Suffolk County Council

Suffolk Pension Board

(Quorum 2 – 1 member of each representative group)

Scheme Employer Representatives:

Councillor Richard Smith MVO, representing Suffolk County Council.

Ian Blofield, representing all Borough, District, Town and Parish Councils.

Thomas Jarrett, representing all other employers in the Fund.

Scheme Member Representatives:

Richard Blackwell, representing Pensioners.

Kay Davidson, representing Active Members.

Peter Frost, representing the Unions.

Date: Friday, 17 October 2025

Venue: Rose Mead Room
Endeavour House
8 Russell Road
Ipswich
Suffolk
IP1 2BX

Time: 11:00 am

For further information on any of the agenda items, please contact Rebekah Butcher, Democratic Services Officer, on 01473 264371 or committee.services@suffolk.gov.uk

Business to be taken in public:

Business to be taken in private:

11. **Exclusion of the Press and Public**

The Committee is invited to consider whether the public (including the press) should be excluded from the meeting during consideration of agenda items 12 and 13 pursuant to Section 100(A) of the Local Government Act 1972 (as amended) on the grounds that:

a) they involve the likely disclosure of exempt information as detailed in paragraph 3 (information relating to the financial or business affairs of any particular person, including the authority holding that information) of Parts 1 to 3 of Schedule 12A, as amended, of the Local Government Act 1972 (as amended); and

b) that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

12. **Exempt Minutes of the Previous Meeting** — Exempt Pages 253-255

To approve as a correct record, the exempt minutes of the meeting held on 29 July 2025.

13. **LGPS Fit for the Future** — Exempt Pages 257-281

To receive a report on progress towards meeting the requirements of LGPS Fit for the Future.

Date of next scheduled meeting: Wednesday, 10 December 2025 at 11:00 am

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2. Use the stairs, NOT the lifts.
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Nicola Beach
Chief Executive

Suffolk County Council

Agenda Item 3
Unconfirmed

Minutes of the Suffolk Pension Board Meeting held on Tuesday, 29 July 2025 at 11:00 am in the Rose Mead Room, Endeavour House, Ipswich.

Present:	Councillor Richard Smith MVO (Chairman) (representing Suffolk County Council), Richard Blackwell (representing Pensioners), Ian Blofield (representing all Borough, District, Town and Parish Councils), Peter Frost (representing the Unions) and Thomas Jarrett (representing all other employers in the Fund – attended remotely).
Also present:	Scott Douglas, Northern Trust (Agenda Item 7 – attended remotely) and Tatum White, Senior Auditor (Agenda Item 6).
Supporting officers present:	Rebekah Butcher (Democratic Services Officer), Stuart Potter (Pensions Operations Manager), Sharon Tan (Lead Accountant, Pensions), and Tracey Woods (Head of Pensions).

The meeting was opened by the Democratic Services Officer.

1. Appointment of Chairman

On the proposal of Richard Blackwell, seconded by Ian Blofield, it was unanimously agreed that Councillor Richard Smith MVO be elected as Chairman for the 2025/26 municipal year.

Councillor Richard Smith MVO assumed the Chair.

Before proceeding with the formal agenda, the Chairman paid tribute to Pauline Bacon, who had served on the Board for four years as the Union representative, making a significant contribution during her tenure. A warm welcome was extended to Peter Frost, who had joined the Board as the new Union representative. The Board looked forward to working with him in the future.

2. Appointment of Vice Chairman

On the proposition of Councillor Richard Smith MVO, seconded by Richard Blackwell, it was unanimously agreed that Ian Blofield be elected as Vice Chair for the 2025/26 municipal year.

Thomas Jarrett joined the meeting remotely at 11:03 am.

3. Apologies for Absence

Apologies for absence were received from Kay Davidson (representing Active Members).

4. Declarations of Interest and Dispensations

Councillor Richard Smith MVO and Richard Blackwell declared an interest by virtue of the fact they were each in receipt of a local government pension.

Ian Blofield and Thomas Jarrett declared an interest by virtue of the fact they were active members of the pension scheme.

5. Minutes of the Previous Meeting

The minutes of the meeting held on 7 March 2025 were confirmed as a correct record and signed by the Chairman.

6. Internal Audit Work on the Pension Fund 2024/25

The Board received a report under Agenda Item 6, which outlined the internal audit work undertaken during the 2024/25 financial year in relation to the Suffolk Pension Fund, along with the resulting audit opinions on the control environment.

The Chairman welcomed Tatum White, Senior Auditor, to the meeting. She presented the report, and members had the opportunity to ask questions.

Decision: The Board took assurance from the work and activities of the Internal Audit Service, concluding that the processes and controls within the Pensions Team were operating effectively.

Reason for decision: The Board was responsible for ensuring that the Suffolk Pension Fund complied with all legislative requirements and that the scheme was effectively and efficiently governed and managed.

