

# Annual Report

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2024/25



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Providing our customers with  
a better tomorrow

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# Contents

<b>Subject</b>	<b>Page number</b>
Section 1: Introduction	2
Section 2: Overall Fund Management	5
Section 3: Governance and Training	15
Section 4: Financial Performance	49
Section 5: Fund Account, Net Assets Statement and Notes	54
Section 6: Investment and Funding	100
Section 7: Administration	126
Section 8: Actuarial reports on Funds	144
Section 9: External Audit Opinion	148
Section 10: Additional Information	149

# Section 1: Introduction

## Chair's Statement



### Overview

Welcome to the Surrey Pension Fund 2024/25 Annual Report.

It's been another busy and challenging year for the Fund. Despite a changing landscape and the impact of macroeconomic uncertainty, the Fund has made significant strides towards its strategic ambition of becoming an 'industry leading service' by 2025/26.

The market value of the investments in the Fund as at 31 March 2025 was £6.04bn (2024 £5.8bn) with around 60% invested in equities, a proportion broadly unchanged from last year.

The Fund has 406 participating employers and approximately 130,000 members.

### Investment Strategy and Performance

Over the past year, the Fund has continued to make progress towards its long-term objectives, guided by a clear investment strategy and a commitment to responsible stewardship. Our approach remains focused on maintaining a well-diversified portfolio that balances risk and return, while ensuring the Fund is well-positioned to meet the future pension obligations of our members.

For the year to 31 March 2025, the overall investment return of the Fund was 4.3%. Over three years, performance was 4.5% per annum, slightly behind the strategic target of 5%.

### Investment pooling within the LGPS

The Fund continues to capitalise on opportunities to pool its assets with other Local Government Pension Scheme (LGPS) funds. As at 31 March 2025, 42% of the Fund's investments were held directly with the Border to Coast Pensions Partnership (BCPP), with a further 43% managed within the pool structure.

### Investing Responsibly

This year the Fund has undertaken the first formal annual review of its Net Zero date. The Committee has reviewed the Responsible Investment Policy for best practice and has undertaken the first two of a series of sessions to discuss the investment beliefs of the Fund and their underpinning. The first session covered the regulatory environment and fiduciary duty, and the second, impact and local investment. Further sessions are planned to take place in July 2025

The Fund remains committed to responsible investment, actively considering environmental, social, and governance (ESG) factors in its decision-making. While the primary focus continues to be on fulfilling our fiduciary duty and securing appropriate financial returns, the Fund also aligns its approach with the United Nations Sustainable Development Goals (UNSDGs).

Engagement is a key element of the Fund's ESG strategy. Through active participation in the Local Authority Pension Fund Forum (LAPFF) and collaboration with Robeco, the engagement lead for the Border to Coast Pensions Partnership (BCPP), the Fund strengthens its influence on ESG matters. The Committee receives regular updates on shareholder voting outcomes and their potential implications for investment decisions.

This year the responsibility and objectives of the Investment Consultant was reviewed and the option to extend the contract was extended for a further two years

A mapping of the transfer of the remaining non-pooled equity mandate to the pool was agreed by the Committee.

### **Management**

In September 2024, the Committee endorsed proposed changes aimed at strengthening the governance of the Surrey Pension Fund (SPF). Surrey County Council (SCC) holds a dual role as both the Administering Authority and a scheme employer of the SPF - an arrangement that presents inherent potential for conflicts of interest. The recommended governance enhancements are designed to manage these conflicts more effectively. Additionally, emphasising the importance of recognising and supporting the operational autonomy of the SPF, which is key to improving the implementation and impact of its Strategic Plan.

In March 2025, the Committee endorsed the refreshed Strategic plan for year three, along with the operational budget which is forecast as circa £7.2m. The plan has the customer at the centre, with a refreshed mission aiming to elevate the Fund's customers pulling on new levers of compliance, ready for today and better for tomorrow.

Finally, I would like to thank the Surrey Pension Team for their continuous hard work and dedication in providing our members with good customer service even in the face of challenging circumstances. These efforts are crucial in ensuring the best possible 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 2024/25

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** Laser focus on 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



**Terence Herbert**  
**Chief Executive**  
[terence.herbert@surreycc.gov.uk](mailto:terence.herbert@surreycc.gov.uk)



**Andy Brown**  
**Deputy Chief Executive & Executive Director for Resources (S.151 Officer)**  
[andy.brown@surreycc.gov.uk](mailto:andy.brown@surreycc.gov.uk)



**Neil Mason**  
**Director of Pensions - LGPS Senior Officer**  
[neil.mason@surreycc.gov.uk](mailto:neil.mason@surreycc.gov.uk)

### Key Advisors



**Steve Turner**  
**Investment Consultant - Mercer**  
[steve.j.turner@mercer.com](mailto:steve.j.turner@mercer.com)  
01483 777035



**Anthony Fletcher**  
**Professional Advisor - Independent**  
[Anthony.Fletcher@apexgroup.com](mailto:Anthony.Fletcher@apexgroup.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

Scheme Management & Advisers During the year	Name of Organisation
<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 (Glennmont)</li> <li>• Pantheon</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**

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

## Impact

Level	Impact	Financial (revenue)	Residents	Reputational	Performance
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 IT systems, 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

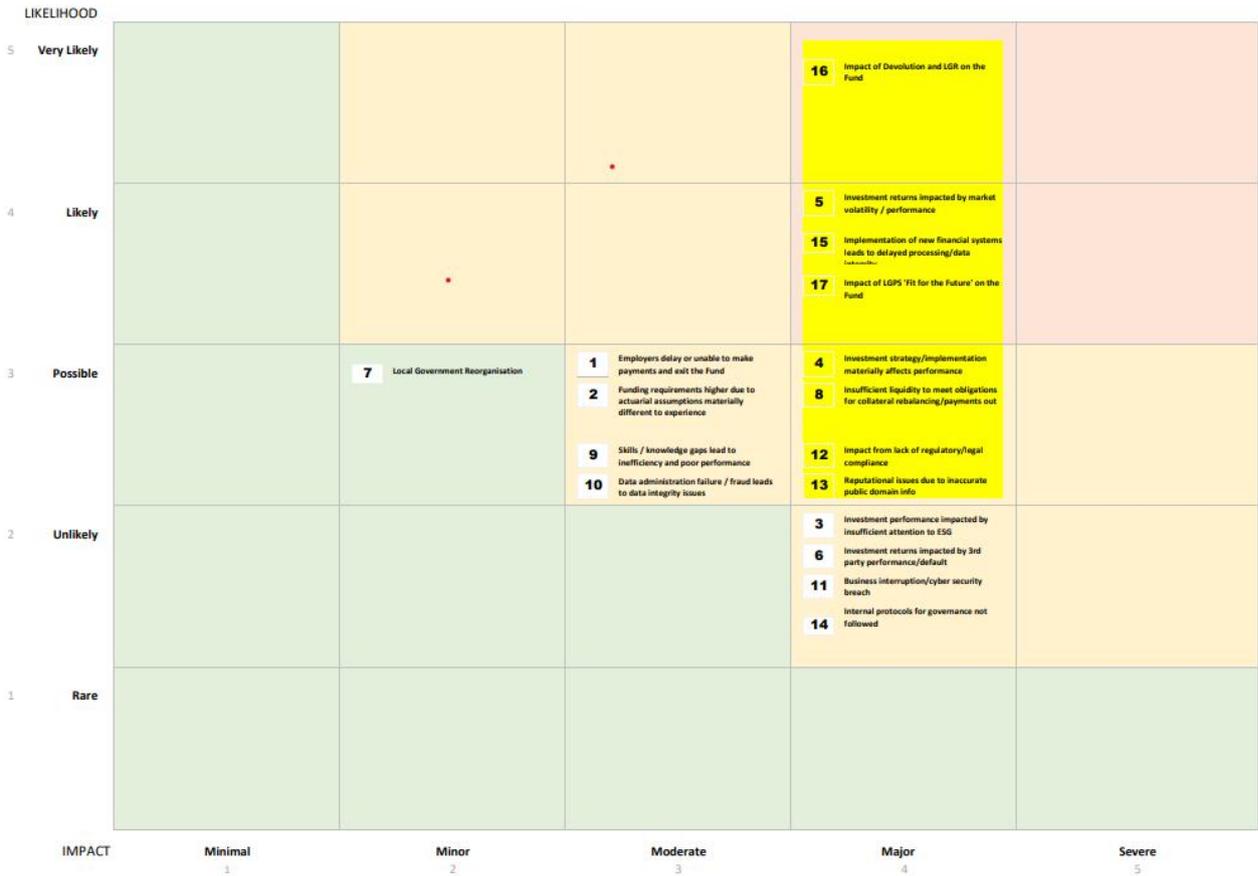
SCC (as the Administering authority) are identified and documented in the Business Continuity Plan. Risks may also be identified and managed through the Conflict of Interest policies for both the PFC and LPB

As at 31 March 2025, there were 16 areas of risk identified as shown below.

Full details of the Risk Register can be found with the [Agenda reports](#) pack of the LPB

Pension Team Risk Heat Map

Apr-25 Annexe 1



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	Impact of Devolution and Local Government Review (LGR) on the Fund	PSLT	4	5	<b>20</b>
17	Impact of 'Fit for the Future' of LGPS on the Fund	PSLT	4	4	<b>16</b>
15	Unit 4 - Implementation of new financial system leading to delayed processing, data integrity issues, financial loss and build up of backlogs.	PSLT	4	4	<b>16</b>
5	Investment returns impacted by market volatility/ performance	I&S	4	4	<b>16</b>
13	Reputational issues due to inaccurate public domain information (external stakeholder relationships / comms) or inefficient service	A&G	3	4	<b>12</b>
12	Scheme is financially or reputationally impacted by failure to adhere to (changes in) regulatory and legislative compliance requirements	SD	3	4	<b>12</b>
8	insufficient liquidity / lack of cash to meet obligations for collateral rebalancing / payments out (Banking & Cash Management)	A&G	3	4	<b>12</b>
4	Investment strategy and proposed implementation materially affects investment performance	I&S	3	4	<b>12</b>

**.Key:** A&G Accounting and Governance  
SD Service Delivery  
I&S Investment and Stewardship  
PSLT Pension Senior Leadership Team

## 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 Director of Pensions – 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 2025



**Cllr Nick Harrison: Former Chair  
Elected Member**

Appointed: 25/05/21  
Resigned 21/03/25



**Cllr Trefor Hogg: Vice Chair  
Elected Member**

Appointed 25/05/21  
Acting Chair 22/03/2025 – 31/03/2025



**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 Claire Malcomson**  
**Co-opted Member**

Borough / District Representative  
Appointed 12/07/24



**Cllr Nirmal Kang**  
**Co-opted Member**

Borough / District Representative  
Appointed 12/07/24

## 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 8 October 2024.

**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 Residents' Associate and Independents 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
- j) To consider and approve an annual conflict of interest policy, which shall include how the potential conflict of interest of Surrey County Council in its dual role as Administering Authority for and scheme employer of the Surrey Pension Fund is managed.

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

## Surrey Pension Fund Committee Meetings

The Surrey Pension Fund Committee and minutes of meetings, are available on the [Surrey County Council website](#).

Meeting date	Agenda items
21 June 2024	<ol style="list-style-type: none"> <li>1. Apologies for absence and Substitutions</li> <li>2. Minutes of The Previous Meeting (22 March 2024)</li> <li>3. Declarations of Interest</li> <li>4. Questions and Petitions</li> <li>5. Glossary, Action Tracker &amp; Forward Plan</li> <li>6. Summary of The Local Pension Board (17 May 2024)</li> <li>7. Surrey Pension Team Overview - Quarter 4</li> <li>8. Change Programme Update - Quarter 4</li> <li>9. Surrey Pension Team Strategic Plan Out-Turn Report - 2023/24 Financial Year</li> <li>10. Investment Manager Performance and Asset/Liabilities Update</li> <li>11. Company Engagement &amp; Voting</li> <li>12. Investment Strategy - Fiduciary Duty and Investment Beliefs</li> <li>13. Competition &amp; Markets Authority (CMA): Investment Consultant Strategic Objectives</li> <li>14. LGPS Update (Background Paper)</li> <li>15. Responsible Investment Update</li> <li>16. Exclusion of the Public</li> <li>17. Investment Manager Performance and Asset / Liabilities Update (Part Two)</li> <li>18. Actuarial Update (Part Two)</li> <li>19. Asset Class Focus – Equity (Part Two)</li> <li>20. Real Estate Update (Part Two)</li> <li>21. Border to Coast Update (Part Two)</li> <li>22. Publicity of Part 2 Items</li> <li>23. Date of Next Meeting</li> </ol>

Meeting date	Agenda items
13 September 2024	<ol style="list-style-type: none"> <li>1. Apologies for Absence and Substitutions</li> <li>2. Minutes of The Previous Meeting (21 June 2024)</li> <li>3. Declarations of Interest</li> <li>4. Questions and Petitions</li> <li>5. Glossary, Action Tracker &amp; Forward Programme of Work</li> <li>6. Improving The Governance of The Surrey Pension Fund</li> <li>7. Summary of The Local Pension Board (26 July 2024)</li> <li>8. Surrey Pension Team Overview - Quarter 1 (April to June 2024)</li> <li>9. Change Management Update</li> <li>10. Draft Annual Report 2023/24</li> <li>11. Investment Manager Performance and Asset/Liabilities Update</li> <li>12. Company Engagement &amp; Voting Update</li> <li>13. Responsible Investment Update</li> <li>14. Asset Class Focus - Real Estate</li> <li>15. Investment Consultant Update</li> <li>16. Recent Developments in LGPS (Background Paper)</li> <li>17. Investment Benchmarking</li> <li>18. Exclusion of the Public</li> <li>19. Investment Benchmarking– Annexe 2 (Part Two)</li> <li>20. Investment Manager Performance and Asset/Liabilities Update – Annexe 1 &amp; 2 (Part Two)</li> <li>21. Border To Coast Pensions Partnership Update (Part Two)</li> <li>22. Publicity of Part 2 Items</li> <li>23. Date of Next Meeting</li> </ol>

Meeting date	Agenda items
13 December 2024	<ol style="list-style-type: none"> <li>1. Apologies for Absence and Substitutions</li> <li>2. Minutes of The Previous Meeting (13 September 2024)</li> <li>3. Declarations of Interest</li> <li>4. Questions and Petitions</li> <li>5. Glossary, Action Tracker &amp; Forward Programme of Work</li> <li>6. Summary of The Local Pension Board (15 November 2024)</li> <li>7. The Government's Consultation on the Future of The Local Government Pension Scheme (LGPS)</li> <li>8. Surrey Pension Team Overview - Quarter 2</li> <li>9. Change Management Report</li> <li>10. Investment Manager Performance and Asset / Liabilities Update</li> <li>11. Company Engagement &amp; Voting Update</li> <li>12. Investment Strategy - Fiduciary Duty and Investment Beliefs Update</li> <li>13. Asset Class Focus - Private Markets</li> <li>14. Recent Developments in LGPS (Background Paper)</li> <li>15. Exclusion of the Public</li> <li>16. Investment Manager Performance and Asset/ Liabilities Update – Annexe 1 (Part Two)</li> <li>17. Procurement of The Pension Administration Software (Part Two)</li> <li>18. BCPP Global Equity Alpha Update (Part Two)</li> <li>19. Responsible Investment Update (Part Two)</li> <li>20. Competition &amp; Markets Authority (CMA) - Investment Consultant Strategic Objectives (Part Two)</li> <li>21. Border to Coast Pensions Partnership Update (Part Two)</li> <li>22. Publicity of Part 2 Items</li> <li>23. Date of Next Meeting</li> </ol>

Meeting date	Agenda items
21 March 2025	<ol style="list-style-type: none"> <li>1. Apologies for Absence and Substitutions</li> <li>2. Minutes of The Previous Meeting (13 December 2024)</li> <li>3. Declarations of Interest</li> <li>4. Questions and Petitions</li> <li>5. Glossary, Action Tracker &amp; Forward Programme of Work</li> <li>6. Summary of The Local Pension Board (21 February 2025)</li> <li>7. Surrey Pension Team Overview – Quarter 3 2024/25 (October to December 2024)</li> <li>8. Change Management Report – Quarter 3 (October to December 2024)</li> <li>9. SPT Policy Review: Communication Policy Statement 2025/26 and Training Policy 2025/26</li> <li>10. Conflicts of Interest Policy</li> <li>11. Actuarial Update – Surrey Pension Fund Cashflows</li> <li>12. Surrey Pension Team strategic Plan 2025/26</li> <li>13. Investment Manager Performance and Asset / Liabilities Update</li> <li>14. Company Engagement &amp; Voting Update</li> <li>15. Responsible Investment Update</li> <li>16. Asset Class Focus – Credit Markets</li> <li>17. Recent Developments in LGPS (Background Paper)</li> <li>18. Local Government Reorganisation and the Surrey Pension Fund</li> <li>19. Exclusion of the Public</li> <li>20. Investment Manager Performance and Asset/ Liabilities Update</li> <li>21. Surrey Pension Team Valuation 2025 Update (Part Two)</li> <li>22. Migration of remaining non-pooled Assets into the Pool (Part Two)</li> <li>23. BCPP Global Equity Alpha Update (Part Two)</li> <li>24. Border to Coast Pensions Partnership Update (Part Two)</li> <li>24. Publicity of Part 2 Items</li> <li>25. Date of Next Meeting</li> </ol>

