



To:	The Chief Constables of Surrey Police & Sussex Police
From:	Chair of the Joint Surrey Sussex Police Pension Board
Subject:	Pension Board Annual Report
Date:	23/06/2025

Purpose of Report:

This report sets out the key activities of the Joint Surrey/Sussex Police Pension Board for the period 1st April 2024 to 31 March 2025, its membership and attendance record, summary of work completed and the proposed work plan for the year ahead.

Recommendations:

- To note the extensive work of the Board during the year.
 - To thank the Board members and advisors for their diligent work and commitment in support of the Scheme Manager.
 - To note the joint Surrey/Sussex Police Pension Board is working effectively.
 - To share the approved report with the Chair of the national Police Scheme Advisory Board.
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Surrey and Sussex Police – Joint Pensions Board

Annual Report 2024/2025

Report by Kelvin Menon, Chair of the Joint Police Pensions Board

1 Introduction

Individual Surrey and Sussex Police Pension Boards were established on the 1st of April 2015, according to section 5 of the Public Service Pensions Act 2013 and Regulation 13 of the 2015 Police Pension Regulations, to assist the Scheme Manager. In the interests of efficiency and to match the collaboration between the two forces, they were merged to become a joint Surrey & Sussex Board in April 2021.

During this last year the Board has continued with a comprehensive and busy workplan dealing with a wide range of topics. The Joint Board has been chaired by Kelvin Menon, who is also the CFO for the Surrey OPCC.

This report sets out the key work undertaken by the Joint Board over its four formal meetings held during the year on 5th June 2024, 16th of September 2024, 4th of December 2024 and 12th March 2025. All meetings have been held remotely to ensure the greatest level of attendance across both Forces.

2 The Pension Schemes Overseen

There are three pension schemes that are managed by the joint Board. These, together with a summary of the benefits payable under each of the schemes, are set out in Appendix 1.

The Pension Scheme is administered by the Chief Constables of Surrey and Sussex in accordance with the Police Pension Fund Regulations 2007 (SI 2007 No 1932).

Day to day administration of the schemes was undertaken by XPS. All Pension payments, calculated by the administrator, are made from the respective Chief Constable's Police Pension Fund Account.

Benefits amounting to £160m were paid during the year to pensioners. Just over £29m of this was contributed by members and a further £80m paid by Forces. The remaining shortfall of £49m for the year was paid directly by Government out of general taxation as they underwrite the scheme members current and future benefits. The pension fund accounts are published in the Statements of Accounts 2024/25 and an extract is shown below in Table 1 and Table 2. At the time of writing these Statements of Accounts were subject to Audit.

Table 1 - Sussex Police Pension Fund Account Statement

As at March 2024			As at March 2025	
£000	£000		£000	£000
(38,213)		Contributions Receivable		
(443)		From Employer:		
(16,269)		- Normal	(45,839)	
		- Early Retirements	(1,033)	
		From Members	(18,013)	
	(54,925)			(64,885)
	(208)	Transfers In		
		Individual Transfers in From Other Schemes		(257)
	(55,133)	Total Inflows		(65,142)
83,703		Benefits Payable		
11,643		Pensions	89,673	
121		Commutations and Lump Sums	15,184	
		Lump Sum Death Benefits	167	
	95,467			105,024
113		Payments To and On Account of Leavers		
18		Refund of Contributions	231	
		Individual Transfers Out To Other Schemes	654	
	131			885
	95,598	Total Outflows		105,909
	40,465	Net amount payable for the year from the Group (equal to deficit amount)		40,767
	(40,465)	Additional contribution from the Group to fund the deficit for the year *		(40,767)
	0	Net Amount Payable for the Year		0

Table 2 - Surrey Police Pension Fund Account Statement

As at March 2024			As at March 2025	
£000	£000		£000	£000
(27,569)		Contributions Receivable		
(534)		From Employer:		
(11,927)		- Normal	(33,687)	
0		- Early Retirements	(298)	
		From Members	(11,927)	
		McCloud Receipts	(362)	
	(40,030)			(47,183)
	(158)	Transfers In		
		Individual Transfers in From Other Schemes		(64)
	(40,188)	Total Inflows		(47,247)
46,463		Benefits Payable		
5,058		Pensions	49,793	
113		Commutations and Lump Sums	4,848	
228		Lump Sum Death Benefits	246	
		Lump Sum Ill-health Benefits	240	
	52,042			55,127
110		Payments To and On Account of Leavers		
87		Refund of Contributions	241	
		Individual Transfers Out To Other Schemes	53	
	197			294
	52,239	Total Outflows		55,421
	12,051	Net amount payable for the year from the Group (equal to deficit amount)		8,174
	(12,051)	Additional contribution from the Group to fund the deficit for the year *		(8,174)
	0	Net Amount Payable for the Year		0

Note: Any deficit on the fund is paid by Home Office by way of a special Top-Up pension grant. Conversely, if the fund was in surplus this would be returned to the Home Office as a payment. This is not the same as the Police Pension Grant which is a fixed sum paid annually and is given to offset part of the cost to Forces of employer's contributions to the scheme.