A member welcomed the reasonable assurance rating and asked whether the recommendations outlined in the report were being addressed. The Head of Pensions confirmed that the recommendations were being processed and incorporated, with some having already been closed since the report was drafted.

The Chairman expressed appreciation for the clarity of the report and the explanation that reasonable assurance should be regarded as a positive outcome. It was noted that substantial assurance was rarely given, as it implied near perfection, and that most recommendations typically resulted in reasonable assurance ratings. He also acknowledged his awareness of the internal audit work and expressed gratitude for the efforts of the Internal Audit team on behalf of the Board.

Alternative options: There were none considered.

Declarations of interest: Cllr. Richard Smith MVO and Richard Blackwell declared an interest by virtue of the fact they were each in receipt of a local government pension.

Ian Blofield and Thomas Jarrett declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

7. Annual Investment Performance Review

At Agenda Item 7, the Board received a report summarising the performance of the Suffolk Pension Fund for 2024-25, including benchmarking against other local authority pension funds.

The Chairman welcomed Scott Douglas of Northern Trust, who joined the meeting remotely. He presented the report, and members were given the opportunity to ask questions.

Decision: The Board noted the investment performance of the Fund.

Reason for decision: The Board represented stakeholders in the Fund and received an annual update on the investment performance of the Suffolk Pension Fund.

The Board acknowledged the role of global infrastructure investment in driving growth. A question was raised regarding the UK Government's initiative to encourage greater domestic investment, and whether this was beneficial. In response, Mr. Douglas clarified that while infrastructure investment contributed to growth, it remained a smaller component of the overall portfolio, with equities providing the greatest returns. He emphasised that his comments were personal opinions rather than investment advice and highlighted the importance of trustees receiving clear insights into the risk-return profiles of investment opportunities. He noted the potential public relations value of investing local funds for local benefit but reiterated that fiduciary responsibilities must remain the Fund’s primary concern.

The Board expressed appreciation for the clarity of the analysis. It was acknowledged that while overall performance was positive, some elements inevitably underperformed. The Chairman noted that the Board's role was to prompt the Pension Fund Committee to re-examine areas of concern, though no immediate questions were raised.

A query was posed regarding the long-term performance rankings, specifically the 20-year ranking shown on page 67. It was observed that the ranking stood at the 43rd percentile, prompting discussion on the implications of such a figure. The Lead Accountant (Pensions) emphasised the inherent uncertainty in long-term projections and clarified that the ranking was relative rather than absolute. It was noted that fluctuations would be expected and that asset allocations across funds varied, with some potentially benefiting more from global equities. Given the fund's historically moderate exposure to equities, the ranking served more as a reference point than a cause for concern. The Board was reassured that the fund remained in a strong position, and it was highlighted that the 20-year period encompassed significant events such as the financial crisis of 2008 and the COVID-19 pandemic. Achieving over 7% annual returns during such a period was considered commendable.

Alternative options: There were none considered.

Declarations of interest: Cllr. Richard Smith MVO and Richard Blackwell declared an interest by virtue of the fact they were each in receipt of a local government pension.

Ian Blofield and Thomas Jarrett declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

8. Pensions Administration Performance

At Agenda Item 8, the Board received a report providing an update on the performance of the Pensions Administration Team. The report included details of compliments and complaints received, as well as information on the timeliness of contribution payments from employers in the Fund.

The report was introduced by Stuart Potter, Pensions Operations Manager, and Sharon Tan, Lead Accountant (Pensions). Members were given the opportunity to ask questions.

Decision: The Board noted the report and considered the information provided, confirming that no further action was required at this time.

Reason for decision: The purpose of the report was to provide the Board with regular updates on the performance of the Pensions Administration Team, including statutory requirements and Service Level Agreements.

A query was raised regarding one employer's late submission of valuation data. It was confirmed that the employer had been reminded of the deadline on multiple occasions and informed that, in the absence of a response, the most up-to-date records held would be submitted to the actuary. The Board acknowledged the small scale of the issue and agreed no further action was necessary.

The Board noted that the end-of-year pensioner payroll processes had been completed on 31 March 2025, with P60s issued two months ahead of the statutory deadline. The Chairman commended this as an exceptional performance and asked that it be formally noted with gratitude.

It was noted that Peter Frost would be writing a column for the next active members' newsletter, due out in the coming weeks.

A question was raised regarding the apparent £3.5 million variance between quarterly contribution payments. It was explained that the difference was likely due to timing cut-offs, weekly payment cycles, and year-end adjustments. It was noted that Quarter 1 figures might appear inconsistent, while Quarter 2 and Quarter 3 figures were more typical. The Board accepted that no concern was warranted.

Alternative options: There were none considered.

Declarations of interest: Cllr. Richard Smith MVO and Richard Blackwell declared an interest by virtue of the fact they were each in receipt of a local government pension.