**Members of the Surrey Pension Fund Committee as at 31 March 2025**

<b>Name</b>	<b>Position</b>	<b>Representing</b>	<b>Appointed</b>
Nick Harrison	Chair	Elected Member	25/05/2021
		Resigned	21/03/2025
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
Nirmal Kang	-	Co-opted Member- Borough & Districts	12/07/2024
Claire Malcomson	-	Co-opted Member – Borough & Districts	12/07/2024
Kelvin Menon	-	Co-opted Member – Employer	25/05/2021
Nirmal Kang	-	Co-opted Member- Borough & Districts	12/07/2024
George Potter	-	Elected Member	25/05/2021
Richard Tear	-	Elected Member	25/05/2021

**Meeting attendance of the Surrey Pension Committee**

<b>Name</b>	<b>Jun 2024</b>	<b>Sept 2024</b>	<b>Dec 2024</b>	<b>Mar 2025</b>
Nick Harrison	Y	Y	Y	Y
Trefor Hogg	Y	Y	N	Y
Duncan Eastoe	Y	Y	Y	Y
David Harmer	Y	Y	Y	N
Robert Hughes	Y	Y	Y	Y
Nirmal Kang	N/A	N	N	Y
Claire Malcomson	N/A	N	N	N
Kelvin Menon	Y	N	Y	Y
George Potter	Y	Y	Y	Y
Richard Tear	Y	Y	Y	Y

## Membership of the Local Pension Board as at 31 March 2025



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

Appointed 19/07/21



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

Appointed 19/07/21

Resigned 02/11/24



**Cllr Jeremy Webster (Vice Chair)**  
**Employer Representative**

Appointed 19/07/21



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

Appointed 16/12/22



**Chris Draper**  
**Employer Representative**

Appointed 15/11/23



**Lisa Fogerty- Scott**  
**Employer Representative**

Appointed 09/10/2024



**Cllr Helyn Clack**  
**Employer Representative**

Appointed 21/02/2025



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

Appointed 17/07/15



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

Appointed 25/04/20



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

Appointed 19/07/21

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



2024/25 year continues to be both a busy and challenging period for the Surrey Pension Team. Despite the evolving landscape, the Surrey Pension Team has remained constant in delivering against the objectives set out in Year 2 of our Strategic Plan.

Building on the strong foundations laid in the previous year, continuing to embed a culture of continuous improvement, professional development, and service excellence. Efforts have been closely aligned with our Vision and Mission, ensuring that every step we take contributes to long-term sustainability and value for our members and stakeholders.

This commitment was recognised when the Surrey Pension Team was shortlisted for seven awards and proudly won the **'Impact Investing Principles Adopter' Pension Fund Award** at the Pensions for Purpose Annual Symposium and Awards.

A key milestone this year was the Fund's first Annual Residential Member Training, bringing together Board Members, Committee Members, Officers, and Advisors to strengthen collaboration and shared understanding.

The Fund continues to grow, now encompassing over 400 participating employers, including county and district councils, schools, academies, colleges, universities, and admitted bodies such as cleaning and catering companies delivering outsourced services.

In November, we said farewell to our Vice-Chair, **David Lewis**, who stepped down due to ill health. I would like to extend my sincere thanks to David for his invaluable contribution to the work of the Board.

I was pleased to welcome **Lisa Fogerty Scott** and, more recently, **Helyn Clack** as new Members of the Board. Their insights and experience are already proving to be valuable additions.

The Board meets quarterly to provide oversight in line with the Public Service Pensions Act 2013 and LGPS Regulations. Its core role is to support Surrey County Council and the Pension Fund Committee in ensuring regulatory compliance and promoting effective scheme governance and administration.

The Board has monitored administrative performance throughout the year, including KPIs, project updates, system changes, and developments in legislation and best practice.

Members of the board have actively overseen risk management and administration, regularly reviewing the progress of key projects, raising concerns with the Committee, and providing input on its activities as needed.

I would like to thank all Board Members for their dedication this year and acknowledge the continued support of our Officers.

Board meetings are open to the public, and I would welcome anyone with an interest in the Fund to attend and observe. I also encourage feedback from employers and members on how the Board can better support them.

For more information, please contact the Governance Manager at: [adele.seex@surreycc.gov.uk](mailto:adele.seex@surreycc.gov.uk)

**Tim Evans**

Chair of the Surrey Local Pension Board

*July 2025*

### Members of the Surrey Local Pension Board as at 31 March 2025

Name	Position	Representing	Appointed	Appointment ended
Tim Evans	Chair	Independent Chair	19/07/2021	-
Jeremy Webster	Vice Chair	Scheme Employers	19/07/2021	-
Brendan Bradley	-	Scheme Employers	06/12/2022	-
Chris Draper	-	Scheme Employers	15/11/2023	-
Lisa Fogerty-Scott	-	Scheme Members	09/10/2024	-
Siobhan Kenedy	-	Scheme Members	25/04/2020	-
William McKee	-	Scheme Members	19/07/2021	-
Trevor Willington	-	Scheme Members	17/07/2015	-
Helen Clack	-	Scheme Members	21/02/2025	-

### Meeting attendance of the Surrey Local Pension Board

Name	May 2024	July 2024	November 2024	February 2024
Tim Evans	Y	Y	Y	Y
David Lewis	Online	Y	Y	N/A
Brendan Bradley	Y	N	Online	N
Helyn Clack	N/A	N/A	N/A	N/A
Chris Draper	Y	Y	Y	Y
Lisa Fogerty-Scott	N/A	N/A	Y	N
Siobhan Kennedy	Online	Y	Y	Online
William McKee	Y	Online	Y	Y
Jeremy Webster	Y	Y	Y	Y
Trevor Willington	Y	Y	Y	Y

Key Y= Attended

N = Not attended (apologies for absence)

## Meetings and Agenda Items

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

### Surrey Local Pension Board Meetings

Meeting date	Agenda items
17 May 2024	<ol style="list-style-type: none"> <li>1. Apologies For Absence and Substitutions</li> <li>2. Minutes From the Previous Meeting: 16 February 2024</li> <li>3. Declarations of Interest</li> <li>4. Questions and Petitions</li> <li>5. Glossary, Action Tracker &amp; Forward Plan</li> <li>6. Summary of the Pension Fund Committee Meeting of 22 March 2024</li> <li>7. Surrey Pension Team Overview – Quarter 4</li> <li>8. Change Programme Update – Quarter 4</li> <li>9. Administration Performance Report and Update - 1 January 2024 to 31 March 2024</li> <li>10. Risk register update 2023/24 Quarter 4</li> <li>11. Business Continuity Plan-Progress Update</li> <li>12. Update on Cyber Security</li> <li>13. Surrey Pension Fund Internal Audit Progress Report - Quarter 4</li> <li>14. Surrey Pension Fund Internal Audit Strategy and Annual Plan 2024/25</li> <li>15. External Audit Update</li> <li>16. LGPS Update (Background Paper)</li> <li>17. Date of the Next Meeting</li> </ol>

<b>Meeting date</b>	<b>Agenda items</b>
26 July 2024	<ol style="list-style-type: none"><li>1. Apologies For Absence and Substitutions</li><li>2. Minutes From the Previous Meeting: 17 May 2024</li><li>3. Declarations of Interest</li><li>4. Questions and Petitions</li><li>5. Glossary, Action Tracker &amp; Forward Plan</li><li>6. Summary of the Pension Fund Committee Meeting of 21 June 2024</li><li>7. Surrey Pension Team Overview - Quarter 1</li><li>8. Change Management Update</li><li>9. Administration Performance Report and Update - 1 April 2024 to 30 June 2024</li><li>10. Risk Register Update 2024/25 Quarter 1</li><li>11. Surrey Pension Team Draft Business Continuity Plan</li><li>12. Surrey Pension Fund Internal Audit Progress Report - Quarter 1</li><li>13. External Audit Update</li><li>14. Surrey Local Pension Board Annual Report 2023/24</li><li>15. LGPS Update (Background Paper)</li><li>16. Date of the Next Meeting</li></ol>

Meeting date	Agenda items
15 November 2024	<ol style="list-style-type: none"> <li>1. Apologies for Absence and Substitutions</li> <li>2. Minutes From the Previous Meeting: 26 July 2024</li> <li>3. Declarations of Interest</li> <li>4. Questions and Petitions</li> <li>5. Glossary, Action Tracker &amp; Forward Programme of works</li> <li>6. Summary of the Pension Fund Committee Meeting Of 13 September 2024</li> <li>7. Improving The Governance of The Surrey Pension Fund Update</li> <li>8. Surrey Pension Team Overview – Quarter 2</li> <li>9. Change Management Update</li> <li>10. Service Delivery Overview</li> <li>11. Risk Register Update 2024/25 Quarter 2</li> <li>12. The Pension Regulator General Code of Practice</li> <li>13. Actuarial Update 2025 Valuation Planning</li> <li>14. Surrey Pension Fund Internal Audit Progress Report Quarter 2 (01/07/24 -30/09/24)</li> <li>15. Surrey Pension Fund – External Audit Update</li> <li>16. LGPS - Background Papers</li> <li>17. Date of Next Meeting</li> </ol>
21 February 2025	<ol style="list-style-type: none"> <li>1. Apologies for Absence and Substitutions</li> <li>2. Minutes From the Previous Meeting: 15 November 2024</li> <li>3. Declarations of Interest</li> <li>4. Questions and Petitions</li> <li>5. Glossary, Action Tracker, Forward Programme of Work</li> <li>6. Surrey Pension Fund Committee Summary update -13 December 2024</li> <li>7. Surrey Pension Team Overview – Dashboard update</li> <li>8. Change Management Update</li> <li>9. Service Delivery Overview</li> <li>10. Risk Register Update 2024/25 Quarter 3</li> <li>11. Communication Policy Review</li> <li>12. Training Policy Review</li> <li>13. Conflicts of Interest Review</li> <li>14. Surrey Pension Fund Internal Audit Progress Report – Quarter 3 (01/10/2024 -31/12/2024)</li> <li>15. LGPS Update - Background Paper</li> <li>16. Date of Next Meeting</li> </ol>

## Activities of the Board

### Introduction

From 1 April 2015, the Surrey Pension Fund Committee has been assisted in its management of the Surrey Pension Fund by a Local Pension Board made up from representatives of members and employers of the scheme.

The Board has met on four occasions during the year to ensure that the Surrey Pension Fund has effective and efficient governance and administration of the scheme is compliant with LGPS and other relevant regulations, adhering to the [Governance Compliance Statement](#) and [Governance Policy](#).

In 2024/25 the work of the Board included:

- Monitoring of the in-house administration team with regards to the effective delivery of administration of member benefits in line with statutory deadlines.
- Monitoring of administration KPIs and employer relationships including late payments and data, discretions, complaints, and breaches of the law.
- Monitoring of data quality and improvements and administration projects including Guaranteed Minimum Pension (GMP), implementation of the McCloud remedy, pensions dashboard connectivity and i-Connect rollout.
- Monitoring the activities of the Surrey Pension Fund Committee (the Committee) meetings held during the year.

### Risk Management

Throughout the year the Board reviewed the Pension Fund Risk Register, providing the Board the opportunity to influence and drive the risk management process.

This year, Officers undertook a full review of the Risk Register, adopting new practices on reporting the higher risk items. Additional work has taken place to develop and implement team risk registers that are reviewed monthly with oversight from the Pensions Senior Leadership Team.

The main area of risk identified and discussed by the Board was the implementation of new financial systems and the delays in processing, data integrity issues or financial loss associated with this. At each meeting throughout the year, the Board has been updated on the issues.

### Policy reviews

During the year the Board reviewed [the Communications Policy Statement](#) which outlines the strategic approach to the SPT communications for the year, with the Board also reviewed the [Training Policy](#) for Board, Committee Members and

Officers. Both policies were approved by the Pension Fund Committee on 21 March 2025.

### **Conflicts of interest Policy**

The Board considered the proposed Surrey Pension Fund [Conflicts of Interest Policy](#) applicable equally to Pension Fund Committee and Local Pension Board Members along with Officers and Advisors involved in the management of the Fund.

After consideration by the Board, the Committee approved the policy on 21 March 2025.

**Changes to the Governance Structure** At its meeting on 15 November 2024, the Board were asked to note the contents of a report that had previously been approved by Pension Fund Committee and full Council regarding changes to the governance of the Pension Fund and its Terms of Reference, Scheme of Delegation, and Financial Regulations. The changes to the governance of the Surrey Pension Fund acknowledged and addressed potential conflicts of interest for Surrey County Council in its dual role as Administering Authority of and a scheme employer in the Fund to be more effectively managed.

### **Independent Assurance**

#### Internal Audit

The Board monitored the planned activities by Orbis Internal Audit in its delivery of an annual programme of audit work of the Surrey Pension Fund for 2024/25.

During 2024/25, audits were undertaken as set out in the table below.

<b>Area of Work</b>	<b>Assurance Rating</b>
Pension Fund Business Continuity Arrangements	Reasonable
Overseas Pensioners Life Certification	Reasonable
Pension Fund Investments	Reasonable
Pension Fund Deaths Administration*	Substantial

\*Final report issued Q1 2025/26

A final Audit report is then published to management, which includes agreed actions and implementation dates.

The results of audit work on the Scheme are reported to the Surrey Local Pension Board and Surrey Pension Fund Committee, and in summary form, to the Audit and Governance Committee, as part of the quarterly progress reports.

### External Audit

External audit plan and reports are considered by the Board.

### **Business Continuity Plans**

The Board received a report which outlined progress to establish a pension specific Business Continuity Plan.

### **Cyber Security Update**

The Board received a report which considered Cyber Security work in the Surrey Pension Team. Following the internal audit review of cyber security – which provided a Reasonable Assurance rating it was determined that further training of officers was warranted.

### **The Pensions Regulator's General Code of Practice**

The Board considered the progress made on the status of compliance with The Pension Regulator's (tPR) General Code of Practice.

The Code has five overarching principles covering the governing body; funding and investment; administration; communications and disclosure; and reporting to TPR, each of which is divided up into a total of 51 modules.

During the year work has continued on reviewing and evidencing compliance with the General Code of Practice (GCOP). Officers have focused on completing the last three chapters:

- Administration: IT & Cyber Security
- Funding and Investment: Investment (best practice only)
- Governing Body: Advisers and Service Providers (best practice only)

Of the eleven chapters completed, three modules were initially not met but have now been reviewed and are partially met.

The next steps are to review each of the modules and identify the actions required to turn partially compliant areas to fully compliant

### **Training**

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 2025/26 [Training Policy](#) (Version 3) at its meeting of 21 March 2025.

The Fund is committed to providing training to those involved in the governance of the Fund and to ensuring the Committee and 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:

- a) Ensure that Officers of the Surrey Pension Fund (SPF) and Members of the Local Pension Board (Board) and the Pension Fund Committee (Committee) have the appropriate knowledge and expertise to effectively fulfil their role.
- b) Develop the skills and knowledge to support effective and robust decision making, ensuring that the Fund meets its objectives and decisions are well founded and comply with Regulatory requirements or guidance from the Pensions Regulator, the Scheme Advisory Board and the Ministry for Housing, Communities and Local Government (MHCLG).
- c) Provide Members of the Board and Committee with the skills to evaluate the information they receive and effectively challenge it where appropriate.

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

### **New Member Training**

On appointment to the Committee or Board, all new Members receive a Member Induction Handbook, access to the LGPS Online Learning Academy (LOLA) and access to the Surrey Pension Fund Governance SharePoint site.

Members are requested to complete the online training courses provided by The Pensions Regulator, currently via the [Trustee Toolkit](#), before attending their first meeting or within the first three months of their appointment if earlier.

The Pensions Regulator's [Public Service Toolkit](#), should be completed within the first six months of appointment.

### **The LGPS Online Learning Academy (LOLA)**

Members of the Board are encouraged to undertake The LGPS Online Learning Academy (LOLA) an online training tool, to improve their knowledge and understanding as recommended by the Scheme Advisory Board (SAB) Good Governance review.

There are eight training modules:

1. Committee Role and Pensions Legislation

2. Pensions Governance
3. Pensions Administration
4. Pensions Accounting and Audit Standards
5. Procurement and Relationship Management
6. Investment Performance and Risk Management
7. Financial Markets and Product Knowledge
8. Actuarial Methods Standards and Practices

In addition, there is a module on 'Current Issues' which is regularly updated with relevant content and videos for Board and Committee members.

### **Annual Residential Training events**

A two-day residential training event was provided for Members of the Board and Committee. Fund Officers and Advisors provided information on a variety of topics such as investment, governance, administration, funding, responsible investment, and fiduciary responsibility.

