203
Compass (EEEEA Trust)	Admitted Body	21.4%	0	2
Connaught Junior School	Academy	19.3%	4	14
Cordwalles Junior School	Academy	18.1%	11	35
Cranleigh CofE Primary School**	Academy	19.7%	0	0
Cranleigh Parish Council	Designated Body	17.7%	10	26
Cranmere Primary School	Academy	23.0%	5	19
Crawley Ridge Infant School	Academy	19.3%	2	8
Crawley Ridge Junior School	Academy	19.3%	3	9
Cross Farm Infant School	Academy	20.5%	9	32
Crowhurst Parish Council	Designated Body	17.7%	0	1
Cucina (Jubilee High)	Admitted Body	25.9%	2	10
Cucina (Matthew Arnold School)	Admitted Body	25.6%	2	7
Cucina (St Michaels Primary)*	Admitted Body	20.4%	0	0

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Cuddington Community Primary	Academy	19.4%	16	56
Cuddington Croft School	Academy	18.1%	23	73
Danetree Primary School	Academy	18.1%	42	136
Darley Dene Primary School	Academy	18.1%	17	53
De Stafford School	Academy	18.1%	28	89
Dormansland Parish Council	Designated Body	17.7%	1	3
Dovers Green School	Academy	18.0%	34	110
Dunsfold Parish Council	Designated Body	17.7%	1	2
East Horsley Parish Council	Designated Body	17.7%	3	8
East Surrey College	Scheduled Body	19.1%	248	763
East Surrey Rural Transport	Admitted Body	39.7%	5	23
Eastwick Schools	Academy	19.4%	45	158
Echelford Primary School	Academy	18.1%	23	75
Edwards & Ward (Chennestone)*	Admitted Body	24.0%	0	0
Edwards & Ward (St Joseph's Catholic School)	Admitted Body	26.9%	1	3
Edwards & Ward (Worplesdon School)*	Admitted Body	23.0%	0	0
Edwards & Ward (Wood St School)*	Admitted Body	23.0%	0	0

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Effingham Parish Council	Designated Body	17.7%	2	6
Elmbridge Building Control Services	Admitted Body	12.7%	11	16
Elmbridge Council	Scheduled Body	17.1%	903	2175
ElmWey Learning Trust	Academy	20.0%	9	24
Elstead Parish Council	Designated Body	17.7%	2	5
Enlighten Learning Trust	Academy	21.8%	16	46
Epsom & Ewell Council	Scheduled Body	17.4%	600	1550
Epsom and Ewell High School	Academy	18.9%	112	299
Epsom Primary School	Academy	18.9%	50	163
Esher Church School	Academy	20.9%	5	18
Esher CofE High School	Academy	21.8%	53	188
Esher Sixth Form College	Academy	17.5%	56	155
Everychild Partnership Trust	Academy	19.3%	7	20
Farnham Heath End School	Academy	19.3%	39	124
Farnham Town Council	Designated Body	16.9%	29	73
Folly Hill Infant School	Academy	20.5%	6	24
Fordway Centre	Academy	16.8%	2	7

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Fox Grove School	Academy	19.4%	48	162
Freedom Leisure - Guildford (Wealden Leisure)	Admitted Body	16.4%	24	62
Freedom Leisure - Woking (Wealden Leisure)	Admitted Body	16.2%	12	32
Frensham Parish Council	Designated Body	17.7%	2	5
Frimley Junior School	Academy	19.9%	24	85
Fullbrook School	Academy	18.6%	19	58
Galliford Try (Surrey Police)	Admitted Body	25.0%	1	6
George Abbot School	Academy	18.6%	22	69
Glencross St Peters Catholic School	Admitted Body	15.3%	2	4
GLF Schools	Academy	18.1%	174	445
Glyn School	Academy	18.1%	45	138
Godalming College	Academy	17.4%	71	198
Godalming Town Council	Designated Body	17.7%	31	82
Goldsworth Primary School	Academy	18.6%	30	96
Gordons School Academy Trust	Academy	18.8%	52	157
Great Bookham School	Academy	17.7%	11	35
Greensand Multi Academy Trust	Academy	18.0%	24	57

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Guildford Borough Council	Scheduled Body	17.2%	1432	3733
Guildford County School	Academy	18.6%	18	55
Guildford Grove Primary School	Academy	18.6%	12	38
Hale Primary School	Academy	20.5%	24	88
Hammond School	Academy	18.1%	11	35
Hamsey Green Primary School	Academy	18.2%	20	63
Haslemere Town Council	Designated Body	17.7%	9	23
Hatchlands Primary School	Academy	18.1%	12	37
Hawkedale School	Academy	23.0%	15	61
Heathside School	Academy	20.0%	55	184
Heathside Walton	Academy	20.0%	8	28
Hendeca Group	Admitted Body	30.1%	2	3
Highfield South Farnham Primary	Academy	17.7%	18	65
Hillcroft Primary School	Academy	18.1%	24	77
Hinchley Wood Primary School	Academy	17.6%	39	121
Hinchley Wood Secondary School	Academy	18.9%	108	338
Hoe Valley School	Academy	17.5%	60	171