Ian Blofield and Thomas Jarrett declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

9. Government Pension Review

At Agenda Item 9, the Board received a report which included the final report of the Pensions Investment Review, as outlined in the Mansion House speech delivered on 14 November 2024, and the Government's response to the LGPS: Fit for the Future consultation. The report also included the relevant sections of the draft Pension Schemes Bill.

The report was introduced by Tracey Woods, Head of Pensions, and members were given the opportunity to ask questions.

Decision: The Board noted:

a) the final report of the Pensions Investment Review

b) the Government's response to the LGPS: Fit for the Future consultation.

c) the proposed changes to primary legislation impacting the LGPS, as set out in the draft Pension Schemes Bill.

Reason for decision: The Government had published the final report of its Pensions Investment Review, which set out how it intended to deliver scale and consolidation within the LGPS. The review focused on addressing fragmentation and inefficiency to unlock the investment potential of the scheme, including through asset pooling, enhanced governance, and a strengthened emphasis on local investment. Alongside this, the Government's response to the LGPS: Fit for the Future consultation had also been published.

The draft Pension Schemes Bill had been issued, outlining the primary legislative changes required to implement the proposed reforms.

Alternative options: There were none considered.

Declarations of interest: Cllr. Richard Smith MVO and Richard Blackwell declared an interest by virtue of the fact they were each in receipt of a local government pension.

Ian Blofield and Thomas Jarrett declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

10. Academies Policy

At Agenda Item 10, the Board received a report outlining the Fund's approach to simplifying and standardising the treatment of academies, including free schools and third-party contractors working on their behalf, as part of the valuation exercise to calculate contribution rates for the period 1 April 2026 to 31 March 2029. To support this, the Fund had developed the Suffolk Pension Fund Academy Policy in collaboration with Hymans Robertson, the Fund's Actuary, setting out the funding principles for all academies and free schools within the Fund.

The report was introduced by Sharon Tan, Lead Accountant (Pensions), and members were given the opportunity to ask questions.

Decision: The Board noted the new Academy Policy.

Reason for decision: The Pension Board represented stakeholders in the Fund, including those affected by the application of the Academy Policy.

Members heard that the draft Academy Policy had been circulated to existing academies in the Fund for consultation. While most responses focused on broader sector developments, one comment specifically addressed the policy itself, describing it as a sensitive and positive step forward to help Multi Academy Trusts better manage risk across schools.

A member welcomed the clarity and structure of the proposed Academy Policy, particularly the simplification it offered in relation to contractor arrangements. It was suggested that the policy could help address common misunderstandings around pensions, which might currently deter new entrants to the sector. The policy was viewed as a positive step that would likely be well received across the education sector, especially in the context of recent organisational changes such as mergers.

Alternative options: There were none considered.

Declarations of interest: Cllr. Richard Smith MVO and Richard Blackwell declared an interest by virtue of the fact they were each in receipt of a local government pension.

Ian Blofield, and Thomas Jarrett declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

11. McCloud Implementation

At Agenda Item 11, the Board received a report which provided an update on the progress of implementing the McCloud Remedy for the Fund, along with the revised plan for completing the work in line with the legislation that came into force on 1 October 2023.

The report was introduced by Tracey Woods, Head of Pensions, and members were given the opportunity to ask questions.

Decision: The Board noted:

a) the recommendation made to the Pension Fund Committee on 21 July 2025 that the McCloud Implementation Phase for the Suffolk Pension Fund be extended until 31 August 2026.

b) the reasons for the recommendation and the work in progress to apply the remedy for impacted members.

Reason for decision: The Pension Board represented members and stakeholders in the Fund who were affected by the McCloud remedy.

The extension of the implementation phase reflected the ongoing work required to apply the remedy in line with legislative requirements.

The Board sought assurance on the capacity to meet the revised deadline. It was confirmed that the extension would allow the administration team to prioritise high-impact cases, such as those involving members approaching or already in retirement, without being constrained by the production of annual benefit statements. The Head of Pensions expressed confidence in delivering the remedy by August 2026, provided no further legislative changes were introduced, and highlighted the importance of setting realistic deadlines given ongoing uncertainties and evolving guidance.

The Board thanked officers for the update and the assurances provided.

Alternative options: There were none considered.

Declarations of interest: Cllr. Richard Smith MVO and Richard Blackwell declared an interest by virtue of the fact they were each in receipt of a local government pension.

Ian Blofield and Thomas Jarrett declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

12. LGPS Access and Fairness Consultation Response

At Agenda Item 12, the Board received a report outlining the Government's launch of the Access and Fairness consultation, which covered a range of proposals relating to pension benefits for scheme members.

The report was introduced by Sharon Tan, Lead Accountant (Pensions), and members were given the opportunity to ask questions.