### **Additional Training**

Throughout the year Members attended various seminars and conferences. This has included LGPS Governance Conference, LOLA Online training session, Conflicts of Interests and 2025 Valuation - Assumptions (rate setting and cashflows).

## Knowledge and Skills Framework

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 2025/26 [Training Policy](#) (Version 3) at its meeting of 21 March 2025.

The Fund will demonstrate compliance with its training plan on a yearly basis through the Annual Report. Below tables detail the training activities for Pension Fund Committee and Local Pension Board Members.

### Training of current Committee Members

Training	Nick Harrison	David Harmer	Trefor Hogg	Richard Tear	George Potter	Kelvin Menon	Robert Hughes	Duncan Eastoe	Nirmal Kang	Claire Malcolmson
TPR Public Service Toolkit	Y	N	Y	Y	N	Y	N	Y	N	Y
TPR Trustee Toolkit	Y	N	Y	N	N	Y	N	N	Y	N
Board & Committee Residential	Y	Y	Y	N	Y	Y	N	Y	Y	N
LGA Fundamentals 1	Y	N	Y	N	N	Y	N	Y	N	N
LGA Fundamentals 2	Y	N	Y	N	N	Y	N	Y	N	N
LGA Fundamentals 3	Y	N	Y	N	N	Y	N	Y	N	N

Training	Nick Harrison	David Harmer	Trefor Hogg	Richard Tear	George Potter	Kelvin Menon	Robert Hughes	Duncan Eastoe	Nirmal Kang	Claire Malcolmson
LOLA Unit 1	Y	N	Y	Y	N	Y	N	N	Y	N
LOLA Unit 2	Y	N	Y	Y	N	Y	N	N	Y	N
LOLA Unit 3	Y	N	Y	Y	N	Y	N	N	N	N
LOLA Unit 4	Y	N	Y	Y	N	Y	N	N	Y	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	Y	N
LOLA Current Issues	Y	N	Y	Y	N	N/A	N	N	Y	N
2025 Valuation - Assumptions,	Y	Y	Y	Y	N	Y	Y	N	Y	N

<b>Training</b>	<b>Nick Harrison</b>	<b>David Harmer</b>	<b>Trefor Hogg</b>	<b>Richard Tear</b>	<b>George Potter</b>	<b>Kelvin Menon</b>	<b>Robert Hughes</b>	<b>Duncan Eastoe</b>	<b>Nirmal Kang</b>	<b>Claire Malcolmson</b>
rate setting & cashflows 21/03/2025										
LGPS Governance conference (2 days) Bournemouth 30/01/2025 – 31/01/2025	N	N	N	N	N	N	N	N	N	N
LOLA Online training session: Conflicts of Interests 24/01/2025	N	N	N	N	N	Y	N	N	Y	N
Hymans online training: Contribution Stabilisation Mechanism & Current Funding Strategy Statement 15/01/2025	Y	Y	N	Y	N	Y	N	N	N	N

Training	Nick Harrison	David Harmer	Trefor Hogg	Richard Tear	George Potter	Kelvin Menon	Robert Hughes	Duncan Eastoe	Nirmal Kang	Claire Malcolmson
Investment Beliefs session 2 13/09/2024	Y	Y	Y	Y	Y	Y	Y	N	Y	Y
Investment Beliefs session 1 09/08/2024	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
Border to Coast Annual Conference 18/07/2024 – 19/07/2024	Y	N	N	N	N	Y	N	N	N	N
L&G Investment Managers session 21/06/2024	Y	Y	Y	Y	Y	Y	Y	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	Jeremy Webster	William McKee	Trevor Willington	Siobhan Kennedy	Brendan Bradley	Chris Draper	Lisa Fogerty Scott	Helyn Clack
TPR Public Service Toolkit	N	Y	Y	Y	Y	Y	Y	N	N
TPR Trustee Toolkit	N	N	Y	Y	Y	Y	Y	N	N
Board Committee Residential	Y	Y	Y	N	Y	N	Y	Y	N/A
Local Government Association Fundamentals 1	N	Y	Y	Y	Y	N	Y	N	N
Local Government Association Fundamentals 2	N	Y	Y	N	Y	N	Y	N	N
Local Government Association Fundamentals 3	N	Y	Y	Y	Y	N	Y	N	N
LOLA Unit 1	N	Y	N	N	Y	Y	Y	N	N

Training	Tim Evans	Jeremy Webster	William McKee	Trevor Willington	Siobhan Kennedy	Brendan Bradley	Chris Draper	Lisa Fogerty Scott	Helyn Clack
LOLA Unit 2	N	Y	N	N	Y	Y	Y	N	N
LOLA Unit 3	N	Y	N	N	Y	Y	Y	N	N
LOLA Unit 4	N	Y	N	N	Y	Y	Y	N	N
LOLA Unit 5	N	Y	N	N	Y	Y	Y	N	N
LOLA Unit 6	N	Y	N	N	Y	Y	Y	N	N
LOLA Unit 7	N	N/A	N	N	Y	Y	Y	N	N
LOLA Unit 8	N	N/A	N	N	Y	Y	Y	N	N
LOLA Current Issues	Y	N/A	N	N	Y	Y	N	Y	N

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

Additional Training up to 31 March 2025

<b>Training</b>	<b>Tim Evans</b>	<b>Jeremy Webster</b>	<b>William McKee</b>	<b>Trevor Willington</b>	<b>Siobhan Kennedy</b>	<b>Brendan Bradley</b>	<b>Chris Draper</b>	<b>Lisa Fogerty - Scott</b>	<b>Helyn Clack</b>
2025 Valuation - Assumptions, rate setting & cashflows – 21/03/2025	N	N	Y	N	N	N	N	Y	Y
LGPS Governance conference (2 days) Bournemouth 30/01/2025 – 31/01/2025	N	N	N	N	Y	N	N	Y	N/A
LOLA Online training session: Conflicts of Interests 24/01/2025	N	N	Y	N	N	N	N	Y	N/A

## Conflict of Interest

In line with the updated Terms of Reference for Committee from 8 October 2024, the Committee is responsible to considering and approving an annual conflict of interest policy.

The Surrey Pension Fund [Conflicts of Interest Policy](#) was formally adopted following its consideration by the Board on 21 February 2025 and subsequent approval by the Committee on 21 March 2025.

The Policy outlines the process for identifying, monitoring, and managing conflicts of interest in the Fund's governance and management. It consolidates processes and policies for key stakeholders and addresses Surrey County Council's dual role as both the Administering Authority and a scheme employer of the Surrey Pension Fund.

Effective management of conflicts of interest is crucial for the Fund to uphold its fiduciary responsibilities and maintain trust to meet its obligations.

Conflicts of interest, including those related to investment stewardship, are managed across three areas: the Board, the Committee, and Officers/third parties. Codes ensure that all parties uphold the highest standards of conduct, aligned with the Seven Principles of Public Life: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, and Leadership.

The Policy also aligns with the Council's Constitution as it applies to Councillors, Committee and Board Members, Officers, and Advisors, ensuring no conflict with existing constitutional provisions.

Upon appointment, Committee, Board and Senior Officers are provided with a copy of the Conflicts of Interest Policy and are required to complete a Registration of Interest Form. The information contained in these forms are collated into the Register of Interests.

## 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



### Contents

Pension Fund Forecast

2025/26 Operational Budget

Three Year Forecast

## Pension Fund Forecast

The table below sets out a summary of the income and expenditure of the Fund for 2024/25 and that budgeted for in 2025/26

£m	2024/25 Budget	2024/25 Actual	2024/25 Variance	2025/26 Budget
<b>Income</b>				
Employer contributions	159	170	11	164
Member contributions	49	54	5	52
Other contributions	-	2	2	2
<b>Total contributions</b>	<b>208</b>	<b>226</b>	<b>18</b>	<b>218</b>
Transfers in	37	33	-4	25
Investment income	45	48	3	40
<b>Total income</b>	<b>290</b>	<b>307</b>	<b>17</b>	<b>283</b>
<b>Expenditure</b>				
Pensions	-177	-192	-15	-183
Commutation/lump sum retirement	-21	-34	-13	-26
Other	-10	-1	10	-1
<b>Total benefits</b>	<b>-208</b>	<b>-227</b>	<b>-19</b>	<b>-210</b>
Transfers out	-37	-50	-13	-30
Administrative expenses	-5	-5	0	-4
Oversight/governance costs	-2	-3	-1	-3
Investment expenses	-9	-6	3	-9
Taxes on income	-1	0	1	-1
<b>Total expenditure</b>	<b>-262</b>	<b>-291</b>	<b>-29</b>	<b>-256</b>
<b>Net income</b>	<b>28</b>	<b>16</b>	<b>-12</b>	<b>27</b>
Change in Market Value	183	208	25	234
<b>Net increase in Fund Value</b>	<b>211</b>	<b>224</b>	<b>13</b>	<b>261</b>
<b>Fund Value</b>	<b>5,651</b>	<b>6,089</b>	<b>438</b>	<b>6,350</b>

Income for 2024/25 in the Draft Unaudited Financial Statements was £17m positive variance to budget due to higher-than-expected Contribution and Transfer In values as total Employers in the Fund increased by 51.

Expenditure for 2024/25 in the Draft Unaudited Financial Statements was £29m adverse variance to budget due to higher-than-expected Benefits Paid and Transfers Out as total pensioners increased by 1,340.

Income and Cashflows into the Fund were positive variance to budget of £16m, however lower than expected budget of £28m as per the adverse variance on Expenditure. Operating costs versus budget in the Draft Unaudited Financial Statements were £2m favourable variance.

Non-Investment Net Assets decreased in 2024/25 due to reduction and prompt settlement of related party transactions.

Contribution Income Budget and Forecast to 2027/28 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 2024/25 or 2025/26 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.

## 2025/26 Operational Budget

The table below sets out the operational budget for the Fund for 2025/26 as approved by the Pension Fund Committee on 21/03/2025.

£000	2025/26 Budget
Admin Staffing	2,764
Non staffing	900
Overheads	736
<b>Total administration</b>	<b>4,400</b>
Fund Officers and Management	1,132
Advisors	165
Audit	100
Memberships and Benchmarking	92
Non staffing	475
Training	100
Overheads	207
Projects	292
<b>Total oversight and governance</b>	<b>2,564</b>
Fund Officers	216
Pooling Costs (including Governance)	1,850
Custody	150
Investment Management Fees	6,500
<b>Total investment and custody</b>	<b>8,716</b>
<b>Total operational budget</b>	<b>15,680</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 2025/26 to 2027/28. The budget and forecasts are presented and considered by Pension Fund Committee.

	£m	2025/26	2026/27	2027/28
Total contributions		218	222	233
Transfers in		25	25	27
Investment income		40	40	48
<b>Total income</b>		<b>283</b>	<b>287</b>	<b>308</b>
Total benefits		-210	-212	-231
Transfers out		-30	-30	-41
Management expenses		-16	-20	-20
<b>Total expenditure</b>		<b>-256</b>	<b>-262</b>	<b>-292</b>
<b>Net income</b>		<b>27</b>	<b>25</b>	<b>16</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 2024/25



The following pages present the accounts for the Surrey Pension Fund for the year ended 31 March 2025.

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

## Surrey Pension Fund Accounts 2024/25

### Fund Account

£000	Note	2024/25	2023/24
Contributions receivable	7	229,543	213,194
Transfers in	8	35,159	23,413
<b>Contributions Sub-total</b>	-	<b>264,702</b>	<b>236,607</b>
Benefits payable	9	(226,697)	(216,611)
Payments to and on account of leavers	10	(50,115)	(30,675)
<b>Benefits Sub-total</b>	-	<b>(276,812)</b>	<b>(247,286)</b>
<b>Net additions from dealings with members</b>	-	<b>(12,110)</b>	<b>(10,679)</b>
Management expenses	11	(14,171)	(13,379)
<b>Net additions including fund management expenses</b>	-	<b>(26,281)</b>	<b>(24,058)</b>
<b>Return on investments</b>	-	-	-
Investment income	12	47,651	37,997
Taxes on income	-	(403)	(491)
Profit and (losses) on disposal of investments and changes in the value of investment	17	207,696	559,901
<b>Net return on investments</b>	-	<b>254,944</b>	<b>597,407</b>
<b>Net increase in the net assets available for benefits during the year</b>	-	<b>228,663</b>	<b>573,349</b>
<b>Opening net assets of the scheme</b>	-	<b>5,864,745</b>	<b>5,291,396</b>
<b>Closing net assets of the scheme</b>	-	<b>6,093,408</b>	<b>5,864,745</b>

## Net Assets Statement

£000	Note	31 March 2025	31 March 2024
Investment assets	14	6,037,983	5,818,738
Investment liabilities	14	(744)	(15,238)
<b>Total net investments</b>	-	<b>6,037,239</b>	<b>5,803,500</b>
Current assets	21	62,492	70,018
<b>Total assets</b>	-	<b>6,099,731</b>	<b>5,873,518</b>
Current liabilities	22	(6,323)	(8,773)
<b>Net assets of the fund available to fund benefits at the end of the reporting period</b>	-	<b>6,093,408</b>	<b>5,864,745</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 2025</b>	<b>31 March 2024</b>
Number of employers	406	355

<b>Employees in scheme</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Surrey County Council	15,046	16,101
Other Employers	21,421	20,275
<b>Total Employees in the Scheme</b>	<b>36,467</b>	<b>36,376</b>

<b>Pensioners</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Surrey County Council	16,599	15,947
Other Employers	15,685	14,997
<b>Total Pensioners</b>	<b>32,284</b>	<b>30,944</b>

<b>Deferred Pensioners</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Surrey County Council	33,827	35,953
Other Employers	27,209	27,062
<b>Total Deferred Pensioners</b>	<b>61,036</b>	<b>63,015</b>
<b>Total Number of Members</b>	<b>129,787</b>	<b>130,335</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 2025. 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 2024/25 ranged from 12.7% to 40.4% 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 2024/25 financial year and its position at the year end at 31 March 2025. 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 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 due to increasing inflation.

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 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**

##### **(v) 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.

##### **(vi) 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.

**(vii) 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**

**(viii) 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.

**(ix) 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.

#### **(x) 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**

##### **(xi) 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.

**(xii) 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.

**(xiii) 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.

**(xiv) 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.

**(xv) 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.

**(xvi) 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.

**(xvii) 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.

**(xviii) 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 a 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 2025 is £5,013m. 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 £88m</li> <li>• a 0.1%p.a. increase in salary growth would increase the promised retirement benefits by approximately £3m</li> <li>• a 0.1% p.a. increase in the pension increase rate (CPI) would increase the promised retirement benefits by approximately 2% or £85m</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	2024/25	2023/24
<b>Total Employees' Contributions</b>	<b>54,140</b>	<b>51,833</b>
Normal contributions	142,982	132,052
Deficit recovery contributions	29,412	23,544
Augmentation contributions	740	3,108
<b>Total Employers' Contributions</b>	<b>173,135</b>	<b>158,704</b>
Other contributions	2,268	2,657
<b>Total Contributions Receivable</b>	<b>229,543</b>	<b>213,194</b>

### By Employer

£000	2024/25	2023/24
Administering authority	94,142	85,537
Scheduled bodies	130,413	121,854
Admitted bodies	2,902	3,146
Other	2,086	2,657
<b>Total</b>	<b>229,543</b>	<b>213,194</b>

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

<b>£000</b>	<b>2024/25</b>	<b>2023/24</b>
Individual transfers	35,159	23,413
<b>Total Transfers</b>	<b>35,159</b>	<b>23,413</b>

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

<b>£000</b>	<b>2024/25</b>	<b>2023/24</b>
Pensions	(191,185)	(184,267)
Commutation and lump sum retirement benefits	(25,571)	(27,246)
Lump sum death benefits	(5,406)	(4,723)
Interest on late payment of benefits	(535)	(375)
<b>Total Benefits Payable</b>	<b>(226,697)</b>	<b>(216,611)</b>

**By Type of Employer**

<b>£000</b>	<b>2024/25</b>	<b>2023/24</b>
Administering authority	(103,930)	(86,241)
Scheduled bodies	(108,394)	(101,035)
Admitted bodies	(14,373)	(29,335)
<b>Total Benefits Payable</b>	<b>(226,697)</b>	<b>(216,611)</b>

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

<b>£000</b>	<b>2024/25</b>	<b>2023/24</b>
Group transfers to other schemes	(49,271)	(29,884)
Refunds of contributions	(845)	(798)
Payments for members joining state schemes	2	7
<b>Total Payments</b>	<b>(50,115)</b>	<b>(30,675)</b>

## 11. Management expenses

£000	2024/25	2023/24
Administrative costs	(4,782)	(3,495)
Investment management expenses	(6,655)	(7,725)
Oversight and governance costs	(2,734)	(2,159)
<b>Total Management expenses</b>	<b>(14,171)</b>	<b>(13,379)</b>

As part of its oversight and governance costs in 2024/25, the Fund had also paid £500k (2023/24: £1,613k) in respect of pooling costs payable to the Border to Coast Pensions Partnership (BCPP).