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Holland Junior School	Academy	22.7%	10	41
Holly Lodge Primary School	Academy	20.5%	18	67
Holmesdale Infant School	Academy	18.0%	23	74
Holy Family Catholic Primary	Academy	19.6%	7	24
Holy Trinity CofE Primary School	Academy	19.3%	4	15
Horley Town Council	Designated Body	17.7%	13	32
Howard of Effingham School	Academy	19.4%	64	210
Hurst Green School	Academy	18.2%	3	9
Hurst Park Primary School	Academy	20.1%	15	53
IESE Ltd	Admitted Body	37.0%	41	172
Impact Food (Carrington School)*	Admitted Body	22.1%	0	0
Inclusive Education Trust	Academy	16.8%	2	6
Independent Catering (The Priory School)	Admitted Body	35.1%	1	10
Innovate Services Ltd (Farnham Heath)	Admitted Body	26.7%	1	6
Innovate Services Ltd (St Peters)	Admitted Body	29.6%	0	0
Insite Managed Services (St Ignatius School)*	Admitted Body	27.7%	0	0
ISS (The Howard Partnership Trust)	Admitted Body	25.2%	2	7

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Jubilee High School	Academy	18.9%	46	140
Kenyngton Manor Primary School	Academy	19.4%	35	121
KGB (Kings Interna College)	Admitted Body	24.2%	0	2
Kingfield Primary School	Academy	19.0%	23	78
Kings College Guildford	Academy	18.6%	11	36
Knaphill Lower School	Academy	18.6%	8	28
Knaphill School	Academy	18.6%	9	29
Lakeside Primary School	Academy	20.5%	21	78
Leaps Nursey	Academy	18.1%	5	17
Learning Partners Academy Trust	Academy	18.6%	9	35
Leatherhead Trinity School and Children's Centre	Academy	18.6%	19	56
Lightwater Village School	Academy	18.1%	10	32
Lime Tree Primary School Academy	Academy	18.1%	20	65
Linden Bridge School	Academy	19.4%	52	176
Lingfield Parish Council	Designated Body	17.7%	1	3
Loseley Fields Primary School	Academy	18.6%	8	25
Lumen Learning Trust	Academy	18.1%	33	98

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Mace (H) Surrey County Council	Admitted Body	15.9%	17	37
Mace (S) Surrey County Council	Admitted Body	23.6%	7	25
Marden Lodge Primary School and Nursery	Academy	18.1%	13	43
Marston Holdings	Admitted Body	19.1%	18	58
Maybury Primary School	Academy	17.9%	13	41
Meadhurst Primary School	Academy	19.4%	44	150
Meadow Primary School	Academy	18.9%	40	133
Merstham Park School	Academy	18.1%	28	86
Merstham Primary School	Academy	18.1%	10	32
Merton & Sutton Joint Cemetary Board	Admitted Body	20.0%	0	1
Milestone Infrastructure Ltd	Admitted Body	21.8%	23	68
Mole Valley Council	Scheduled Body	17.1%	692	1743
Moor House School	Academy	30.7%	28	148
Mytchett Primary School	Academy	20.5%	14	51
Nescot College	Scheduled Body	22.5%	203	683
New Haw Community Junior School	Academy	20.6%	6	21
New Monument Primary School	Academy	18.9%	13	42



Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Nexgen (Tandridge Learning Trust)	Admitted Body	26.2%	1	5
Normandy Parish Council	Designated Body	17.7%	3	8
Northmead Junior School	Academy	18.6%	7	25
Nviro (Surrey County Council)	Admitted Body	24.2%	3	13
Olive Dining (Bell Farm Primary School)	Admitted Body	18.2%	1	4
Olive Dining (West Byfleet School)*	Admitted Body	27.6%	0	0
Ottershaw CofE Schools	Academy	19.7%	43	86
Our Lady Of The Rosary RC Primary School	Academy	15.9%	12	40
Oxted School	Academy	19.4%	84	282
Pabulum (Burpham Primary School)	Admitted Body	33.8%	0	2
Peaslake Free School	Academy	19.7%	4	13
Philip Southcote School	Academy	18.9%	23	73
Pine Ridge and Lorraine Schools Federation	Academy	18.1%	16	52
Pinnacle Housing	Scheduled Body	21.2%	0	0
Pirbright Village School	Academy	18.6%	6	21
Police & Crime Commissioner	Admitted Body	16.5%	80	175
Pond Meadow School	Academy	17.1%	56	167