The Board was informed that the draft consultation response had been presented to the Pension Committee at its training session on 23 June 2025 and considered at its meeting on 21 July 2025. The officer provided an oral update on the Committee's position, which approved the response but noted the administrative burden of concurrent reforms and the Fund's capacity to implement the proposals.

Decision: The Board considered and agreed the consultation response.

Reason for decision: The Pension Board represented stakeholders in the Fund who would be affected by the proposals set out in the consultation.

A member asked what minimum threshold the officer believed would be appropriate for gender pensions gap reporting. It was suggested that a figure of 50, or even 40, would be more appropriate to ensure broader inclusion while excluding only the smallest employers. It was explained that the reporting process would be integrated into the valuation cycle and would not be burdensome once established by the actuary. The purpose of the reporting was to highlight the existence of the pensions gap and support efforts to address it, rather than to assess individual employer actions.

Alternative options: There were none considered.

Declarations of interest: Cllr. Richard Smith MVO and Richard Blackwell declared an interest by virtue of the fact they were each in receipt of a local government pension.

Ian Blofield and Thomas Jarrett declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

13. Board Training Programme

At Agenda Item 13, the Board received a report outlining areas of training for Board members to support the development of the knowledge and understanding required to fulfil their role effectively.

The report was introduced by Tracey Woods, Head of Pensions, and members were given the opportunity to ask questions.

Decision: The Board considered and agreed the content of the training programme for the coming year as follows:

a) Changes to Pensions Regulations following Pension Schemes Bill.

b) Pooling Changes.

c) Task Force on Climate-related Financial Disclosures and Task Force on Nature-related Financial Disclosure Regulations and Guidelines – including reporting requirements.

d) Impact of Devolution and Local Government Reorganisation on the LGPS.

Reason for decision: To comply with the Pensions Regulator's requirements, members of the Pension Board must be able to demonstrate that they have the necessary knowledge and understanding of Local Government Pension Scheme (LGPS) matters.

Members noted that while a list of suggested topics had been provided, additional items could be added throughout the year as necessary or relevant.

Alternative options: There were none considered.

Declarations of interest: Cllr. Richard Smith MVO and Richard Blackwell declared an interest by virtue of the fact they were each in receipt of a local government pension.

Ian Blofield and Thomas Jarrett declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

14. Information Bulletin

The Board noted the Information Bulletin at Agenda Item 14.

15. Dates of Future Meetings

At Agenda Item 15, the Board considered the dates of its future meetings.

Decision: The Board agreed to the following dates for its future meetings as follows:

<u>2025/2026</u>

- Friday, 17 October 2025
- Wednesday, 10 December 2025
- Wednesday, 4 March 2026

<u>2026/2027</u>

- Tuesday, 28 July 2026
- Thursday, 15 October 2026
- Wednesday, 9 December 2026
- Wednesday, 3 March 2027

All meetings would take place in person at Endeavour House, starting at 11:00 am.

Reason for decision: The Board had discretion over the scheduling of its meetings and agreed the planned dates up to two years in advance to support effective forward planning.

Alternative options: There were none considered.

Declarations of interest: Cllr. Richard Smith MVO and Richard Blackwell declared an interest by virtue of the fact they were each in receipt of a local government pension.

Ian Blofield and Thomas Jarrett declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

16. Forward Work Programme

At Agenda Item 16, the Board received a copy of its Forward Work Programme.

Decision: The Board approved its Forward Work Programme as published.

Reason for decision: The Board regularly reviewed the items appearing on its Forward Work Programme and was satisfied that the current programme remained appropriate.

17. Exclusion of the Press and Public

Decision: The Committee agreed that the public (including the press) should be excluded from the meeting during the consideration of Agenda Item 18 on the grounds that:

a) that it involves the likely disclosure of exempt information by virtue of paragraph 3 (information relating to the financial or business affairs of any particular person, including the authority holding that information) of Parts 1 to 3 of Schedule 12A (as amended) of the Local Government Act 1972 (as amended); and

b) that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

18. LGPS Fit for the Future – Pooling

At Agenda Item 18, the Board considered a report which set out the Government's response to the business case submitted to establish ACCESS as an Investment Management Company, in order to comply with new pooling standards by March 2026. The report also outlined the work in progress to meet the Government's direction, as set out in the letter from the Minister for Pensions and the Minister for Local Government, and in the final report of the Pensions Investment Review.

The report was introduced by Tracey Woods, Head of Pensions, and members were given the opportunity to ask questions.

Decision: The Committee noted the report.

Reason for decision: The Government published the interim report of the Pensions Investment Review in November 2024, alongside a consultation titled Local Government Pension Scheme (LGPS): Fit for the Future. As part of this process, all pools and pension funds were required to provide a submission to Government by 1 March 2025 which demonstrated a clear path to meeting the consultation's requirements.