### Investment management expenses

2024/25

£000	Management fees	Performance related fees	Transaction costs	Total
Equities	(1,708)	(960)	(204)	(2,872)
Pooled investments	(805)	-	(48)	(853)
Pooled property investments	(1,387)	-	-	(1,387)
Private equity	(1,447)	-	-	(1,447)
<b>Sub-total</b>	<b>(5,347)</b>	<b>(960)</b>	<b>(252)</b>	<b>(6,559)</b>
Custody and other fees	-	-	-	(96)
<b>Total</b>	-	-	-	<b>(6,655)</b>
Oversight and Governance	-	-	-	(2,734)
<b>Total</b>	-	-	-	<b>(9,389)</b>

**2023/24**

<b>£000</b>	<b>Management fees</b>	<b>Performance related fees</b>	<b>Transaction costs</b>	<b>Total</b>
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>-</b>	<b>(1,006)</b>	<b>(7,621)</b>
Custody fees	-	-	-	<b>(104)</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,725)</b>
Oversight and Governance	-	-	-	<b>(2,159)</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,884)</b>

**12. Investment income**

<b>£000</b>	<b>2024/25</b>	<b>2023/24</b>
Income from equities	6,855	8,071
Private equity income	27,291	15,925
Pooled property investments	9,093	8,757
Interest on cash deposits	1,216	2,886
Other	3,196	2,358
<b>Total Investment income</b>	<b>47,651</b>	<b>37,997</b>

**13. Other fund account disclosures**

<b>£000</b>	<b>2024/25</b>	<b>2023/24</b>
Payable in respect of external audit	(121)	(99)
Payable in respect of other services	-	-
<b>Total External audit costs</b>	<b>(121)</b>	<b>(99)</b>

## 14. Investments

### Investment assets and liabilities £000

<b>Investment assets</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Equity	436,603	466,344
Bonds	903,098	849,554
Pooled funds: Equity unit trusts	3,288,009	3,230,195
<b>Sub-total</b>	<b>4,627,710</b>	<b>4,546,093</b>
Other investments: Pooled property investments	292,762	279,927
Other investments: Private equity	1,033,607	929,217
Derivatives	24,696	514
<b>Total net investments</b>	<b>5,978,775</b>	<b>5,755,752</b>
Cash deposits	57,053	60,828
Other investment balances	2,155	2,158
<b>Sub-total</b>	<b>6,037,983</b>	<b>5,818,738</b>
<b>Investment liabilities</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Derivatives	(744)	(3,830)
Pending Purchase	-	(11,391)
Pending Spot FX	-	(16)
<b>Total investment assets</b>	<b>6,037,239</b>	<b>5,803,500</b>

## 14A. Reconciliation of movements in investments and derivatives

2024/25

£000	Market value 1 April 2024	Purchases and derivative payments	Sales and derivative receipts	Change in value during the year	Market value 31 March 2025
Equities	466,344	193,841	(240,861)	17,279	436,603
Pooled investments	4,079,749	98,464	(162,481)	175,375	4,191,107
Pooled property investments	279,927	13,069	(4,236)	4,002	292,762
Private equity	929,217	228,072	(105,010)	(18,672)	1,033,607
<b>Sub-total</b>	<b>5,755,237</b>	<b>533,446</b>	<b>(512,588)</b>	<b>177,984</b>	<b>5,954,079</b>
Derivatives	(3,316)	48,859	(51,100)	29,509	23,952
<b>Sub-total</b>	<b>5,751,921</b>	<b>582,305</b>	<b>(563,688)</b>	<b>207,493</b>	<b>5,978,031</b>
Other investment balances: Cash	60,828	-	-	13	57,053
Spot FX Contracts	(16)	-	-	201	-
Other investment balances:	(11,391)	-	-	(11)	-
Accrued income/other	2,158	-	-	-	2,155
<b>Total</b>	<b>5,803,500</b>	<b>-</b>	<b>-</b>	<b>207,696</b>	<b>6,037,239</b>

## 2023/24

£000	Market value 1 April 2023	Purchases and derivative payments	Sales and derivative receipts	Change in value during the year	Market value 31 March 2024
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>

## 14B. Investments analysed by fund manager

### Investments managed by Border to Coast Pension Partnership

<b>Fund Manager</b>	<b>Market value 31 March 2025 £000</b>	<b>%</b>	<b>Market Value 31 March 2024 £000</b>	<b>%</b>
Border to Coast UK Equity Alpha	394,952	7	368,447	6
Border to Coast Global Equity Alpha	-	-	875,418	15
Border to Coast Global MAC	903,105	15	849,560	15
Border to Coast Global Listed Alt	57,115	1	80,072	1
Border to Coast Global Real Estate	2,822	0	-	-
Border to Coast Emerging Mkt Eq	292,940	5	285,286	5
<b>Sub-total</b>	<b>1,650,933</b>	<b>28</b>	<b>2,458,783</b>	<b>42</b>

### Investments managed outside Border to Coast Pension Partnership

<b>Fund Manager</b>	<b>Market value 31 March 2025 £000</b>	<b>%</b>	<b>Market Value 31 March 2024 £000</b>	<b>%</b>
LGIM (Legal & General Investment Management)	2,543,070	42	1,621,031	28
Newton Investment Management	451,087	8	478,281	8
CBRE Global Multi-Manager	298,944	5	286,932	5
Private equity/other	1,069,253	18	961,789	17
Derivatives	23,952	-	(3,316)	-
<b>Sub-total</b>	<b>4,386,306</b>	<b>72</b>	<b>3,344,717</b>	<b>58</b>
<b>Total</b>	<b>6,037,239</b>	<b>100</b>	<b>5,803,500</b>	<b>100</b>

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

Fund Manager	Market value 31 March 2025 £000	%	Market value 31 March 2024 £000	%
LGIM Future World Global Equity Index	2,209,546	37	1,306,376	23
Border to Coast Global Equity Alpha	-	-	875,418	15
Border to Coast Multi Asset Credit	903,098	15	849,554	15
Border to Coast UK Equity Alpha	394,934	6	368,429	6
<b>Total</b>	<b>3,507,578</b>	<b>58</b>	<b>3,399,777</b>	<b>59</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 2025 the value of quoted securities on loan was £10.6m (£0m as at 31 March 2024) in exchange for collateral held by the Fund custodian at fair value of £11.2m (£0m as at 31 March 2024).

### 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 2025 the Fund had forward currency contracts in place with a net unrealised gain of £23.9m (net unrealised gain of (£3.3m) at 31 March 2024).

**2024/25**

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	209,580	(250,450)	-	(744)
2	Three months	GBP	JPY	80,047	(15,116,400)	1,189	-
7	Three months	GBP	USD	983,255	(1,238,713)	23,507	-
-	-	-	-	-	-	<b>24,696</b>	<b>(744)</b>

**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)
-	-	-	-	-	-	<b>1</b>	<b>(4)</b>

**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 2025 and 31 March 2024.

**2025**

<b>31 March 2025</b>	<b>Potential variation in fair value (+/-%)</b>	<b>Value at 31 March 2025 £000</b>	<b>Potential value on increase £000</b>	<b>Potential value on decrease £000</b>
Private Equity	6	1,033,607	1,092,522	974,691
Property Funds	6	123,596	129,815	117,380
Pooled investments	11	174,043	199,106	148,981
<b>Total</b>	<b>-</b>	<b>1,331,246</b>	<b>1,421,443</b>	<b>1,241,052</b>

**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>

## 16A. Fair Value Hierarchy

### Financial Assets and Liabilities at Fair Value 31 March 2025

<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	436,603	-	-	436,603
Pooled investments	-	4,017,064	174,043	4,191,107
Pooled property investments	-	169,164	123,598	292,762
Private equity	-	-	1,033,607	1,033,607
Derivatives	-	24,696	-	24,696
Cash*	99,360	-	-	99,360
Other investment balances	2,077	78	-	2,155
<b>Sub-total</b>	<b>538,040</b>	<b>4,211,002</b>	<b>1,331,248</b>	<b>6,080,290</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	-	(744)	-	(744)
Pending Investment Purchase	-	-	-	-
<b>Total</b>	<b>538,040</b>	<b>4,210,258</b>	<b>1,331,248</b>	<b>6,079,546</b>

## 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>

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

**16B. Reconciliation of Fair Value measurements within Level 3****2024/25**

<b>£000</b>	<b>Value at 31 March 2024</b>	<b>Purchases</b>	<b>Sales</b>	<b>Realised gains and losses</b>	<b>Unrealised gains and losses</b>	<b>Value at 31 March 2025</b>
Private equity	929,218	228,072	(105,009)	(27,474)	8,802	1,033,609
Pooled Investments	124,579	846,652	(790,661)	(11,024)	4,497	174,043
Property funds	116,287	6,134	(2,896)	4,071	-	123,596
<b>Total</b>	<b>1,170,084</b>	<b>1,080,858</b>	<b>(898,566)</b>	<b>(34,427)</b>	<b>13,299</b>	<b>1,331,248</b>

**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>

## 17. Classification of financial instruments

### Financial assets and liabilities 31 March 2025

£000 Financial assets	Fair value through Profit and Loss	Assets at amortised cost	Liabilities at amortised cost
Equities	436,603	-	-
Pooled investments	4,191,107	-	-
Pooled property investments	292,762	-	-
Private equity	1,033,607	-	-
Derivatives	24,696	-	-
Cash*	180	99,180	-
Sundry Debtors and Prepayments*	-	15,616	-
Other investment balances	-	2,155	-
<b>Sub-Total</b>	<b>5,978,955</b>	<b>116,951</b>	<b>-</b>

£000 Financial Liabilities	Fair value through Profit and Loss	Asset at amortised cost	Liabilities at amortised cost
Derivatives	(744)	-	-
Sundry Creditors*	-	-	(2,688)
<b>Sub-total</b>	<b>5,978,211</b>	<b>59,028</b>	<b>(2,688)</b>
<b>Total</b>	<b>-</b>	<b>6,037,239</b>	<b>-</b>

\*These financial instruments have been presented in this note for the current year to provide enhanced disclosure. These were not included in the prior year note, but were part of the overall financial statements.

### 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>

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

£000 Financial Assets	2024/25	2023/24
Fair value through profit and loss	177,984	527,596
Amortised cost - realised gains on derecognition of assets	-	-
Amortised cost - unrealised gains	214	53
<b>£000 Financial Liabilities</b>	<b>2024/25</b>	<b>2023/24</b>
Fair value through profit and loss	29,509	32,397
Amortised cost - realised (losses) on derecognition of assets	(11)	(144)
Amortised cost - unrealised (losses)	-	-
<b>Total gain / (loss)</b>	<b>207,696</b>	<b>559,901</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.

#### 2025

Asset	Potential market movement (+/-%)	Value at 31 March 2025 £000	Potential value on Increase £000	Potential value on decrease £000
Equities	11	436,603	485,066	388,140
Equity unit trusts	12	3,288,009	3,666,130	2,909,888
Bonds	7	903,098	962,703	843,494
Pooled property investments	6	292,762	309,742	275,781
Cash	10	56,873	62,377	51,370
Private equities	6	1,033,607	1,092,522	974,691
Other assets	2	26,287	26,813	25,761
<b>Total</b>	<b>9</b>	<b>6,037,239</b>	<b>6,605,353</b>	<b>5,469,125</b>

**2024**

<b>Asset</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>
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>

**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:

### 2025 analysis by asset type

£000	Value at 31 March 2025	Potential value on 1% rate increase	Potential value on 1% rate decrease
Cash and cash equivalents – includes direct and indirect holdings	57,053	57,623	(56,483)
Fixed interest securities	903,098	912,129	(894,067)
<b>Total</b>	<b>960,151</b>	<b>969,752</b>	<b>(950,550)</b>

### 2024 analysis by asset type

£000	Value at 31 March 2024	Potential value on 1% rate increase	Potential value on 1% rate decrease
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>

### 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.

**2025**

<b>Analysis by asset type</b>	<b>Potential market movement (+/-%)</b>	<b>Value at 31 March 2025 £000</b>	<b>Potential value on increase £000</b>	<b>Potential value on decrease £000</b>
Overseas equities	5	2,946,217	3,105,312	2,787,121
Bonds	5	903,098	951,865	854,331
Property & private equity	5	883,964	931,698	836,230
<b>Total</b>	<b>5</b>	<b>4,733,279</b>	<b>4,988,876</b>	<b>4,477,682</b>

**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>

**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 2025</b>	<b>31 March 2024</b>
Aberdeen MMF	1,600	8,100
Aviva	25,000	25,000
Blackrock	15,200	5,100
Deutsche	100	2,300
Morgan Stanley	100	100
<b>Sub-total</b>	<b>42,000</b>	<b>40,600</b>

<b>£000 Current account</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
HSBC	307	165
<b>Sub-total: Internally managed cash</b>	<b>42,307</b>	<b>40,765</b>

<b>£000 Externally managed cash</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
LGIM	3	2
Custodian	57,050	60,826
<b>Total cash and cash equivalents</b>	<b>99,360</b>	<b>101,593</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 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' 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:

Financial assumptions	31 March 2022 %
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:

Average future life expectancy at age 65	Males - Years	Females - Years
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 (FSS) 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. Asset performance improved in 2024 and early 2025; however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

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, inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

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, and will be finalised by 31 March 2026. The FSS will also be reviewed at that time, and a revised version will come into effect from 1 April 2026.

Jamie Baxter FFA C.Act

09 May 2025

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 2024/25 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 2025 £m	31 March 2024 £m
Active members	1,873	2,079
Deferred members	1,175	1,410
Pensioners	1,965	2,251
<b>Total</b>	<b>5,013</b>	<b>5,740</b>

The promised retirement benefits at 31 March 2025 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 2025 and 31 March 2024. I estimate that the impact of the change in financial assumptions to 31 March 2025 is to decrease the actuarial present value by £917m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £12m.

## Financial assumptions

<b>% Rate</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Pension Increase Rate	2.75	2.75
Salary Increase Rate	3.75	3.75
Discount Rate	5.80	4.85

## 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 2023 model, with a 15% weighting of 2023 (and 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	21.8	24.5
Future pensioners (assumed to be aged 45 at the latest formal valuation)	22.4	25.8

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	88
1 year increase in member life expectancy	4	201
0.1% p.a. increase in the Salary Increase Rate	-	3
0.1% p.a. increase in the Pension Increase Rate (CPI)	2	85

## Professional notes

This statement accompanies the 'Accounting Covering Report – 31 March 2025' which identifies the appropriate reliance and limitations for the use of the figures above, together with further details regarding the professional requirements and assumptions.

Ciaran Henry FFA C.Act

23 May 2025, 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
- 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 (e.g. introduce legislation that would allow retrospective section 37 certificates to be produced now to validate historic changes).

Updated 16 June 2025

For and on behalf of Hymans Robertson LLP

### 21. Current assets

£000	31 March 2025	31 March 2024
Contributions – employees	1,800	3,823
Contributions - employer	7,333	22,056
Sundry debtors	11,052	3,374
<b>Sub-total</b>	<b>20,185</b>	<b>29,253</b>
Cash balances	42,307	40,765
<b>Total Current Assets</b>	<b>62,492</b>	<b>70,018</b>

### 22. Current liabilities

£000	31 March 2025	31 March 2024
Sundry creditors	(6,314)	(8,773)
Benefits payable	(9)	-
<b>Total Current liabilities</b>	<b>(6,323)</b>	<b>(8,773)</b>

### 23. Additional voluntary contributions

<b>£000</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Prudential - market value	17,847	15,929
Utmost – Market value	322	383

<b>£000</b>	<b>2024/25</b>	<b>2023/24</b>
Prudential - contributions paid	2,155	98
Utmost – contributions paid	-	-

### 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.

<b>£000</b>	<b>2024/25</b>	<b>2023/24</b>
District & Boroughs	2,100	2,110
Other bodies	168	276
<b>Total</b>	<b>2,268</b>	<b>2,386</b>

### 25. Related party transactions

The Surrey Pension Fund is administered by Surrey County Council. During the reporting period, the council incurred costs of £5,142m (2023/24 £4.783m) 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 2025 were £4,292m (2023/24 £10.305m).

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.

### 26. Key management personnel

Key management personnel are: members of the Pension Fund Committee, the Executive Director - Resources, the Director of Corporate Finance and the Director of Pensions.

Their remuneration is set out below:

<b>£000</b>	<b>2024/25</b>	<b>2023/24</b>
Short-term benefits	126	148
Post-employment benefits	20	18
<b>Total Remuneration</b>	<b>146</b>	<b>166</b>

## 27. Contingent Liabilities and Contractual Commitments

Outstanding capital commitments (investments) as at 31 March 2025 were £829m (31 March 2024 £687m). 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.

## 28. Events After the Reporting Date

In October 2025, Government has confirmed Surrey County Council's Local Government Reorganisation (LGR) plans and announced the creation of two new unitary councils: Surrey East and Surrey West, which replace the existing 12 councils.

Also in October 2025, the Surrey Pension Fund Committee voted to support the decision for Surrey County Council to recommend creating a single-purpose pension authority for the Surrey Pension Fund. If agreed, the single-purpose pension authority would be created in addition to the two unitary councils.