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Potters Gate CofE Primary School	Academy	19.7%	35	122
PS Catering (Bourne Education Trust)*	Admitted Body	18.9%	0	0
Pycroft Grange Primary	Academy	18.9%	32	105
Pyrford Church of England Aided Primary School	Academy	20.7%	31	110
Queen Eleanors CofE Junior	Academy	19.7%	21	73
Rapid Clean (St Augustines School)	Admitted Body	24.5%	0	2
Ravenscote Community Junior School	Academy	17.9%	19	61
Reigate & Banstead Council	Scheduled Body	15.0%	1202	2628
Reigate Learning Alliance	Academy	18.0%	32	97
Reigate School	Academy	18.0%	76	231
Reigate Valley College	Academy	16.8%	17	45
Ringway Infrastructure Services	Admitted Body	31.5%	3	14
Riverbridge Primary School	Academy	18.1%	32	102
Rodborough School	Academy	19.3%	37	117
Rosebery School	Academy	18.1%	33	99
Runnymede Council	Scheduled Body	17.6%	1042	2681
Russell Education Trust	Academy	14.5%	43	80

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Salesian School	Academy	19.6%	61	192
Salfords Primary School	Academy	18.1%	19	59
Sandcross Primary School	Academy	18.1%	26	83
Sandfield Primary School	Academy	18.6%	4	13
Sandringham School	Academy	20.5%	13	49
Saxon Primary School	Academy	18.1%	19	60
Sayes Court Primary School	Academy	18.9%	17	55
Scott Broadwood CofE Infant School	Academy	19.7%	5	19
Send Parish Council	Designated Body	17.7%	1	2
Serco	Admitted Body	15.9%	17	42
Shalford Infant School	Academy	18.6%	2	7
Shawley Community Primary School	Academy	20.1%	26	50
Sight For Surrey	Admitted Body	25.0%	4	18
South Camberley Primary and Nursery School	Academy	17.9%	23	72
South Farnham Education Trust	Academy	17.7%	44	137
Spelthorne Borough Council	Scheduled Body	17.3%	991	2562
Springfield Primary School	Academy	18.1%	15	47

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Spurgeons (Family Centres)	Admitted Body	26.6%	13	52
St Albans Catholic Primary School	Academy	19.6%	14	52
St Andrews CofE Infant School	Academy	19.7%	4	13
St Andrew's CofE Primary School	Academy	21.8%	6	21
St Annes Catholic Primary School	Academy	19.6%	15	55
St Augustines Catholic Primary	Academy	19.6%	16	55
St Charles Borromeo Primary	Academy	19.6%	11	40
St Cuthbert Mayne	Academy	19.6%	6	22
St Cuthberts Catholic Primary	Academy	19.6%	0	0
St Edmunds Primary	Academy	19.6%	7	27
St Hugh of Lincoln Primary School	Academy	19.6%	6	22
St Ignatius RC Primary School	Academy	15.9%	16	55
St John the Baptist	Academy	19.6%	23	77
St John's Church of England Primary School	Academy	19.7%	25	89
St Johns Primary School	Academy	18.0%	18	57
St John's Primary School (Knaphill)	Academy	18.6%	10	33
St Josephs Catholic Primary	Academy	19.6%	0	0

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
St Lawrence Primary School	Academy	19.4%	11	42
St Mark & All Saints CofE Primary School	Academy	19.7%	17	59
St Martins CofE School	Academy	21.8%	22	84
St Martins CofE (Dorking)	Academy	19.3%	0	0
St Marys CofE Primary (Godalming)	Academy	19.7%	16	55
St Marys CofE Primary (Oxted)	Academy	17.8%	39	120
St Matthews CofE Primary School	Academy	17.8%	25	76
St Michael Catholic Primary School	Academy	15.9%	18	61
St Pauls Catholic College	Academy	15.9%	68	175
St Pauls CofE Primary School	Academy	19.7%	27	91
St Peters Catholic School	Academy	19.6%	44	145
St Polycarps Catholic Primary	Academy	19.6%	14	52
St Stephens CofE Primary School	Academy	17.8%	24	76
St Thomas Primary School	Academy	19.6%	17	61
Stanwell Fields CofE Primary School	Academy	17.1%	18	53
Stoughton Infant School	Academy	18.6%	8	25
Sunbury Manor School	Academy	19.1%	53	185