On 9 April 2025, the Government wrote to the Suffolk Pension Fund and the 10 other ACCESS authorities to confirm that the proposal to establish an investment management company did not align with its vision for the future of LGPS pooling.

The Government requested that each fund identify which pool it intended to join going forward, either collectively or individually, with an in-principle decision expected by 30 September 2025.

Alternative options: There were none considered.

Declarations of interest: Cllr. Richard Smith MVO and Richard Blackwell declared an interest by virtue of the fact they were each in receipt of a local government pension.

Ian Blofield and Thomas Jarrett declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

The meeting closed at 1:03 pm.

Chairman

Suffolk County Council

Agenda Item 4

Suffolk Pension Board

Report Title:	Pensions Administration Performance
Meeting Date:	17 October 2025
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Nicola Beach, Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151 Officer)
Author:	Stuart Potter, Pensions Operations Manager Telephone: 01473 260295 Email: Stuart.potter@suffolk.gov.uk

Brief summary of the item to be considered

1. This report provides the Pension Board with an update on the performance of the Pensions Administration Team. This report also includes details of compliments and complaints as requested by the Board.

Action recommended

2. To consider the information provided and determine any further action.

Reason for recommendation

3. To provide the Board with regular updates on the performance of the Pensions Administration Team including updates on statutory requirements and Service Level Agreements.

Alternative options

4. There are no alternative options.

Main body of report

Introduction

5. This report covers staff performance and team achievements since the previous Board meeting on 29 July 2025.

Service Level Agreements

6. The Service Level Agreements for the ‘key’ processes from June to August 2025 are shown below:

    a) Provision of a transfer quote to scheme members within 10 days of the receipt of the estimated value and all necessary information – Total cases **115,** percentage completed in SLA **97%**

    b) Estimates are issued to members or employers within 10 working days of receipt of all information – Total cases **132,** percentage completed in SLA **98%**

c) Retiring employees are notified of their options within 5 working days of receipt of all information – Total cases **443**, percentage completed in SLA **99%**

d) Retirement lump sums will be paid within 10 working days of receipt of all necessary information after retirement – Total cases **383,** percentage completed in SLA **99%**

e) Notification of survivor benefits will be issued within 10 working days of receipt of all information – Total cases **64,** percentage completed in SLA **100%**

f) Outstanding monies owed in respect of a deceased pension, and any death grant, will be paid within 10 working days of receipt of all information – Total cases **95,** percentage completed in SLA **100%**

System updates

7. I-Connect is continuing to be tested and rolled out to employers, with 57% of all employers now sending monthly data. This equates to 47% of all active members. Work on I-Connect for Suffolk County Council and District Councils using Oracle Fusion has recommenced following the completion of process changes in the payroll team.

8. The number of members signing up to the member self-service system 'Engage' continues to increase and currently stands at 12,500.

Undecided leavers

9. There are currently 7,100 undecided leavers to process, a decrease of 150 from the previous report.

10. As expected, the annual high level of school member leavers happened on 31 August 2025. This resulted in the total cases increasing by 200 members to the current number.

McCloud Remedy

11. Further to the decision made by the Pension Fund Committee to extend the implementation period to 31 August 2026, testing was completed on the new functionality in the system for these calculations. The team are progressing with loading data from employers and implementing the remedy for new retirement cases will begin in October following the update of letters. Once the team have built up sufficient knowledge they will begin processing the wide variety of complex cases.

Annual Benefit Statements

12. All annual benefit statements were issued to members by the statutory deadline of 31 August 2025. Members were informed of this in the newsletter.

Newsletters

13. The summer edition of the Active members newsletter was issued in August 2025. This edition included articles on pension contribution bandings, annual benefit statements, Engage, retirements, McCloud and Pensions Dashboard as well as a first article from Peter Frost in his role as the union representative on the Pensions Board.

Compliments and Complaints

14. During this reporting period there have been four compliments above and beyond the usual thanks received for the service provided.

15. The first compliment was from an overseas pensioner member who had a problem with money getting into their account. The team resolved the issue, and the members daughter contacted us to say ‘my mother also asked me to convey to you her thanks for helping get this issue sorted. Seeing this finally resolved is a big relief for us and something I will definitely be escalating with our bank next time I visit’.

16. The second compliment was received from a partner of a member who died overseas. Her compliment stated, ‘I want to thank you from the bottom of my heart for the way you have tried to help me’.

17. The third compliment came from a member who wanted to thank two members of the team who had helped them access and use the member self-service system. The final compliment was from a member who had mislaid an e-mail from the team. The information was provided again, and she e-mailed to say ‘I really appreciate you helping me like this. Please pass my thanks onto your team’.

18. During this period the pension team have received one complaint. This complaint was from a member unhappy with the time taken for him to receive a refund of contributions. The team had not communicated that they were awaiting employer information and the escalation process then wasn’t handled correctly when he made contact. The payment was made, along with a review of processes and reminders to the team, and the complaint was resolved.