This change does not impact the financial position of the Fund as at 31 March 2025, but it represents a significant governance development that will take effect in April 2027. Further details will be provided in future reports once the reorganisation is complete.

## Section 6: Investment and Funding



### Contents

Investment Arrangements and Performance Reporting

Strategic Asset Allocation

Pooling

Asset Table

Supplementary Table

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 custodian. The Fund is managed on both an active and passive basis.

Investment managers have been appointed to undertake day-to-day decisions on 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 2025

Investment Name	Amount £m	1Y Return	1Y Relative Return
<b>Total Fund</b>	<b>6,037.7</b>	4.27%	-1.64%
<b>Active Equity</b>	<b>1,139.0</b>	-	-
BCPP Emerging Markets Alpha	292.9	2.68%	-3.11%
BCPP Global Equity Alpha	-	3.83%	-1.71%
BCPP UK Equity Alpha	395.0	7.19%	-3.27%
Newton Global Equity	451.1	4.46%	-0.41%
<b>Passive Equity</b>	<b>2,394.8</b>	-	-
L&G - Asia Pacific ex-Japan	43.4	-5.82%	-0.03%
L&G - Client Specific Transition	59.6	-	-
L&G - Europe Ex-UK	61.9	0.72%	-2.52%
L&G - Future World Global	2,210.6	5.28%	0.26%
L&G - Japan	19.2	-3.36%	0.00%
<b>Fixed Income</b>	<b>1,017.5</b>	-	-
BCPP MAC	903.1	7.38%	-1.21%
L&G - 15 Yr+ Gilts Index Fund	114.4	-8.13%	0.03%
<b>Private Markets Proxy</b>	<b>57.1</b>	-	-
BCPP Listed Alternatives	57.1	7.69%	2.83%
<b>Private Markets</b>	<b>1,030.8</b>	-	-
Total Private Markets Programme	1,030.8	0.83%	-3.93%
<b>Real Estate</b>	<b>302.7</b>	-	-
BCPP Global Core Real Estate	2.8	-	-
CBRE	299.9	4.01%	-2.38%
<b>L&amp;G Currency Overlay</b>	<b>24.0</b>	-	-
<b>L&amp;G Sterling Liquidity Fund</b>	<b>35.0</b>	5.12%	0.03%
<b>Liquidity</b>	<b>36.7</b>	-	-

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

Mandate	Benchmark Index	Performance Target relative to Benchmark
Surrey Pension Fund	Weighted across Fund	+1.0
BCPP UK Equities Alpha	FTSE All Share	+2.0%
BCPP Global Equities Alpha	MSCI ACWI	+2.0%
BCPP MAC	SONIA	+3.5%
BCPP Listed Alternatives	MSCI ACWI	-
BCPP Emerging Markets Equity Alpha	MSCI EM Index	+2.0%
BCPP Global Core Real Estate	6% p.a. rolling 10-year	-
Newton Global Equities	MSCI ACWI	+2.0% (gross)
Private Markets	MSCI World Index	+5.0%
CBRE Real Estate	6% pa	-
L&G Europe ex-UK Equities Index	FTSE Developed Europe ex-UK Net Tax (UKPN)	-
L&G Future World Global Equity Index	Solactive L&G ESG Global Markets Net	-
L&G Japan Equity Index	FTSE Japan NetTax (UKPN)	-
L&G Asia Pacific ex-Japan Development Equity Index	FTSE Developed Asia Pacific ex-Japan NetTax (UKPN)	-
L&G Sterling Liquidity	SONIA	-
L&G 15 Yr+ Gilts Index	FTA Over 15 Yr Total Return	-

### Benchmark Changes

The benchmark for the CBRE Real Estate mandate changed on the 1 January 2025. The benchmark is now a 6% absolute return per annum. Previously the benchmark was the MSCI/AREF UK QPFI All Balanced Property Fund Index and the performance objective was to exceed this benchmark by 0.5% per annum over 3-year rolling periods. This change was made to reflect the commencement of the transition of assets from CBRE to the pool, which will take a number of years and, given the type of the investments, will impact the balanced nature of the existing mandate.

## Responsible Investment (RI) Developments

### Responsible Investment Policy, Net Zero Date

During the year ending 31 March 2025, the Responsible Investment (RI) policy of the Fund was reviewed with the help of Minerva Analytics. It was found that the policy stacks up well against industry good practice guides, for example the Principles for Responsible Investment's (PRI) 'Developing and Updating a Responsible Investment Policy'. Some minor changes were made to the policy which were approved by the Pension Fund Committee in June 2024. The RI Policy can be found at the link below.

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

After setting a Net Zero date of 2050 or sooner in June 2023, the Committee also committed to an annual review of the investable universe for varying Net Zero dates. This review was done with the help of Mercer in June 2024, and no material changes were found. The date of 2050 or sooner was reaffirmed 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.

### 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 (L&G) 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 2025, the Fund was successful in its application to become a signatory to the UK Stewardship code. The report can be found at the link below.

[Surrey Pension Fund UK Stewardship Code Report 23.24.pdf](#)

## Voting Policy

The Fund's voting policy was reviewed and updated in June 2023 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.

You can find the Fund's voting policy at the link below.

[Surrey Pension Fund Voting Policy](#)

Voting reports for the Fund are published quarterly in the Committee papers as a standing item in the Company Engagement and Voting 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 Director of Pensions - 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), described above.

**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 Director of Pensions - 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 Pension Fund TCFD 2023-24

### 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 2024/25 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.

2024/25 Investment Management Expenses from CTI Templates	Pooled BCPP £000's	Pooled BCPP – Private & Real Estate £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>28%</b>	<b>13%</b>	<b>43%</b>	<b>7%</b>	<b>5%</b>	<b>4%</b>	<b>100%</b>
<b>Total Fund Management &amp; Administration Expenses</b>	<b>9,003</b>	<b>31,363</b>	<b>1,046</b>	<b>2,061</b>	<b>3,573</b>	<b>4,817</b>	<b>51,863</b>
Management Fees	7,337	10,653	1,046	2,061	2,940	2,833	<b>26,870</b>
Administration	1,652	20,496	0	0	251	1,543	<b>23,942</b>
Governance & Compliance	14	214	0	0	380	441	<b>1,049</b>
Client Service/ Custody & Communication	0	0	0	0	2	0	<b>2</b>
<b>Total Transaction Costs</b>	<b>(309)</b>	<b>0</b>	<b>306</b>	<b>647</b>	<b>7,806</b>	<b>0</b>	<b>8,450</b>
Indirect transaction costs	0	0	138	0	57	0	<b>195</b>
Commissions	470	0	0	90	51	0	<b>611</b>
Taxes and stamp duty	665	0	0	114	266	0	<b>1,045</b>
Implicit Costs	(1,681)	0	149	443	61	0	<b>(1,028)</b>
Other transaction costs	419	0	88	0	7,384	0	<b>7,891</b>
Less: Dilution Levy Offset	(182)	0	(69)	0	(13)	0	<b>(264)</b>
<b>Total Investment Management Expenses</b>	<b>8,694</b>	<b>31,363</b>	<b>1,352</b>	<b>2,708</b>	<b>11,379</b>	<b>4,817</b>	<b>60,313</b>

## Strategic Asset Allocation

The table below shows the actual asset allocation as at 31 March 2025 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>58.5</b>	<b>55.8</b>	<b>52.8 – 58.8</b>
UK	395	6.5	6.7	-
Global Market Cap	451	7.5	21.8	-
Global Regional	125	2.1	2.2	-
Emerging Markets	293	4.9	5.6	-
Global Sustainable	2,270	37.6	19.5	-
<b>Alternatives</b>	-	<b>23.0</b>	<b>27.3</b>	<b>22.3-32.3</b>
Private Equity	312	5.2	5	2.0-8.0
Infrastructure	397	6.6	6	3.0-9.0
Private Debt	202	3.3	6	2.0-8.0
Misc Alts, incl. Climate & UK Opps	178	2.9	3	0.0-6.0
Real Estate	303	5.0	7.3	4.3–10.3
<b>Credit</b>	-	<b>16.9</b>	<b>16.9</b>	<b>12.1-21.7</b>
Multi Asset Credit	903	15.0	15.1	12.1-18.1
Fixed Interest Gilts	114	1.9	1.8	0.0-3.6
<b>Cash &amp; Currency Overlay</b>	96	<b>1.6</b>	-	-
<b>Total</b>	<b>6,038</b>	-	<b>100</b>	-

## Pooling

Border to Coast Pensions Partnership (BCPP) is the Fund's pooling partner. As at 31 March 2025, 83% 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 transacted on demand. The remaining legacy portfolio will expire naturally as underlying assets are sold or will transfer to the pool dependent upon legislation.

Real Estate. CBRE is the legacy manager of the real estate portfolio. After many years of development, BCPP launched UK and global real estate products, and the Committee has agreed investment. As at 31 March 2025, commitments to the BCPP Global Core Real Estate were being called. The Fund follows the transition plan set by BCPP for legacy assets.

Global Equities. The remaining global equities assets outside of the pool have been designated for meeting private investment capital calls and increasing investment in real estate, both of which will be 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 2024/25</b>	<b>Total £000s</b>	<b>Cumulative £000s</b>
<b>Set up and Operating Costs</b>	<b>413.6</b>	<b>5,512.2</b>
Other Costs	-	903.0
<b>Transition Costs</b>	-	-
Transition Fees	1.3	-
Other Transition Costs Commissions	-	-
Other Transition Costs Taxes and Stamp Duty	-	-
<b>Total Transition costs ex implicit</b>	<b>1.3</b>	<b>1,904.6</b>
<b>Other Transition Costs Implicit</b>	<b>-</b>	<b>12,649.0</b>
<b>Total Transition Costs</b>	<b>414.9</b>	<b>20,968.8</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.

Cost / Saving (£m)	2016-21 (Cum)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Set up and Operating Costs	(2,208)	(691)	(660)	(358)	(414)	(397)	(272)	(272)	(272)
Transition Costs	(1,409)	(374)	-	-	-	-	-	-	-
Fee Savings	3,357	3,043	5,636	4,691	6,300	6,194	6,518	6,518	6,518
<b>Cumulative Savings</b>	<b>(260)</b>	<b>1,718</b>	<b>6,694</b>	<b>11,027</b>	<b>16,913</b>	<b>22,710</b>	<b>28,956</b>	<b>35,202</b>	<b>41,448</b>

## Asset Table

<b>£m Asset values as at 31 March 2025</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not pooled</b>	<b>Total</b>
<b>Equities (including convertible shares)</b>	745.0	2,394.8	451.1	3,590.9
<b>Bonds</b>	903.1	114.4	-	1,017.5
<b>Property</b>	2.8	-	299.9	302.7
<b>Hedge funds</b>	-	-	-	-
<b>Diversified Growth Funds (including multi-asset funds)</b>	-	-	-	-
<b>Private equity</b>	195.9	-	146.8	342.7
<b>Private debt</b>	207.2	-	3.0	210.2
<b>Infrastructure</b>	359.8	-	99.8	459.6
<b>Derivatives</b>	-	-	-	-
<b>Cash and net current assets</b>	35.7	59.0	1.1	95.8
<b>Other*</b>	18.3	-	-	18.3
<b>Total</b>	<b>2,467.8</b>	<b>2,568.2</b>	<b>1,001.7</b>	<b>6,037.7</b>

\*Other assets include £18.3m of private investment in the BCPP Climate Opportunities Fund and BCPP UK Opportunities Fund, part of which includes real assets.

## Supplementary Table – UK assets in specific mandates

<b>£m Asset values as at 31 March 2025</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not pooled</b>	<b>Total</b>
<b>UK Listed Equities</b>	389.7	76.7	51.1	517.4
<b>UK Government Bonds</b>	-	114.4	-	114.4
<b>UK Infrastructure</b>	72.4	-	15.4	87.8
<b>UK Private Equity</b>	25.0	-	83.7	108.7

## Supplementary Table – other UK assets

<b>£m Asset values as at 31 March 2025</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not pooled</b>	<b>Total</b>
<b>UK Corporate Bonds</b>	55.9	-	-	55.9
<b>UK Private Credit</b>	39.8	-	-	39.8
<b>UK Real Estate</b>	-	-	229.7	229.7
<b>UK Private Real Assets</b>	7.5	-	-	7.5
<b>Total UK Assets</b>	-	-	-	1,161.3

## Implementation of the Funding Strategy Statement

Under the Local Government Pension Scheme (LGPS) regulations, each fund is required to maintain and publish a Funding Strategy Statement (FSS). The FSS outlines the approach taken by the administering authority to:

- Adopt a prudent, long-term perspective to ensure the fund remains solvent and can meet its obligations to members and their dependants.
- Employ a balanced investment strategy aimed at minimising long-term employer contributions while achieving cost efficiency.
- Promote stability in employer contribution rates where feasible.
- Tailor contribution rates to reflect the unique characteristics of each employer, using a transparent and consistent funding approach.
- Take reasonable steps to mitigate the risk of employer default on pension commitments.

The administering authority has developed the FSS using guidance provided by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Both LGPS regulations and the latest CIPFA guidance require that the FSS be prepared in consultation with stakeholders deemed appropriate by the authority. This includes meaningful engagement with council tax-raising bodies and other participating employers.

### Consultation Process

The consultation process involved the following steps:

- A draft FSS was circulated to all participating employers on 30 January 2023 for feedback.
- The draft was accompanied by a statement explaining the impact of changes from the previous strategy.
- A consultation period was held, allowing employers to raise questions and receive responses. This period concluded on 17 February 2023.
- After reviewing feedback, the FSS was revised as necessary and formally published on 1 April 2023.

### Accessibility

The FSS is available through multiple channels:

- Published on the Fund's website.
- Emailed directly to participating employers.
- Included in the Fund's annual report and accounts.
- Shared with independent advisors.
- Available upon request.

The FSS can be accessed at: [Funding Strategy Statement](#)

### Review and Updates

The FSS is comprehensively reviewed at least once every three years, in line with the valuation cycle. Interim updates may be made in response to regulatory or operational changes. Any revisions will be subject to consultation, approved by the Pensions Committee, and documented in meeting minutes.

### Purpose of the FSS

The FSS is primarily intended for employers participating in the Fund. It explains how contributions are determined to ensure the Fund can meet its pension obligations.

### Types of Participating Employers

- **Scheduled Bodies:** These include councils, academies, and further education institutions listed in the LGPS regulations. They must offer LGPS membership to eligible employees unless another public service pension scheme applies.
- **Designating Employers:** Entities such as town and parish councils may join the LGPS by passing a resolution. Once passed, the Fund must accept them, and the employer decides which employees can participate.
- **Admission Bodies:** These employers join via an admission agreement. The Fund sets entry criteria and may refuse participation if requirements are not met. This category includes contractors providing outsourced services to scheduled bodies.

Some employers may be referred to as:

- **Community Admission Bodies (CABs):** Those with a shared community interest with another scheme employer.
- **Transferee Admission Bodies (TABs):** Those providing services to scheme employers.

Although these terms are not defined in current regulations, they remain in use from previous guidance.

### Relationship Between Funding and Investment Strategies

The funding strategy outlines how contributions are collected to meet pension liabilities. These contributions, along with assets and other income, are invested according to the Fund's Investment Strategy Statement (ISS), which details the investment approach for employers. [The Pension Investment Strategy can be found here.](#)

The funding and investment strategies are closely aligned. Pension benefits are paid from a combination of employer contributions and investment returns. If investment performance falls short, employer contributions may need to increase to cover the shortfall.

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

The funding policy is designed to be consistent with the investment strategy. Expected future investment returns are based on the strategy, with a built-in margin for prudence, in line with the regulatory requirement to take a cautious long-term view of funding liabilities.