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Surrey Choices	Admitted Body	19.8%	33	99
Surrey County Council	Scheduled Body	14.8%	2902	6354
Surrey Heath Borough Council	Scheduled Body	17.2%	745	1841
Surrey Hills All Saints CofE Primary School	Academy	19.7%	9	31
Surrey Police	Scheduled Body	16.5%	1693	4231
Surrey Schools	Academy	23.0%	957	3834
Sythwood Primary School	Academy	18.9%	64	209
Tandridge District Council	Scheduled Body	17.1%	594	1448
Tatsfield Parish Council	Designated Body	17.7%	1	3
Tatsfield Primary School	Academy	18.2%	8	26
Taylor Shaw (Beacon School)*	Admitted Body	28.7%	0	0
Thames Ditton Junior School	Academy	17.6%	24	93
Thamesmead School	Academy	17.9%	72	209
The Abbey School	Academy	19.3%	27	93
The Alliance Multi Academy Trust	Academy	19.3%	54	180
The Beacon School	Academy	18.1%	46	140
The Bishop Wand CofE School	Academy	19.1%	38	121

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
The Good Shepherd Trust	Academy	19.7%	54	124
The Grove Primary School	Academy	20.5%	28	105
The Hermitage School	Academy	19.0%	24	83
The Horsell Village School	Academy	19.0%	15	51
The Howard Partnership Trust	Academy	19.4%	225	647
The Kite Academy Trust	Academy	20.5%	49	149
The Magna Carta School	Academy	21.8%	37	136
The Marist Catholic Primary	Academy	19.6%	19	65
The Matthew Arnold School	Academy	18.9%	49	152
The Mead Infant School	Academy	18.9%	26	86
The Oaktree School	Academy	19.0%	28	97
The Park School	Academy	19.3%	25	84
The Raleigh School	Academy	17.7%	13	40
The Ridgeway School	Academy	19.3%	50	168
The Swan Trust	Academy	19.0%	15	44
The Vale Primary School	Academy	18.1%	9	29
The Weald CofE Primary School	Academy	19.7%	10	36

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Therfield School	Academy	20.2%	18	61
Thomas Knyvett College	Academy	19.4%	48	158
Three Rivers Academy	Academy	19.4%	67	222
Tillingbourne Junior School	Academy	18.6%	7	24
Tomlinscote School	Academy	19.9%	96	319
Town & Country Housing	Admitted Body	37.4%	2	14
Unity Trust	Academy	21.8%	39	116
University of Creative Arts	Scheduled Body	15.2%	1281	2840
University of Surrey	Scheduled Body	30.6%	462	2146
Valley End Primary	Academy	19.7%	10	36
Wallace Fields Infant School	Academy	17.7%	15	48
Walsh CofE Junior School	Academy	19.7%	21	94
Walsh Memorial CofE Controlled Infant School	Academy	19.7%	4	19
Walton Oak School	Academy	18.1%	23	72
Warlingham Parish Council	Designated Body	17.7%	1	4
Warlingham School	Academy	18.2%	66	197
Warlingham Village Primary Academy	Academy	18.1%	12	38



Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Warren Mead Infant School	Academy	18.1%	6	19
Warren Mead Junior School	Academy	18.1%	11	33
Waverley Abbey CofE Junior School	Academy	19.7%	25	84
Waverley Borough Council	Scheduled Body	17.2%	1016	2489
Waverley Hoppa Transport	Admitted Body	40.4%	6	41
Welcare (Surrey County Council)	Admitted Body	27.8%	3	13
West Ashted Primary School	Academy	20.1%	19	77
West End Parish Council	Designated Body	17.7%	2	6
West Ewell Primary School	Academy	18.9%	47	156
West Hill School	Academy	19.4%	36	129
Westfield Primary School	Academy	17.9%	16	51
Wey Valley College	Academy	16.8%	9	25
Weydon Multi Academy Trust	Academy	19.3%	0	0
Weydon School	Academy	19.3%	86	265
Weyfield Primary Academy	Academy	18.4%	14	47
Whyteleafe Primary School	Academy	18.1%	22	73
Whyteleafe Village Council	Designated Body	17.7%	1	3

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Windlesham Parish Council	Designated Body	17.7%	7	20
Windlesham Village Infant School	Academy	19.3%	1	4
Winston Churchill School	Academy	23.0%	90	336
Wishmore Cross Academy	Academy	17.8%	22	64
Witley Parish Council	Designated Body	17.7%	5	15
Woking Borough Council	Scheduled Body	17.0%	1022	2438
Woking College	Academy	17.9%	16	49
Woking High School	Academy	22.6%	38	141
Woodlea Primary School	Academy	18.2%	8	25
Woodmansterne School	Academy	18.9%	27	90
Woolmer Hill School	Academy	19.3%	35	117
Worplesdon Parish Council	Designated Body	17.7%	7	21
Wray Common Primary School	Academy	18.0%	29	92
Wyke Primary School	Academy	20.5%	11	42
Xavier Catholic Education Trust	Academy	19.6%	36	98
YMCA East Surrey	Admitted Body	17.8%	2	6

\*TUPE Transfer being finalised