19. There was also one new IDRP stage 1 dispute raised. This was regarding a dispute in relation to an ill-health tier that had been awarded. The employer didn’t uphold the stage 1 complaint, and this has progressed to Stage 2. The Board will be updated on the outcome of this.

Contribution payments

20. The administration strategy requires contributions from employers to be received by the Pension Fund within 5 working days of the month end in which the contributions were deducted. The table below summarises the timeliness of receipts received during 2024/25 quarter 4 and 2025/26 quarter 1:

	2024/25 Quarter 4			**2025/26 Quarter 1**		
	Employer	Contributions		Employer	Contributions	
	%	£’m	%	%	£’m	%
On Time	84	34.486	97.7	87	38.264	98.4
Up to 1 week late	4	0.280	0.8	4	0.142	0.4
Over 1 week late	12	0.517	1.5	9	0.470	1.2
Total		**35.283**			**38.876**	

Sources of further information

No other documents have been relied on to a material extent in preparing this report.

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Suffolk County Council

Agenda Item 5

Suffolk Pension Board

Report Title:	Pensions Dashboard
Meeting Date:	17 October 2025
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Nicola Beach, Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151)
Author:	Tracey Woods, Head of Pensions Tel. 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of the item to be considered

1. This report provides an update on progress with connecting to the Pensions Dashboard and meeting the responsibilities set out in the Pensions Dashboards Regulations 2022 and 2023.

Action recommended

2. The Board is recommended to note the progress made in meeting the deadline of 31 October 2025 for connecting to the Pensions Dashboard.

Reason for recommendation

3. The Suffolk Pension Board is responsible for ensuring that the Suffolk Pension Fund is compliant with legislative requirements relating to the LGPS and those imposed by the Pensions Regulator.

4. The Suffolk Pension Fund is required to connect to the Pensions Dashboard by 31 October 2025. Failure to do so is considered to be a breach of regulations by The Pensions Regulator, would need to be reported and could result in a fine.

Alternative options

5. There are no alternative options.

Main body of report

Introduction

6. The Pensions Dashboards Programme (PDP) started under the Department for Work & Pensions and is now being delivered by the Money and Pensions Service (MaPS).

7. Pensions dashboards will enable individuals who have a UK pension not in payment to access their pensions information online, securely and all in one

place. They will provide clear and simple information about an individual's multiple pensions savings, including their State Pension.

8. To make this work, multiple pensions providers and technical systems need to be connected to the Pensions Dashboard Ecosystem.

Connecting to the Pensions Dashboard Ecosystem

9. Pensions Dashboards are all about exchanging data, no pension information is stored. Therefore, Dashboards will work by all pension providers connecting to Central Digital Architecture that has been put in place.

10. The Central Digital Architecture consists of:

    - Identity service (provided by GOV.UK One Login) to verify a user's claimed identity. This includes verification against government-held details such as passport or driving licence.
    - Consent and authorisation service, which manages user authentication, consents and permissions. This is where an individual will enter details to search for pensions and authorisations for releasing their pensions information to the dashboard. This is passed to the pension finder service.
    - Pension finder service, which sends out instructions to pensions providers to search for a user's pension information. This is a find request. If a pension is found by the pension provider this is registered with the consent and authorisation service, making the pensions data available to the user for viewing on the dashboard.

11. The Pensions Dashboards Regulations 2022 as amended by the Pensions Dashboards (Amendment) Regulations 2023 introduced a single "connection deadline" of 31 October 2026. This is the date that pension providers and schemes, within scope of the regulations, are required to connect to the digital architecture that makes up the Pensions Dashboards ecosystem.

12. In March 2024 the Department for Work and Pensions published guidance that sets out a staged timetable for pension providers to be connected to the pensions dashboards ecosystem and be able to process 'Find' and 'View' requests. Public Sector pension schemes are expected to be connected by 31 October 2025.

13. The Suffolk Pension Fund put in place a new five-year contract with Heywood Ltd, the provider of the Altair system that is used for all Pensions Administration functions, in November 2024. As part of this the Fund purchased the functionality to connect to the Pensions Dashboard. Heywood is also providing the reporting necessary to monitor compliance with the requirements. This includes being able to demonstrate how many find and view requests the fund has been able to respond to, and that the digital connection remains in place.

14. Heywood were one of the first providers to connect to the Pensions Dashboard and have been closely involved in its development. The project to put in place the connection for the Suffolk Pension Fund started at the end of May 2025. It was decided to ensure that the system connections were all in place by the deadline of 31 October 2025 and that the testing and live connection stages would run consecutively.

15. User Acceptance Testing was completed by the end of July 2025, and work progressed to put in place the connection to the live Altair system. The

connection was in place by mid-August 2025 and the first live file of data was uploaded in early September 2025.