# Surrey Pension Fund Committee

Annual Investment Review 2024/2025

August 2025

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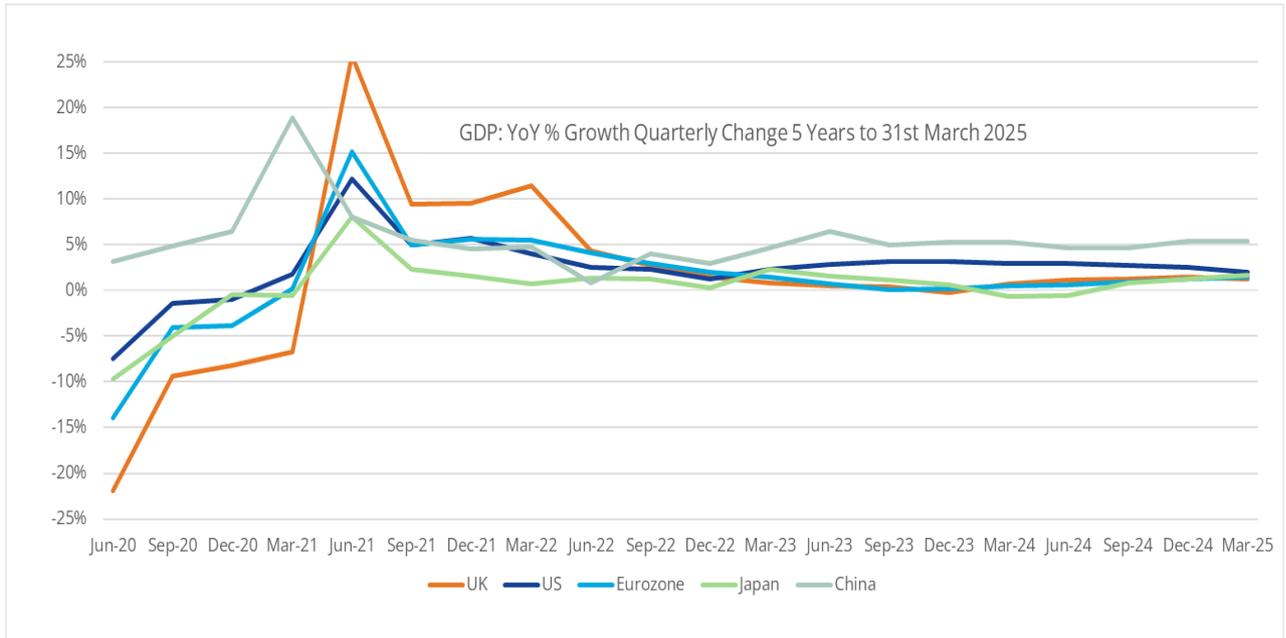
## Economic and Market background

Over the financial year ended 31<sup>st</sup> March 2025 the global economy was weaker than expected at the start of the year as core inflation remained sticky and the pace of interest rate cuts was slower than expected. Just as last year the US delivered the highest rate of growth in the developed economies and Japan the weakest, with Europe and the UK in the middle. China managed to deliver a strong +5% growth rate despite the sluggish domestic economy predominantly caused by the weakness of the property market.

Nearly all the good news on growth was delivered in first nine months of the year. In particular, the US economy that had been growing at around +3% in the summer of 2024, had slowed to +2.1% by December and by the final quarter of the financial year US economic growth was -0.2%, the same as Japan's.

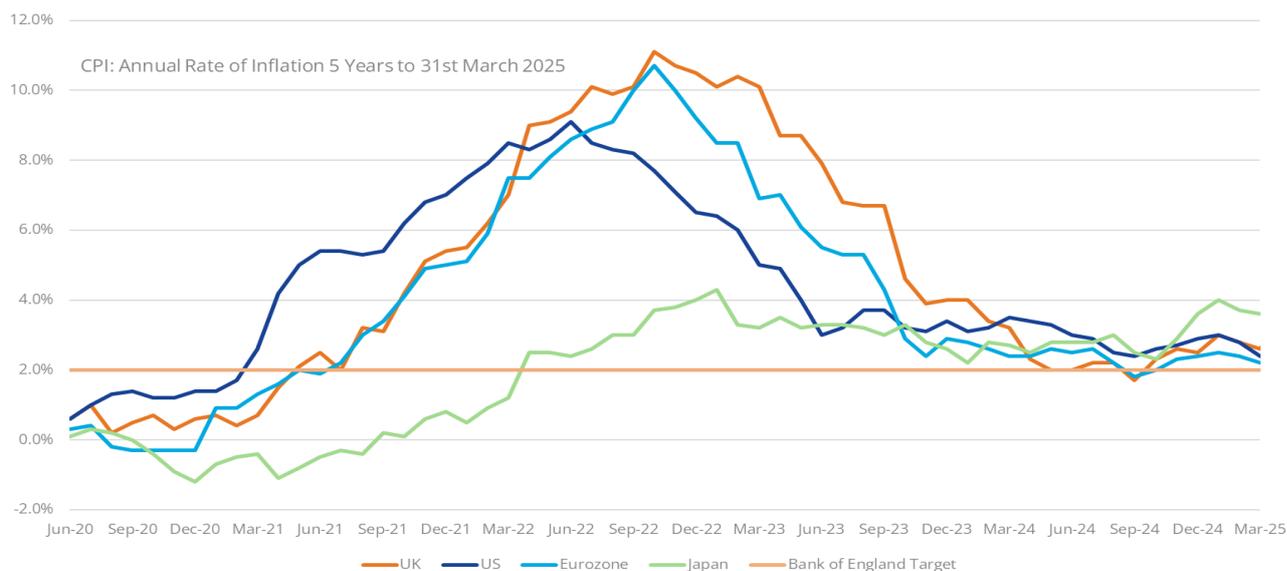
The final quarter of the financial year was marked by a reversal of the optimism created by President Trump's re-election to the White House and the Republican clean sweep in both Houses of Congress. Following his inauguration Mr Trump wasted no time in issuing many executive orders, with the principal aim of swamping other parts of the US government system and preventing it carrying out appropriate governance and due diligence. Despite this "Blitzkrieg" of executive orders, inconsistent and disruptive policy announcements, equity markets were remarkably calm until Mr Trump announced unilateral 25% tariffs on all imports from Canada and Mexico, adding 10% tariffs to energy imports and imposing new additional 10% tariffs on goods imported from China.

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



Once again, the dominant macro-economic factor of the financial year remained higher and more persistent inflation than expected. Headline Inflation troughed in the summer of 2024 but by the end of the financial year it had bounced and remained above target. Tight labour markets and strong wage growth has kept core inflation rates much higher, making it difficult for central banks to cut rates. In the US the imposition of trade tariffs and a new migrant policy are likely to make this worse even if the economy slows. In the UK, increases in the energy price cap and increased employer taxes are likely to keep inflation higher.

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



## Central Banks

During the financial year, central bank interest rate policy decisions started to diverge. The most aggressive cuts have come from the ECB which has delivered five 0.25% reductions in rates. The official rate ended the year at 2.5% and is expected to fall further over the next year as eurozone inflation appears to be under control.

Despite the weakness of the economy the Bank of England has been more cautious due to stubborn services price inflation, but has cut rates by 0.25% three times, the base rate is now 4.5%. Further rate cuts have been made more difficult by increased taxes and energy prices.

The Peoples Bank of China (PBoC) cut their key 1 year and the 5-year lending rates to record lows in September 2024 and announced other monetary and fiscal policy changes to help boost the recovery of the sluggish domestic economy. They also announced that they will further ease policy as required to stimulate growth and offset the impact of any new trade tariffs from the US.

Over the year the US Fed cut rates by 1% from 5.5% to 4.5% in December 2024, but since then it has not joined with the BoE and ECB in cutting rates further. It has adopted a wait and see approach to further policy changes, as employment remains strong and inflation expectations have increased following the election of Mr Trump.

Perhaps the most significant change to monetary policy came from the Bank of Japan (BoJ) which raised their overnight interest rate from 0.0% to +0.25% in August 2024 and followed that up with another rate increase in January to +0.5%. The change in August last year marked the end of more than 30 years of Zero interest rate policy by the BoJ. It comes on the back of the decision made in the previous financial year to start to phase out their bond purchase (QE) operations. At their recent meeting, they decided not to increase rates because of increased uncertainty, but did confirm they will further decrease purchases of JGB's this year and next. This indicates to me that further tightening of monetary policy can be expected. I would not be surprised to see rates increased to 1% over the coming year. I am concerned that the change in policy could also impact the global flow of capital, as borrowing in Japanese yen and investing elsewhere is no longer without cost.

### Market Returns

As can be seen in table 1 below, in contrast to the 2024 financial year Global equities only delivered a return of +5.5% in the 2025 financial year, with the UK and emerging equity markets performing strongly by comparison. Also, in a reversal of last year's performance the Japanese equity market delivered a negative return.

In contrast to the first 9 months of the financial year where equity returns had been reasonably strong, the final quarter of the period under review saw marked negative returns. Market volatility and mixed returns has been a feature of the markets since the summer of 2024, following the decision by the Bank of Japan to increase interest rates above zero and the final throes of the US election campaign. In mid-January equity markets were rocked by the shock revelation that China's DeepSeek can do searches as fast as US AI, but with lower energy usage. This was quickly followed by the decision of President Trump to impose significant new trade tariffs on Canada and Mexico, the USA's largest trading partners. These events have both called into question the exceptionalism of the US equity market and the "Mag 7" US Tech stocks. The trade tariffs raised fears of the magnitude of the new tariffs Mr Trump was expected to announce on goods imported from the rest of the world in April.

UK Government bond markets continued to deliver negative returns, with the highly interest rate sensitive UK index linked Gilt market achieving a third year of negative returns as real rates continued to increase and yield curves steepened. 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.

UK properties benefited from their re-rated higher yield and an improved demand and supply dynamic. Private market assets (not represented in the table below) also experienced better returns. While the returns of the Fund's portfolio of assets were mixed, BCPP's Series 1 investments performed in line with expectations. BCPP have also achieved at target deployment for the 3 individual asset sleeves for Series 2 and they continue to deploy capital to their Climate and UK opportunities portfolios.

**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 2025.

**% Total return dividends reinvested in GBP terms, period end 31<sup>st</sup> March 2025**

Source	3 months	12 months
Global equity - FTSE – All World	-4.0	+5.5
FTSE Regional indices	-	-
UK All Share	+4.5	+10.5
USA	-6.9	+6.3
Europe ex UK	+7.6	+3.8
Japan	-2.1	-3.4
Emerging	-0.8	+10.1
UK Gilts - Conventional All Stocks	+0.6	-1.2
UK Gilts - Index Linked All Stocks	-1.4	-8.0
UK Corporate bonds*	+0.5	+2.3
Overseas Government Bonds**	+1.1	+3.1
UK Property quarterly^	+1.9	+6.6
Sterling 7 day SONIA	+1.2	+5.0

FTSE Indices except where noted ^ MSCI indices \* ICE £ Corporate Bond; \*\*ICE global government ex UK £ hedged.

**Fund Performance and Manager Structure**

At the end of March 2025, the Surrey Pension Fund was valued at £6,038 million, this represents an increase of £235 million, since 31st March 2024. The Fund's total net investment return was +4.3%, which was below the benchmark return of +5.9%. Over the last 3 years the Fund has achieved a total return of +4.5%

p.a. which is below the benchmark return of +6.3% p.a. Despite the lower investment returns achieved by the Fund over the last year, and three years since the last Actuarial valuation, the estimated funding level of the Surrey Pension Fund improved from 135% to 150% in the last year and from 102%, three years ago, largely due the increase in interest rates having reduced liabilities.

Equity markets were volatile over most of the financial year, as the expected cuts in central bank interest rates were less than expected and core inflation remained higher in most major markets. As mentioned above the volatility increased from the summer of 2024 onwards as the BoJ surprised the markets by raising interest rates. Volatility increased in the fourth quarter of 2024 and first quarter of 2025. The markets, led by the US rallied on the Election of President Trump and then sold off as China's DeepSeek shocked the US markets delivering equivalent AI search results to US tech companies with less energy usage. Towards the end of the quarter Mr Trump's announcement of steep tariffs on Canada and Mexico, followed by the announcement of a new global regime to be implemented in April 2025 caused the US market to sell off aggressively. Other markets generally enjoyed a better close to the financial year, but with the US dominating the Global equity indices returns were lower than in previous years.

Long duration UK Government bonds saw yields increase, delivering another year of negative returns. The 10 year benchmark yield increased from 4.1% to 4.7%, 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. Fortunately for the Surrey Pension Fund, exposure to Government bonds is very low and the much higher yielding, lower duration bonds owned by the Multi-Asset Credit (MAC) fund delivered strong returns throughout the year. Property returns showed some improvement and Private markets returns were in aggregate broadly in line with expectations. 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.

Throughout most of the year few changes were made in the Fund's overall asset allocation, cash calls for new investments into Private market assets continue to be drawn from a combination of the Newton Global equity fund and the BCPP Listed Alternatives Fund. However, towards the end of the financial year and

after an extended and carefully considered engagement with BCPP. The Surrey Pension Fund took the decision to divest from BCPP's actively managed Global Equity Alpha Fund and transfer the allocation to L&G Future World Global Equity Index Fund, which is passively managed against a bespoke index of global companies.

Towards the end of the financial year the Fund also decided to commit new cash to Series 3A of the BCPP Private markets Programme. £40 million will be deployed to Infrastructure, £30 million to Private Equity and £85 million to Private Debt.

### Economic and Market Outlook

The global economic outlook has been clouded by the actions of the new US President. His approach to international diplomacy and policy on trade tariffs has the potential to slow economic growth and increase inflation. But his outspoken rhetoric and inconsistent implementation is probably the biggest problem for companies and individuals trying to assess the risk of their next investment or purchase decision. As a result, positive economic sentiment about the future is being sapped away and a negative outlook could become entrenched, increasing the risk of no growth and even a recession later in the year. Consensus economic forecasts for growth in 2025 have been revised lower and leading indicators of growth have also fallen as the initial economic growth optimism of a new Trump presidency has faded.

US economic data shows signs of a slowing economy, with first quarter GDP data negative and forward looking composite purchasing managers indices (PMI's) falling. Business expectations and consumer sentiment indices have fallen to levels last seen during the pandemic. The shock to confidence and uncertainty created by the new Administration is postponing investment and spending decisions, increasing the risk of a US recession later in the year.

In the UK, composite PMI's also showed a deterioration in economic momentum and moved closer to contractionary territory, with both global and domestic headwinds arising from a combination of trade uncertainty and higher domestic taxes. The surprise announcement of a trade deal with the US and India has done little to improve confidence in the economic outlook.

Growth prospects in the eurozone were more mixed, while leading indicators were also weaker, because the US announced a 10% tariff for all European goods and 25% on autos. German manufacturing is being supported by lower

energy prices and the new Government's decision to significantly increase its fiscal spending on Infrastructure and Defence. Eurozone consumer confidence fell, confirming that trade tensions and the unresolved conflict in Ukraine are weighing on economic sentiment. In an attempt to create better conditions for trade negotiations with the US the European Union decided to suspend its retaliatory tariffs on US steel and aluminium imports.

Just as the economic outlook has been clouded by the new US President so has the outlook for markets. Going forward central banks will have a much more difficult environment to navigate. If the new US Administration sticks to its new trade policies, even if diluted, growth is expected to be lower and inflation higher, making it more difficult to respond with lower interest rates. The new tax policies are not positive for markets either potentially leading to higher deficits and US government bond yields. However, for a long-term investor the current level of yields and the extra yield available from non-government bonds may still be attractive compared to a couple of years ago, especially if equity returns are lower and volatility higher.

Within equity markets, the US remains expensive relative to the rest of the world. With US exceptionalism, the value of the US dollar beginning to be questioned, and the new policy approach of the US Administration, investors may look elsewhere for strong equity market returns.



Anthony Fletcher – Independent Adviser to the Surrey Pension Fund

## Section 7: Administration



### Contents

Overview

Key works update

Key Performance Summary

Pensioner Membership Demographics

Value for Money Statement

Dispute Resolution

Communications Policy Statement Report

Annexe A – Administration Key Report Indicators

## 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 406 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 train and develop staff to meet service objectives.

The Service Delivery team consists of 56 FTE staff. There are 5 teams split across two sections, being 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:**

The 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 Pensions – Customer Operations 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 [crtpensions@surreycc.gov.uk](mailto:crtpensions@surreycc.gov.uk)

Service Delivery reports to the Director of Pensions – LGPS Senior Officer, Neil Mason.

## Key works update

During the course of 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 continued to be at the forefront of our plans, recognising the benefits this will bring to our members on several fronts. As of 31<sup>st</sup> March 2025, 67% of the scheme employers have been enrolled onto monthly returns, representing 81% of the total scheme membership.
- One of the key priorities within Service Delivery this year was to remove the remaining backlog cases and ensure our members benefits were correctly calculated and given the correct member status, supporting the cleansing requirements for the Pension Dashboard. By segregating these cases from the day to day operations and having a designated team assigned, it provided capacity to make improvements to key processes such as deaths and, allowed the introduction of improved controls within the administration system, validated by the substantial ratings received from Internal Audit. As a result of this targeted approach, all backlog cases have now been cleared in full, and protocols have been put in place to ensure backlogs do not return.
- 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, it's enhancing the focus on productivity, both at a team and individual level, to improve our customer experience. As a result of this initiative members of the team now have case target levels built within their personal objectives, which has contributed to the performance of KPIs consistently meeting or exceeding fund targets,
- To ensure that we place our customers at the heart of everything we do, an independent survey was undertaken last year with tranches of employers and members. These surveys provided some excellent feedback from our customers, including suggestions such as simplifying the language on the website, increasing transparency of our SLAs and, how more online services would be beneficial. As a result of this we have now made improvements to the customer websites, ensuring there is more clarity between the employer and the Fund's responsibilities which ultimately improves the outcomes for our members. There has also been the introduction of a new online self-service retirement function for our members, which allows the member to initiate their own retirement. Recent statistics now indicate more of our members are using

the online retirement approach, instead of the traditional form-based method, which has significantly reduced case processing times.