3 Governance and Compliance

The Board continued to monitor compliance with pension legislation during the year to ensure that its processes and policies were compliant.

Breaches: Are included as a standing item on every Board agenda. At the December meeting the Board were informed that some technical Breaches had been reported to The Pensions Regulator relating to delays in issuing some Annual Benefit Statements by the 31st of August 2024 and some Pension Savings statements by the 6th of October 2024. At the March 25 meeting the Board were informed that an update on these breaches had been provided to the Regulator. The Board were also informed of a further non-reportable nil risk breach in relation to a few letters sent to incorrect addresses due to a system error. This had been rectified immediately.

Risk register: The risk register is updated quarterly and reviewed at each meeting. In the period covered by this report there were no Risks were removed; the following additional risks were added to the register:

- Pensions Dashboards
- Scheme Pays (added to 4.1 failure to interpret rules or legislation correctly.)

Terms of Reference (TOR) & Board Policies and Procedures: Following the release of The Pension Regulators (TPR) Equality and Diversity Guidance and New Code of Practice, the Board Terms of Reference (TOR) and policies and procedures had been reviewed to incorporate the guidance where necessary and approved by both Scheme Managers. The Board agreed to adopt the TOR and policies and procedures at the June 2024 meeting.

Members agreed to continue to meet virtually for the time being, ensuring better attendance at the meetings. This continues to be kept under review.

Budget, Fees, and expenses: The Fees and Expenses Policy was reviewed at the June meeting. Only Board members who are not employed by the Force or the OPCC can make a claim for travel and subsistence from the budget allocated to the Board as they are able to claim through their own Forces travel and subsistence scheme. No claim for expenses were submitted in 2024/2025.

4 A Summary of the work of the Board 2024/2025

It was a busy year for the Joint Board, highlights of the year were as follows:

Joint Work Plan: the work plan was updated quarterly and reviewed at every meeting. See March 2025 Workplan - Appendix 2.

Monitoring The performance of the current pension administrator XPS: The administrator was required to submit a quarterly report summarising their work and performance against the Key Performance Indicators (KPIs). In the first quarter report there had been a significant drop, with a high volume of general cases being completed late, this reflected the increase in contact from scheme members and the time it was taking to recruit and train new staff in preparation for remedy. The Board acknowledged that the Service Level Agreement, that had been in place prior to Remedy, had not been renegotiated to reflect the additional workload. The levels rose each quarter and by March 2025 were almost back to normal.

Historic data issues were a cause for concern and discussed at each meeting. A scanning project had been put in place for paper files; this project is ongoing.

Some changes had been suggested by the Board to the information leaflet sent out to bereaved partners of deceased members, to try and reduce confusion and distress at this difficult time. XPS have taken these suggestions on board and the draft document will be ready in April 2025.

GMP Reconciliation – this project is ongoing for Sussex, a next steps report to include a timeline for completion is to come to the next Board meeting.

There were 52 complaints reported to the Board in the period covered by this annual report, the reasons for the complaints varied, the numbers had risen from the previous year but had gradually been resolved and reduced over the period covered by this report.

Monitoring member opt out rates: The Board continued to be concerned with the number of Officers opting out of their pensions and are aware of the strategic importance of retaining members, e.g. the impact on the scheme's demographics or overall health/future contribution rates. Work is ongoing to understand the drivers for members opting out with specific measurable goals to reduce this number. A local survey carried out by the Surrey/Sussex Pensions team in 2024/2025 has inspired other forces to undertake similar opt out surveys and the results will be shared nationally via the NPCC. Pension Awareness training is included as part of the induction training for new Surrey & Sussex officers and Pension Awareness workshops presented by Barnett Waddington have been offered to serving members of the scheme. For Membership details for 2024 see Appendix 3.

Ill Health Retirement: This is a standing item on the agenda. 29 people who were in the 1987 scheme and who were ill health retired during the remedy period, had been contacted for consent for a review of the original decision made, in the period covered by this report only 8 officers had responded to give permission and only 7 of these cases had been forwarded to the SMP for a determination with 3 progressing to part 2 assessment to date. Work continues to reach out to those ex-officers who have not yet responded.

Contingent Decisions and Internal Dispute Resolution Procedure (IDRP): The IDRP had been included in the Contingent Decision guidance to ensure the process was not resource intensive, was consistent, resilient and robust and this guidance was presented to the Board at the June meeting. 23 claims had been received and reviewed in the period covered by this report, all relating to the 1987 scheme.