16. The Fund has been able to choose the matching rules that are required to view data on a dashboard. These have been set to require users to provide multiple pieces of personal information to minimise the risk of fraudulent access.

Next Steps

17. Alongside connecting the Altair database, the Fund is also required to ensure that all the providers of Additional Voluntary Contribution (AVC) schemes in place for active and deferred members are connected to the dashboard. The majority of these members are now with the Legal & General scheme that was put in place in 2024, but a few remain with legacy schemes.

18. All the AVC schemes have been asked to connect directly to the dashboard rather than pass data to the Fund, therefore new data sharing agreements are being put in place. They will also be provided with the unique registration code that was issued by the Pensions Dashboards Programme to enable the connection to be made.

19. The legislation set a single connection deadline of 31 October 2026 which the Fund is currently on track to meet. However, this is not necessarily the date that dashboards will become accessible to end users. Testing of the Money and Pensions Service Dashboard with a cross section of end users is taking place over the coming months and following completion of this it is expected a decision will be taken on a go live date.

20. The Fund has made active members aware of the dashboard in the latest newsletter, and it is planned that further communication will be made once a go live date has been announced and national promotion starts.

21. Over the next year, the Fund will continue to work with Heywood to put in place processes to ensure the provision of data and responding to possible matches is as efficient as possible. The Fund will also be updating policies impacted by Pensions Dashboards, which includes the breaches policy and publishing identity data requirements.

Sources of further information

a) Homepage | UK Pensions Dashboards Programme

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Suffolk County Council

Agenda Item 6

Suffolk Pension Board

Report Title:	Actuarial Valuation 2025
Meeting Date:	17 October 2025
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Nicola Beach, Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151 Officer)
Author:	Tracey Woods, Head of Pensions Tel: 01473 265639, Email: tracey.woods@suffolk.gov.uk

Brief summary of the item to be considered

1. This report sets out the actuarial position of the Suffolk Pension Fund at 31 March 2025 and the draft Funding Strategy Statement.

Action recommended

2. The Board is asked to
   a) Note the progress of the March 2025 triennial valuation.
   b) Note the initial results of the triennial valuation outlined in **Appendix 1**
   c) Review the Funding Strategy Statement for the Pension Fund set out in **Appendix 2** and respond to the consultation.

Reason for recommendation

3. In line with other UK Pension Funds, each LGPS Fund is required to undertake an actuarial valuation every 3 years, and it is the Pension Fund Committee who are responsible for the results and impact of the triennial valuation as set out in the Suffolk County Council's constitution.
4. The Board represents the Employers in the Fund and should have appropriate oversight to fulfil their duties. The Board is requested to consider the draft Funding Strategy Statement as part of the consultation with the scheme employers.

Alternative options

5. There are no alternative options

Main body of report

Introduction

6. A triennial valuation is carried out to review each employer's funding position and determine the required level of employer contribution rates. The valuation compares the assets of the scheme to the estimated costs of the benefits that have been earned, known as liabilities.

7. At the Annual Training Day in October 2024, the Fund's Actuary Hymans Robertson LLP provided training on setting the assumptions for the valuation. This provided the Pension Fund Committee with the appropriate knowledge to agree these at its meeting on 19 March 2025.

8. Since the 2022 valuation there has been a significant shift in the economic environment meaning the LGPS is now facing new risks and opportunities which increases the importance of robust risk management.

9. The Fund achieved the 30 June deadline for providing updated membership information to the Fund's Actuary and responded promptly to queries.

Actuarial Valuation at March 2025

10. Hymans Roberston LLP reported the initial results of the valuation to the Pension Fund Committee at its meeting on 17 September 2025. The report shows that the actuarial position for the Pension Fund at 31 March 2025 is a funding level of 151%, compared with the level of 107% at the last full actuarial valuation at March 2022. This represents a surplus in the fund of £1,518 million, an increase from the funding surplus of £235 million at March 2022.

11. Expectations of higher future returns at the 2025 valuation have reduced the value of the liabilities, despite high inflation over the inter-valuation period. The main factors which have affected the funding position at March 2025 are set out by the fund actuary in **Appendix 1**.

Draft Funding Strategy Statement for the Suffolk Pension Fund

12. The Funding Strategy Statement was reviewed and approved by the Pension Fund Committee at its meeting on 17 September 2025 as the basis for consultation with scheme employers. This is set out in **Appendix 2**.

13. The Funding Strategy Statement sets out the assumptions and methodology underpinning the 2025 actuarial valuation actuarial exercise and how money will be collected from employers to meet the Fund's obligations. Contributions, assets and other income are then invested according to an investment strategy set by the administering authority. The statement articulates the factors that will be taken into account in setting individual employer contribution rates.

14. Individual employer contribution rates have been calculated by Actuary. These were sent to the employers in the fund alongside the draft Funding Strategy Statement for consultation on 9 October 2025. They have been given until 31 December 2025 to respond.