## Regulatory Update

- The GMP Reconciliation project is moving closer to a conclusion, with a significant amount of progress being made this year. A total of 376 members had an adjustment made to their benefit in March 2025. 71 members received a retrospective increase to their pension benefit at a total cost of £177k and, 301 members saw a decrease in their pension a total overpayment cost of £509k. All increases to member pension benefits were corrected back to the originating date it was due, whereas any benefits that were calculated with an overpayment were adjusted in the March 2025 payroll and no overpayments were recovered, resulting in a total cost to the fund of £686k at this stage. There are circa 220 cases that require further investigation, and this work is expected to be completed by the end of August 2025.
- The McCloud Remediation project has seen various 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 have continued to develop the tools and modules to accommodate the changes in regulation, leading 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.
- The Pension Dashboard Program has formed part of our key works this year, with key milestones having been achieved. Heywood Pension Technologies were appointed our ISP provider as part of the new administration system contract. All necessary plans are in place with the provider and, work is well underway to ensure the Fund connects to the central eco-system by 31 October 2025 as required under the legislation.
- This year saw the successful production of annual benefit statements for over 99% of the deferred membership, with 46,014 issued. There were 32,695 (94%) 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:

<b>Data Type</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Common Data	96%	96%	98%
Scheme Specific Data (SSD)	98%	98%	98%

## 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 the focus on removing the remainder of backlogs this year, work continued with a designated project team to remove these cases. The team were able to process over 2000 transfer cases, 1100 refunds and over 900 aggregations, as well as process 2394 deferred cases in addition to the 3226 processed as part of day-to-day operations, thus giving a total completion rate of 136% for deferred cases.
- The percentage of refunds paid within the required deadline achieved 100% this year and more than 300 transfer cases were processed compared to last year as part of day to activity.

### Time Taken to Process Work

- On the whole performance has remained consistent from 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 members transferring their pension into the scheme, increasing by 12%, as well as a 29% increase for member and employer estimate requests.
- There has also been a reduction in the performance when issuing divorce communications where actual proceedings took place, albeit was impacted by the calculations related to McCloud.

## Pensioner Membership Demographics

Please see pension member demographics below:

Age	Number of Pensioners	Number of Dependants	Total
0-20	-	197	197
21-30	1	50	51
31-40	2	26	28
41-50	25	69	94
51-60	1,535	278	1,813
61-70	12,324	738	13,062
71-80	11,089	1,238	12,327
81-90	3,608	1,036	4,644
Over 90	508	300	808
Total	29,092	3,932	33,024

## 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 understand the quality and cost effectiveness of service delivery.

Having supplied a response to 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 and, it indicated where we ranked against our peers within the LGPS, or very 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 what's classified as a basic administration service
- The cost per member was slightly above our peer average but not unexpected with our commitment to remove legacy cases
- Services offered in the telephony space were very strong and significantly higher than our peers, with a good level of targeted customer newsletter campaigns and excellent ABS provisions

- The overall service level score increased by 6 points compared to the previous year, much of which was a result of our increased customer engagement

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 beneficiary 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 beneficiary is still dissatisfied with the outcome, they can contact the Pension Ombudsman (TPO) for help in dealing with their complaint.

Below are the Funds IDRP statistics for the last 3 years:

### 2024/25

<b>Result of Procedure</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>PO</b>
Complaint Not Upheld	3	0	0
Complaint Upheld	4	2	3
Withdrawn	0	0	1
Total	7	2	4

**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
Total	7	3	0

**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
Total	5	3	1

## Communications Policy Statement Report

In accordance with regulation 61 of the Local Government Pension Scheme Regulations 2013, the Pension 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 21 February 2025 and the Pensions Committee on 21 March 2025. 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 with a broad range of stakeholders.

### Member Communication Summary

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 topic of their Annual Benefit Statement, using the 'My Pension' Portal and how to retire online.

### **Employer Communication Summary**

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

### **Industry Communication Summary**

Regular posting on LinkedIn promoting working for Surrey Pension Team, team achievements, award nominations, recruitment and Conference attendance. As part of this, 2 video interviews were produced on the topics of investing responsibly and our workforce strategy.

## Annex A – 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	3	917	912	99%	890	99%
A2	New dependent member benefits	14	342	338	95%	311	96%
A3	Deferred member benefits	165	1014	1128	96%	1357	98%
A4	Active member benefits	79	750	769	93%	803	93%
A5	Deferred benefits	327	3795	5620	136%	7816	92%
A6	Transfers in (including interfund in, club transfers)	338	2,516	2,481	87%	2128	86%
A7	Transfers out (including interfund out, club transfers)	102	885	878	89%	627	86%
A8	Refunds	75	3921	3773	94%	3960	98%

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
A9	Divorce quotations issued	33	208	212	88%	190	94%
A10	Actual divorce cases	0	21	16	76%	13	105%
A11	Member estimates requested either by scheme member or employer	18	252	258	96%	351	97%
A12	New joiner notifications	0	2898	2898	100%	3401	100%
A13	Aggregation cases	255	645	728	81%	661	91%
A14	Optants out received after 3 months membership	0	2	2	100%	1	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	99%	90%
<b>B2</b>	Communication issued confirming the amount of dependents pension	10 days	84%	78%
<b>B3</b>	Communication issued to deferred member with pension and lump sum options (quotation)	15 days	88%	86%
<b>B4</b>	Communication issued to active member with pension and lump sum options (quotation)	15 days	69%	74%
<b>B5</b>	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days	74%	68%
<b>B6</b>	Communication issued to active member with confirmation of pension and lump sum options (actual)	15 days	72%	61%
<b>B7</b>	Payment of lump sum (both actives and deferred)	15 days	98%	98%
<b>B8</b>	Communication issued with deferred benefit options	40 days	81%	83%
<b>B9</b>	Communication issued to scheme member with completion of transfer in	20 days	92%	80%
<b>B10</b>	Communication issued to scheme member with completion of transfer out	20 days	95%	85%

<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>B11</b>	Payment of refund	20 days	100%	98%
<b>B12</b>	Divorce quotation	45 days	74%	68%
<b>B13</b>	Communication issued following actual divorce proceedings i.e. application of a Pensions Sharing Order	15 days	32%	69%
<b>B14</b>	Communication issued to new starters	30 days	100%	100%
<b>B15</b>	Member estimates requested by scheme member and employer	10 days	90%	61%

\*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	55%
<b>C2</b>	% of deferred member registered	46%
<b>C3</b>	% of pensioner and survivor members	40%
<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	36%

**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	19,554
<b>C8</b>	Total number of email and online channel queries received	22,761
<b>C9</b>	Number of scheme member events held in year (total of in-person and online)	32
<b>C10</b>	Number of employer engagement events held in year (in-person and online)	77
<b>C11</b>	Number of active members who received a one-to-one (in-person and online)	39
<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
C12 (b)	Number of times a communication (i.e. newsletter) issued to deferred members	1
C12 (c)	Number of times a communication (i.e. newsletter) issued to pensioners	1

Table D – Resources

Ref	Resources	Total as of 31 March
D1	Total number of all administration staff (FTE)	46.5
D2	Average service length of all administration staff	Unknown
D3	Staff vacancy rate as %	20%
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	1:2795
D5	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	94%
<b>E2</b>	Short commentary if less than 100%	Surrey CC changed its ERP system which meant we were unable to provide statements for circa 1,500 members due to incomplete information being received.

**Data category**

<b>Ref</b>	<b>Data</b>	<b>Result</b>
<b>E3</b>	Common data score	98%
<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.	2.16%
<b>E6</b>	Percentage of active, deferred and pension members with an email address held on file	68%

**Employer performance**

<b>Ref</b>	<b>Data</b>	<b>Result</b>
<b>E7</b>	Percentage of employers set up to make monthly data submissions	67%

<b>E8</b>	Percentage of employers who submitted monthly data on time during the reporting year	Unknown
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## Section 8: Actuarial Reports on Fund

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### Contents

Description of Funding Policy

Funding position

Principal actuarial assumptions and method used to value the liabilities

Method

Assumptions

Experience over the period since 31 March 2022

## Surrey Pension Fund (the Fund) Actuarial Statement for 2024/25

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:

Pensioners	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. Asset performance improved in 2024 and early 2025; however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

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, inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

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, and will be finalised by 31 March 2026. The FSS will also be reviewed at that time, and a revised version will come into effect from 1 April 2026.

Jamie Baxter FFA C.Act

09 May 2025

For and on behalf of Hymans Robertson LL

## Section 9: External Audit Opinion



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## Section 10: Additional Information



### Contents

Internal Audit

Summary of Freedom of Information requests

Glossary of Terms

Glossary of Abbreviations

Employer List and Contributions received

## 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 2024/25, audits were undertaken as set out in the table below.

Area of Work	Assurance Rating
Pension Fund Business Continuity Arrangements	Reasonable
Overseas Pensioners Life Certification	Reasonable
Pension Fund Investments	Reasonable
Pension Fund Deaths Administration*	Substantial

\*Final report issued Q1 2025/26

## 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 2024/25.

<b>Period – Month received</b>	<b>No of requests received</b>
April 2024	1
May 2024	1
June 2024	2
July 2024	3
August 2024	4
September 2024	2
October 2024	3
November 2024	3
December 2024	3
January 2025	1
February 2025	4
March 2025	2
<b>Total</b>	<b>29</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
A2 Dominion	Admitted Body	0.0%	-	72
Ability Housing Association	Admitted Body	39.0%	5	30
ABM Catering (Epsom Primary)	Admitted Body	22.6%	-	-
ABM Catering (Unity Schools)	Admitted Body	28.8%	2	8
Achieve Lifestyle	Admitted Body	38.9%	5	28
ACM (Academy of Contemporary Music)	Academy	15.4%	1	3
Activate - Guildford College	Scheduled Body	23.9%	225	863
Albury Parish Council	Designated Body	17.7%	1	3
Alliance in Partnership (LLT)	Admitted Body	25.1%	3	12
Aramark (FrimleyTomlinscote)	Admitted Body	28.5%	2	11
Ash Grange School	Academy	23.0%	24	96
Ash Parish Council	Designated Body	17.7%	8	24
Ashley CofE Primary School	Academy	19.7%	26	93
Aspens (St Martins CofE)	Admitted Body	27.5%	1	3
Aspens (Wishmore Cross Acad)	Admitted Body	27.1%	3	11
Auriol Junior School	Academy	18.9%	14	47
Banstead Infant School	Academy	18.1%	13	41
Barnardos (SCFC)	Admitted Body	23.0%	-	-
Barnsbury Primary School	Academy	19.0%	26	91
Beacon Hill Com School	Academy	19.3%	2	8
Beaufort Primary School	Academy	19.0%	35	120
Bishop David Brown School	Academy	21.8%	17	63
Bisley Parish Council	Designated Body	17.7%	2	5
Blenheim High School	Academy	18.7%	62	190
Bletchingley Village Primary	Academy	18.2%	21	67
Bourne Education Trust	Academy	18.9%	72	174
Boxgrove Primary School	Academy	18.6%	44	136
Bramley CofE Aided Infant School	Academy	19.7%	8	27
Bramley Oak School	Academy	17.5%	30	88
Bramley Parish Council	Designated Body	17.7%	1	3
Bright Futures Learning Trust	Academy	18.6%	79	257
Broadmere Primary School	Academy	18.9%	16	51
Broadwater School	Academy	18.0%	43	129
Brooklands College	Scheduled Body	31.6%	95	483
Brooklands School	Academy	19.3%	8	28
Brookwood Park Limited	Admitted Body	24.0%	4	11
Brookwood Primary School	Academy	18.9%	11	37
Burpham Primary School	Academy	18.6%	24	79

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Burstow Parish Council	Designated Body	17.7%	-	-
Burstow Primary School	Academy	18.1%	19	60
Busbridge Infant School	Academy	17.7%	11	36
Byfleet Primary School	Academy	17.9%	10	30
Cardinal Newman Catholic Primary	Academy	19.6%	20	72
Carrington School	Academy	20.2%	28	96
Carwarden House Community School	Academy	18.0%	35	108
Catalyst Support	Admitted Body	40.7%	11	36
Cater Link (Therfield School)	Admitted Body	28.3%	2	9
Cater Link (Weyfield Primary)	Admitted Body	24.2%	0	2
Cater Link GST Schools (1)	Admitted Body	19.7%	12	43
Cater Link GST Schools (2)	Admitted Body	19.7%	5	18
CH & Co Pirbright School	Admitted Body	30.1%	0	1
Chartwells (GLF Schools)	Admitted Body	20.0%	0	1
Chertsey High School	Academy	18.9%	27	85
Christs College	Academy	19.7%	14	46
Churt Parish Council	Designated Body	17.7%	1	3
Clarion Housing Group	Admitted Body	38.5%	-	20
Cleantec (The Abbey School)	Admitted Body	28.4%	0	2
Cleantec (The Park School)	Admitted Body	14.8%	0	1
Cleves School	Academy	19.0%	28	91
Clifton Hill School	Academy	19.3%	10	33
Cobham Free School	Academy	18.3%	40	127
Collingwood College	Academy	17.7%	70	200
Compass Contract Services (EEEE)	Admitted Body	21.4%	1	5
Compass GLF Schools	Admitted Body	18.1%	-	-
Connaught Junior School	Academy	19.3%	19	64
Cordwalles Junior School	Academy	18.1%	12	38
Cranleigh CofE Primary School	Academy	19.7%	10	34
Cranleigh Parish Council	Designated Body	17.7%	8	22
Cranmere Primary School	Academy	23.0%	21	83
Crawley Ridge Infant School	Academy	19.3%	10	33
Crawley Ridge Junior School	Academy	19.3%	12	37
Cross Farm Infant School	Academy	20.5%	6	23
Crowhurst Parish Council	Designated Body	17.7%	0	1
Cucina (Jubilee High School)	Admitted Body	25.9%	2	7
Cucina (Matthew Arnold Sch)	Admitted Body	25.6%	1	5
Cuddington Community Primary	Academy	19.4%	10	34
Cuddington Croft Primary School	Academy	18.1%	26	84

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Danetree Primary School	Academy	18.1%	45	150
Darley Dene Primary School	Academy	18.1%	17	52
de Stafford School	Academy	18.1%	32	100
Dormansland Parish Council	Designated Body	17.7%	0	1
Dovers Green School	Academy	18.0%	25	79
Dunsfold Parish Council	Designated Body	17.7%	0	0
East Horsley Parish Council	Designated Body	17.7%	1	3
East Surrey College (Orbital)	Scheduled Body	19.1%	186	548
East Surrey Rural Transport	Admitted Body	39.7%	4	18
Eastwick Schools	Academy	19.4%	31	107
Edwards & Ward (St Josephs)	Admitted Body	26.9%	1	3
Effingham Parish Council	Designated Body	17.7%	1	3
Elmbridge Building Control Service Ltd	Admitted Body	12.7%	8	12
Elmbridge Borough Council	Scheduled Body	17.1%	568	1,371
ElmWey Learning Trust	Academy	20.0%	18	52
Elstead Parish Council	Designated Body	17.7%	1	4
Engage Enrich Excel Academies	Academy	17.9%	8	18
Enlighten Learning Trust	Academy	21.8%	22	64
Epsom and Ewell B C	Scheduled Body	17.4%	493	1,256
Epsom and Ewell High School	Academy	18.9%	31	98
Epsom Primary School	Academy	18.9%	33	107
Esher Church School	Academy	20.9%	9	32
Esher CofE High School	Academy	21.8%	46	165
Esher College	Academy	17.5%	48	135
Everychild Partnership Trust	Academy	18.1%	6	17
Ewell Grove Prim School	Academy	18.1%	6	20
Farnham Heath End School	Academy	19.3%	41	131
Farnham Town Council	Designated Body	16.9%	28	70
Felbridge Primary School	Academy	18.2%	3	8
Folly Hill Infant School	Academy	20.5%	15	46
Fordway Centre	Academy	16.8%	0	1
Fox Grove School	Academy	19.4%	37	124
Freedom Leisure (Guildford)	Admitted Body	16.4%	17	44
Freedom Leisure (Woking)	Admitted Body	16.2%	8	21
Frensham Parish Council	Designated Body	17.7%	1	4
Frimley Junior School	Academy	19.9%	15	54
Fullbrook School	Academy	18.6%	22	67
Fusion Lifestyle	Admitted Body	0.0%	-	-
George Abbot School	Academy	18.6%	57	168
Glebelands School	Academy	18.6%	30	93