Continued training for Pension Board Members: It is a requirement for Board members to receive and complete suitable training so that they can complete their roles as Board members effectively. A log is kept of all training attended by the members and is included on the agenda for each meeting. New members are encouraged to complete the Pension Regulator online course for Pension Board Members within 6 months of joining the Board.

Training provided in the period covered by this report includes TPR New Code of Practice, Pension Awareness Week, The TPR Pensions Dashboard webinar and PASA Data Scoring Guidance Launch webinar. Board Members were also given access to XPS' Arena area.

McCloud Pension Remedy: The Board were kept abreast of progress; work has been continuing with XPS to make sure the data held is as accurate and up to date as possible but obtaining historic data has proved challenging. The Board requested that XPS make information on the options available accessible via the members portal. Mini projects like Evans and Ashcroft,

pension savings statements and GMP reconciliation and equalisation, have continued to be worked on by the Surrey/Sussex Pensions Team in the period covered by this report. The Board receives quarterly updates on progress to date.

Dashboard: The Board are kept updated on this national project and it is a standing item on the agenda for each meeting.

Scheme Sanction Charges: The Surrey/Sussex Pensions team worked hard to identify all those entitled to a refund, in the period covered by this report 330 members had been identified and repaid. Work will continue and the Board kept abreast of progress at each meeting

Feedback by scheme member reps: This is now a standing agenda item allowing scheme members to have a voice at the Board. Concerns were raised over XPS' bereavement processes and Board Members and the Pensions Team worked with XPS to improve their communication and processes.

5 Board Matters

Board Meeting Frequency: The Board Terms of Reference require that the Board will meet four times in each calendar year on a three-monthly cycle. In the period covered by this report the Board met virtually on the 5th of June, 16th of September, 4th of December 2024 and the 7th of March 2025 and therefore fulfilled this requirement.

Board Membership and Attendance: Board members carry out a vital role in providing governance and supporting the Scheme Managers. The table in Appendix 4 sets out the attendance of each member during the period covered by this report.

Chair: The CFO of Surrey OPCC, Mr Kelvin Menon was appointed as Chair for the period of this report.

Board Membership: There has been one change in Board membership in the period covered by this report on the scheme member side.

Quorate: The quorum for decision making is 8 members including chair/deputy chair. This is made up of an equal number of member and employer representatives. I am pleased to report the Board was quorate for all 4 meetings held in the period covered by this report.

Costs incurred by the Board: The administration cost for the financial year 2024/2025 was £1.5k.

Finally, the Chair would like to thank all Board Members who provided challenge and scrutiny at the meetings they have attended and supported the work of the scheme administrator during the year. He would also like to thank the Joint Pension Board administrator, Mrs Rachel Lupanko, who has worked hard putting agendas and papers together, writing up the minutes and actions and assisting the Board as required.

Appendix 1 - Pension Scheme Summary of Benefits

Please note: Both the 1987 and 2006 police pension schemes are now closed. All serving officers were moved into the 2015 CARE scheme from 1 April 2022, following the McCloud/Sargeant judgement. The information in this table remains relevant only for understanding accrued benefits under the legacy schemes prior to that date.

Benefits payable under all three schemes are shown in tabular form below:

	Police Pension Scheme (PPS) (1987)	New Police Pension Scheme (NPP) (2006)	Police Pensions Scheme 2015
What is maximum pension	2/3 final salary, with option to exchange part of the pension for a lump sum	½ final salary plus fixed lump sum of 4 times the pension, with option to exchange part or all of lump sum for extra pension	Pension at retirement is the sum of each of the accrued pension pots, subject to revaluation at a rate of CPI +1.25% per year
Final salary basis	Pensionable remuneration is normally the average remuneration in the employee's final year	Earnings over the last ten years are taken into account via best average over 3 consecutive years	Scheme is a Career Average Revalued Earnings scheme
Length of service for maximum pension	30 years	35 years	No maximum length of membership
Earliest age to receive pension	Age 50 after 25 years of service Any age after 30 years of service Age 55 for less than 25 years of service Age 60 if leave service before compulsory retirement age with less than 25 years of service	Age 55 if remain in police service until that age Age 65 if leave police service before age 55 or opting out of the scheme	Age 60 if remain in police service until that age. State pension age if leave police service before age 60.
Pension increases	All pensions in payment, deferred pensions and children's pensions are increased annually in line with the Consumer Price Index.	All pensions in payment, deferred pensions and children's pensions are increased annually in line with the Consumer Price Index.	All pensions in payment, deferred pensions and children's pensions are increased annually in line with the Consumer Price Index.
How is pension accumulated	1/60 of final salary for first 20 years of service, plus 1/30 for final 10 years of service up to a maximum pension entitlement of 40/60.	1/70 of final salary for each year of service up to a maximum 50% of final pensionable after 35 years of service.	1/55.3th of pensionable earnings each year is added to the members' pension pot for each year of membership.