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Glencross St Peters Catholic School	Admitted Body	15.3%	1	3
GLF Schools - Central Staff	Academy	18.1%	187	472
Glyn School	Academy	18.1%	51	142
Godalming College	Academy	17.4%	93	249
Godalming Junior School	Academy	23.0%	13	51
Godalming Town Council	Designated Body	17.7%	5	14
Goldsworth Primary School	Academy	19.0%	41	133
Gordons School Academy Trust	Academy	18.8%	45	135
Great Bookham School	Academy	17.7%	10	32
Greensand MAT	Academy	18.0%	21	50
Grovelands Primary School	Academy	23.0%	28	108
Guildford Borough Council	Scheduled Body	17.2%	129	341
Guildford County School	Academy	18.6%	46	144
Guildford Grove Primary School	Academy	18.6%	31	100
Hale Primary School	Academy	20.5%	18	67
Hammond Junior School	Academy	18.1%	11	35
Hamsey Green Primary School	Academy	18.2%	19	61
Hanover Housing Association	Admitted Body	39.6%	-	428
Haslemere Town Council	Designated Body	17.7%	5	14
Hatchlands Primary School	Academy	18.1%	16	52
Hawkedale School	Academy	23.0%	11	43
Heathside School (Acad)	Academy	20.0%	22	76
Heathside Walton-on-Thames School	Academy	20.0%	7	25
Hendeca Group SCC	Admitted Body	30.1%	4	7
Highfield School	Academy	17.7%	19	61
Hillcroft Primary School	Academy	18.1%	26	85
Hinchley Wood Primary School	Academy	17.6%	46	142
Hinchley Wood Secondary School	Academy	17.6%	51	160
Hoe Valley School	Academy	17.5%	43	125
Holland Junior School	Academy	22.7%	7	28
Holly Lodge Primary School	Academy	20.5%	13	48
Holmesdale Infant School	Academy	18.0%	15	46
Holy Family Catholic Primary	Academy	19.6%	8	30
Holy Trinity Primary School	Academy	19.3%	17	59
Hopescourt School	Academy	18.9%	-	-
Horley Infant School	Academy	18.0%	14	43
Horley Town Council	Designated Body	17.7%	8	23
Howard of Effingham School	Academy	19.4%	43	145
Hurst Green Infant School	Academy	18.2%	6	21

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Hurst Park Primary School	Academy	20.1%	17	62
iESE Ltd	Admitted Body	37.0%	30	141
Inclusion Education Trust	Academy	16.8%	4	9
Independent Cat (Priory School)	Admitted Body	35.1%	1	7
Innovate Services (Ash Manor)	Admitted Body	22.4%	1	4
Innovate Services (St Peters)	Admitted Body	29.6%	1	5
Innovate Services (Weydon MAT)	Admitted Body	26.7%	1	4
ISS (Howard Of Effingham)	Admitted Body	25.2%	1	3
Jubilee High School	Academy	18.9%	28	88
Kenyngton Manor Primary School	Academy	19.4%	20	72
KGB Cleaning (Kings College)	Admitted Body	24.2%	0	1
Kingfield Primary School	Academy	19.0%	19	63
Kings College	Academy	18.6%	31	98
Kings International College	Academy	18.9%	6	17
Kingswood Primary School	Academy	18.0%	4	12
Knaphill Lower School	Academy	19.0%	11	38
Knaphill School	Academy	19.0%	12	38
Lakeside Primary School	Academy	20.5%	14	52
Langshott Primary School	Academy	23.0%	3	12
Leaps Nursery	Academy	18.1%	7	21
Learning Partners Academy Trust	Academy	18.6%	53	142
Leatherhead Trinity School	Academy	23.0%	-	-
Lightwater Village School	Academy	18.1%	12	39
Lime Tree Primary School	Academy	18.1%	23	72
Limpsfield CofE Infant School	Academy	23.0%	3	14
Linden Bridge School	Academy	19.4%	42	142
Lingfield Parish Council	Designated Body	17.7%	1	2
Loseley Fields Primary School	Academy	18.6%	19	61
Lumen Learning Trust	Academy	18.1%	15	42
Mace HFM (Surrey CC) Phase 1	Admitted Body	15.9%	44	90
Mace SFM (Surrey CC) Phase 1	Admitted Body	23.6%	17	61
Manorcroft Primary School	Academy	23.0%	19	76
Marden Lodge Primary School	Academy	18.1%	15	50
Marston Holdings (SCC)	Admitted Body	19.1%	9	27
Maybury Primary School	Academy	17.9%	12	39
Meadhurst Primary School	Academy	19.4%	22	74
Meadow Primary School	Academy	18.9%	29	96
Merrow CofE Infant School	Academy	23.0%	5	20
Merrow Junior School	Academy	23.0%	9	34
Merstham Park School	Academy	18.1%	31	94

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Merstham Primary School	Academy	18.1%	12	37
Merton and Sutton Joint Cemetery Board	Admitted Body	20.0%	0	0
Milestone Infrastructure Ltd	Admitted Body	21.8%	13	38
Mole Valley District Council	Scheduled Body	17.1%	502	1,260
Moor House School and College	Academy	30.7%	18	79
Mytchett Primary School	Academy	20.5%	10	36
N.E.S.C.O.T	Scheduled Body	22.5%	121	407
New Haw Community Junior School	Academy	20.6%	17	60
New Monument Primary School	Academy	18.9%	8	28
Nexgen Tandridge Learning Trust	Admitted Body	26.2%	-	-
Normandy Parish Council	Designated Body	17.7%	2	6
Normandy Village School	Academy	17.7%	2	7
Northmead Junior School	Academy	18.6%	19	64
Nviro SFM (Surrey CC) Phase 1	Admitted Body	24.2%	7	31
Olive Dining (Bell Farm Prim)	Admitted Body	18.2%	1	3
Onslow Infant School	Academy	23.0%	10	40
Ottershaw CofE Schools	Academy	19.7%	16	56
Our Lady Of The Rosary RC Primary	Academy	15.9%	13	36
Oxted School	Academy	19.4%	34	115
Pabulum Ltd (Burpham Prim)	Admitted Body	33.8%	0	1
Peaslake Free School	Academy	19.7%	3	10
Pewley Down Infant School	Academy	23.0%	34	135
Philip Southcote School	Academy	18.9%	58	176
Pine Ridge Lorraine Federation	Academy	18.1%	17	54
Pirbright Village Primary School	Academy	18.6%	18	60
Police and Crime Commissioner	Admitted Body	16.5%	87	187
Pond Meadow School	Academy	17.1%	33	97
Potters Gate CofE Primary	Academy	19.7%	9	31
Powell Corderoy Primary School	Academy	19.3%	9	38
Puttenham CofE Infant School	Academy	19.7%	5	17
Pycroft Grange Primary School	Academy	18.9%	21	73
Pyrford CoE Primary School	Academy	20.7%	33	115
Queen Eleanors CofE Junior	Academy	19.7%	15	53
Rapid Clean (St Augustines)	Admitted Body	24.5%	0	1
Ravenscote Community Junior School	Academy	17.9%	18	57
Reef cleaning St John	Admitted Body	19.6%	2	6
Reigate and Banstead B.C.	Scheduled Body	15.0%	862	1,839
Reigate College	Academy	18.0%	71	216

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Reigate Grammar School	Academy	38.8%	17	85
Reigate School	Academy	18.0%	56	170
Reigate Valley College	Academy	16.8%	16	41
Ringway Infrastructure Services	Admitted Body	31.5%	2	10
Riverbridge Primary School	Academy	18.1%	31	100
Rodborough School	Academy	19.3%	41	128
Rosebery School	Academy	18.1%	33	101
Runnymede Borough Council	Scheduled Body	17.6%	696	1,792
Russell Education Trust	Academy	14.5%	34	62
Salesian School	Academy	19.6%	79	248
Salfords Primary School	Academy	18.1%	21	67
Sandcross Primary School	Academy	18.1%	34	107
Sandfield Primary School	Academy	18.6%	13	41
Sandringham School	Academy	20.5%	9	34
Saxon Primary School	Academy	18.1%	17	55
Sayes Court Primary School	Academy	18.9%	11	38
Scott Broadwood CofE Infant	Academy	19.7%	4	13
Send CofE Primary School	Academy	23.0%	18	75
Send Parish Council	Designated Body	17.7%	-	-
SERCO LTD	Admitted Body	15.9%	10	25
Shalford Infant School	Academy	18.6%	5	18
Shalford Parish Council	Designated Body	17.7%	1	3
Shawley Community Primary School	Academy	20.1%	11	40
Sight For Surrey	Admitted Body	25.0%	3	10
South Camberley Primary School	Academy	17.9%	20	61
South Farnham Education Trust	Academy	17.7%	12	28
South Farnham School	Academy	17.7%	34	104
Spelthorne Borough Council	Scheduled Body	17.3%	707	1,827
Springfield Primary School	Academy	18.1%	17	54
Spurgeons (SCFC)	Admitted Body	23.0%	7	26
St Albans Catholic Primary School	Academy	19.6%	17	60
St Andrews CofE Infant School	Academy	19.7%	3	11
St Andrews CofE Primary School	Academy	21.8%	7	26
St Annes Catholic Primary School	Academy	19.6%	25	87
St Anns Heath Junior School	Academy	23.0%	12	49
St Augustines Catholic Primary	Academy	19.6%	22	72
St Charles Borromeo Primary	Academy	19.6%	13	47
St Cuthbert Mayne Primary	Academy	19.6%	8	29
St Cuthberts Catholic Primary	Academy	19.6%	7	29

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
St Edmunds Primary School	Academy	19.6%	8	32
St Francis Catholic Primary	Academy	19.6%	13	45
St Hugh of Lincoln Primary	Academy	19.6%	9	32
St Ignatius RC Primary School	Academy	15.9%	16	45
St John the Baptist School	Academy	19.6%	52	166
St Johns Primary School	Academy	18.0%	13	43
St Johns Primary School Dorking	Academy	19.7%	20	73
St Johns Primary School Knaphill	Academy	19.0%	13	41
St Josephs Catholic Guildford	Academy	19.6%	48	161
St Josephs Primary Redhill	Academy	19.6%	9	30
St Lawrence Primary School	Academy	19.4%	9	31
St Mark & All Saints CofE Prim	Academy	19.7%	13	47
St Martins CofE School Dorking	Academy	19.3%	17	71
St Martins CofE Schools	Academy	21.8%	20	76
St Marys CofE Prim Godalming	Academy	19.7%	11	38
St Marys CofE Primary Oxted	Academy	23.0%	32	114
St Matthews CofE Primary	Academy	17.8%	19	60
St Michaels Catholic Primary	Academy	15.9%	20	57
St Pauls Catholic College ACET	Academy	15.9%	56	145
St Pauls CoE (Dorking)	Academy	19.7%	8	27
St Pauls CofE Primary School	Academy	19.7%	21	72
St Peters Catholic School	Academy	19.6%	34	120
St Polycarps Catholic Primary	Academy	19.6%	21	75
St Stephens CofE Primary School	Academy	17.8%	18	56
St Thomas Of Canterbury Primary	Academy	19.6%	20	70
Stanwell Fields Primary	Academy	17.1%	18	52
Stoughton Infant School	Academy	18.6%	21	69
Sunbury Manor School	Academy	19.1%	48	167
Surrey Care Trust (SCFC)	Admitted Body	23.0%	10	37
Surrey Choices Ltd	Admitted Body	19.8%	21	61
Surrey County Council (non-schools)	Scheduled Body	14.8%	19,831	42,150
Surrey County Council	Scheduled Body	23.0%	4,183	16,655
Surrey Heath Borough Council	Scheduled Body	17.2%	525	1,281
Surrey Hills All Saints Prim	Academy	19.7%	7	25
Surrey Police & Galliford Try	Admitted Body	25.0%	1	4
Surrey Police (LGPS)	Scheduled Body	16.5%	4,392	11,011
Sythwood Primary School	Academy	18.9%	41	136
Tandridge District Council	Scheduled Body	17.1%	415	1,008
Tatsfield Parish Council	Designated Body	17.7%	1	3
Tatsfield Primary School	Academy	18.2%	7	24

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Taylor Shaw (Beacon School)	Admitted Body	28.7%	1	7
Thames Ditton Infant School	Academy	23.0%	-	-
Thames Ditton Junior School	Academy	21.8%	19	73
Thamesmead School	Academy	17.9%	50	145
The Abbey School	Academy	19.3%	31	104
The Alliance MAT	Academy	19.3%	46	153
The Ashcombe School	Academy	20.2%	63	208
The Beacon School	Academy	18.1%	46	144
The Bishop Wand CoE School	Academy	19.1%	39	120
The Chandler CofE Junior	Academy	23.0%	16	63
The Echelford Primary School	Academy	18.1%	19	60
The Good Shepherd Trust	Academy	19.7%	39	90
The Grove Primary School	Academy	20.5%	21	77
The Hermitage Infant School	Academy	19.0%	23	77
The Hermitage School	Academy	19.0%	23	77
The Horsell Village School	Academy	19.0%	12	40
The Howard Partnership Trust	Academy	19.4%	157	448
The Kite Academy Trust	Academy	20.5%	35	104
The Magna Carta School	Academy	21.8%	30	113
The Marist Catholic Primary	Academy	19.6%	21	73
The Matthew Arnold School	Academy	18.9%	29	89
The Mead Infant School	Academy	18.9%	17	59
The Park School	Academy	19.3%	27	93
The Priory CofE School	Academy	21.8%	24	86
The Raleigh School	Academy	17.7%	16	50
The Ridgeway School	Academy	19.3%	54	180
The Swan Trust	Academy	19.0%	13	37
The Vale Primary School	Academy	18.1%	13	42
The Weald CofE Primary School	Academy	19.7%	7	23
Therfield School	Academy	20.2%	36	120
Thomas Knyvett College	Academy	19.4%	32	106
Three Rivers Academy	Academy	19.4%	58	194
Tillingbourne Junior School	Academy	18.6%	20	64
Tomlinscote School	Academy	19.9%	63	209
Town & Country Housing	Admitted Body	37.4%	2	10
Trinity Oaks CofE Primary	Academy	23.0%	10	44
Cucina (Ascension Catholic Ed)*	Admitted Body	0.0%	-	-
Cucina (St Michaels Primary)*	Admitted Body	0.0%	-	-
Edwards & Ward (Chennestone)*	Admitted Body	0.0%	-	-
Edwards&Ward (Wood Street)*	Admitted Body	0.0%	-	-

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Impact Food (Carrington Sch)*	Admitted Body	0.0%	-	-
IMS St Ignatius School*	Admitted Body	0.0%	-	-
Innovate Services (Woking High School)*	Admitted Body	0.0%	-	-
Olive Dining (Holland Junior)*	Admitted Body	0.0%	-	-
Olive Dining (West Byfleet)*	Admitted Body	0.0%	-	-
Olive Dining Thorpe Primary*	Admitted Body	0.0%	-	-
Via (SCC)*	Admitted Body	0.0%	-	-
YMCA East Surrey (SCFC)*	Admitted Body	0.0%	-	-
Fullbrook Sports Centre*	Admitted Body	0.0%	-	-
U.C.A.-Univ.Creative Arts	Scheduled Body	15.2%	845	1,903
Unity Schools Trust	Academy	21.8%	31	92
University of Surrey	Scheduled Body	30.6%	319	1,521
Valley End CofE Infant School	Academy	19.7%	9	31
Wallace Fields Infant School	Academy	17.7%	17	54
Walsh CofE Junior School	Academy	19.7%	16	55
Walsh Memorial Infant School	Academy	19.7%	13	46
Walton Oak School	Academy	18.1%	22	70
Warlingham Parish Council	Designated Body	17.7%	1	3
Warlingham School	Academy	18.2%	58	172
Warlingham Village School	Academy	18.1%	0	1
Warren Mead Infant School	Academy	18.1%	1	5
Warren Mead Junior School	Academy	18.1%	5	14
Waverley Abbey CofE Junior School	Academy	19.7%	18	61
Waverley Borough Council	Scheduled Body	17.2%	802	1,959
Waverley Comm Trans - Hoppa	Admitted Body	40.4%	3	20
Welcare (Surrey CC)	Admitted Body	27.8%	2	10
West Ashtead Primary School	Academy	20.1%	17	61
West End Parish Council	Designated Body	17.7%	1	3
West Ewell Primary School	Academy	18.9%	30	100
West Hill School	Academy	19.4%	30	108
Westfield Primary School	Academy	17.9%	15	50
Wey Valley College	Academy	16.8%	10	27
Weydon Multi Academy Trust	Academy	19.3%	43	113
Weydon School	Academy	19.3%	71	225
Weyfield Primary Academy	Academy	18.4%	10	34
Whyteleafe School	Academy	18.1%	3	10
Whyteleafe Village Council	Designated Body	17.7%	0	1
Windlesham Parish Council	Designated Body	17.7%	6	17
Windlesham Village Infant School	Academy	19.3%	4	15

Employing Organisation	Type	Employer % Contribution Rate	Employees Contributions £000	Employer Contributions £000
Winston Churchill School	Academy	23.0%	64	240
Wishmore Cross Academy	Academy	17.8%	15	44
Witley Parish Council	Designated Body	17.7%	3	7
Woking Borough Council	Scheduled Body	17.0%	549	1,351
Woking College	Academy	17.9%	83	238
Woking High School	Academy	22.6%	54	201
Woodlea Primary School	Academy	18.2%	7	23
Woodmansterne Primary	Academy	18.9%	20	65
Woolmer Hill School	Academy	19.3%	32	106
Worplesdon Parish Council	Designated Body	17.7%	6	18
Wray Common Primary School	Academy	18.0%	20	63
Xavier Catholic Education Trust	Academy	19.6%	51	137
Yattendon School	Academy	18.0%	13	42
YMCA East Surrey (SCC EHS)	Admitted Body	17.8%	1	2

\*TUPE Transfer in process