This Table reflects pension rules as applied to service accrued up to 31 March 2022. Since 1 April 2022, all members have accrued under the PPS 2015 CARE scheme.

Category	Police Pension Scheme (PPS) 1987	New Police Pension Scheme (NPPS) 2006	Police Pension Scheme 2015
What is maximum pension	2/3 final salary, with option to exchange part of pension for lump sum	½ final salary + lump sum of 4x pension (exchangeable)	Sum of accrued pension pots, revalued annually at CPI +1.25%
Final salary basis	Final year's pensionable remuneration	Best average of 3 consecutive years in last 10	Career Average Revalued Earnings (CARE)
Length of service for maximum pension	30 years	35 years	No maximum
Earliest age to receive pension	50 after 25 years, or 50 - 60 depending on service length	55 (if in service); 65 (if left early)	60 (if in service); State Pension Age if left earlier
Pension increases	In line with Consumer Price Index (CPI)	In line with Consumer Price Index (CPI)	In line with Consumer Price Index (CPI)
How is pension accumulated	1/60 for first 20 years + 1/30 for final 10 years (max 40/60)	1/70 per year (max 50% after 35 years)	1/55.3rd of pensionable earnings added yearly
Current scheme status & McCloud remedy	Closed to future accrual. Benefits apply to service before 1 April 2022 only. Members moved to 2015 Scheme. Affected members can choose at retirement whether to receive legacy or 2015 scheme benefits for service from 1 April 2015 to 31 March 2022.	Closed to future accrual. Same McCloud provisions apply as for PPS 1987.	Active scheme for all members since 1 April 2022. Applies to all pensionable service from this date.

Appendix 2 – Work Plan March 2025:



Work Plan and
Current Projects Ma

Appendix 3 – Membership details 2024

Membership	Period Ending 31/03/2024	Period Ending 31/12/2024	Membership	Period Ending 31/03/2024	Period Ending 31/12/2024
Active Members			Active Members		
Surrey			Sussex		
Total at period start	2,284	2,311	Total at period start	3,118	3,123
New Starters	109	1	New Starters	131	3
New Leavers	-40	-10	New Leavers	-35	-24
Retirements	-5	-4	Retirements	-15	-12
Death	0	-1	Death	0	0
Total at period end	2,348	2,297	Total at period end	3,199	3,090
Deferred Members			Deferred Members		
Total at period start	999	1,034	Total at period start	1,365	1,373
New Deferred	22	11	New Deferred	15	15
New Leavers	-6	0	New Leavers	-7	-1
Retirements	-4	-8	Retirements	-10	-10
Death	0	0	Death	0	0
Total at period end	1,011	1,037	Total at period end	1,363	1,377
Pension Members			Pension Members		
Total at period start	2,339	2,383	Total at period start	4,216	4,288
New Retirements	18	16	New Retirements	48	39
New Dependents	4	2	New Dependents	11	5
Notified (need further details)	-3	-10	Notified (need further details)	-4	-13
Death/cessation	-6	-4	Death/cessation	-19	-9
Total at period end	2,352	2,387	Total at period end	4,252	4,310
Total membership at period end	5,711	5,721	Total membership at period end	8,814	8,777

Appendix 4 – Board Members Attendance Register

Meeting Date	Employer Side Representatives							Scheme Member Side Representatives						Quorate (8 Members)	Balanced
	Surrey OPCC Kelvin Menon	Sussex OPCC Iain McCulloch	Surrey & Sussex Police Peter Appleton	Surrey & Sussex Police Angela Packebusch	Surrey & Sussex Police Adrian Rutherford	Surrey & Sussex Police Carwyn Hughes	Federation Surrey Darren Pemble	Federation Sussex Raff Cioffi	Superintendents Association Surrey Matt Barcraft-Barnes	Superintendents Association Sussex Miles Ockwell	Superintendents Association Sussex Stuart Hale	Scheme Member (NARPO) Simon Lambert	Scheme Member (NARPO) Graham Bradley		
05/06/2024	Yes	Apologies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	No
16/09/2024	Yes	Yes	Yes	Yes	Apologies	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	No
04/12/2024	Yes	Yes	Yes	Yes	Substitute	Yes	Substitute	Yes	Yes	Apologies		Yes	Yes	Yes	No
12/03/2025	Yes	Yes	Yes	Yes	Yes	Apologies	Yes	Yes	Yes		Yes	Yes	Yes	Yes	No