15. The Board is asked to review the Funding Strategy Statement for the Pension Fund and respond to the consultation.

Next Steps

16. The Pension Fund Committee will receive an update on the responses to the consultation, and the final version of the Funding Strategy Statement will be

formally approved by the Committee on 26 February 2026. Alongside this the Committee will also approve the new contribution rates to be included in the 'rates and adjustments certificate', effective from 1 April 2026. The Funding Strategy Statement will become effective from 1 April 2026 and remain in force until 31 March 2029.

Conclusion

17. In line with other UK Pension Funds, each LGPS Fund is required to undertake an actuarial valuation every 3 years, and it is the Pension Fund Committee who are responsible for the results and impact of the triennial valuation as set out in the Suffolk County Council's constitution.
18. The initial results of the actuarial valuation show that the funding level has increased to 151%, up from 107% at March 2022.
19. The Pension Fund is consulting with scheme employers on the individual employer contribution rates and the draft Funding Strategy Statement.
20. The Board represents the Employers in the Fund and is requested to consider the draft Funding Strategy Statement as part of the consultation with scheme employers.

Sources of further information

No other documents have been relied on to a material extent in preparing this report.

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HYMANS ROBERTSON

Suffolk Pension Fund

Actuarial valuation on 31 March 2025

Initial Results

Craig Alexander FFA C.Act

Richard Warden FFA C.Act

26 August 2025

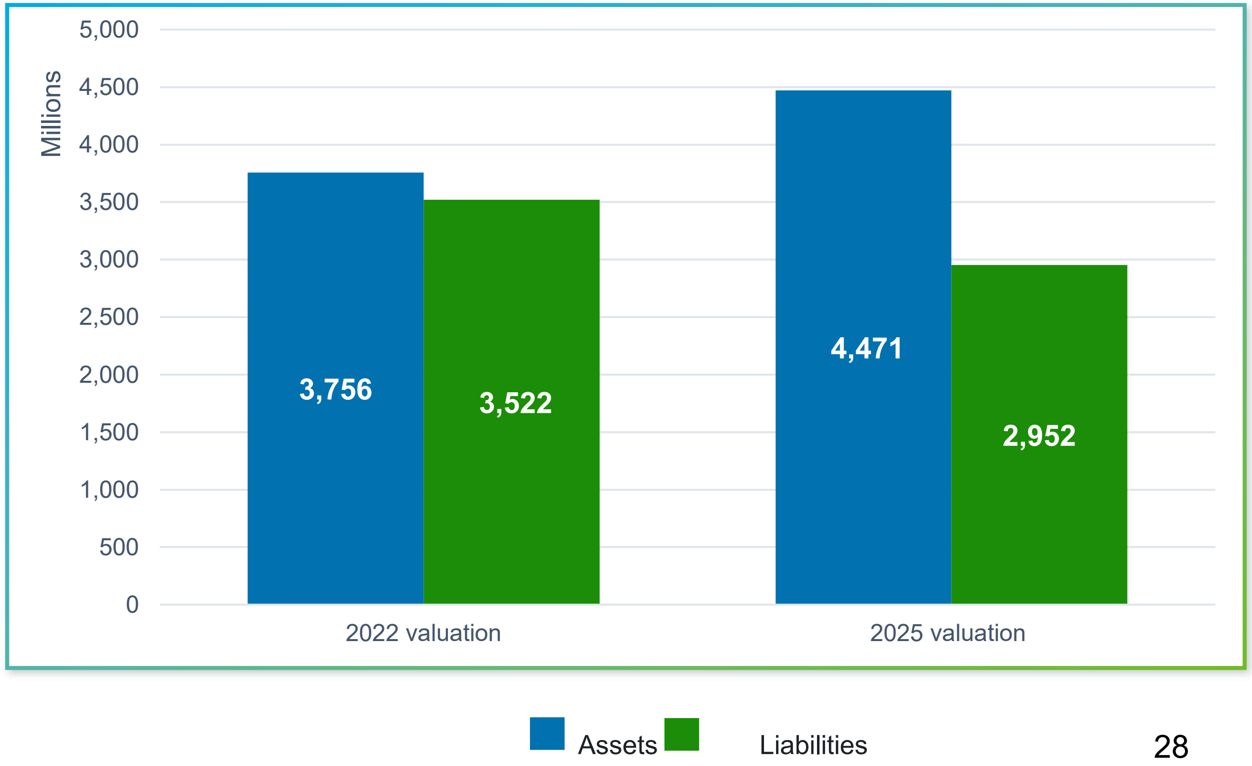
For and on behalf of Hymans Robertson LLP

Agenda Item 6, Appendix 1

Executive Summary

The initial phase of the 2025 valuation calculations for the Suffolk Pension Fund has been finalised. We are now able to present the overall funding position of the Fund and explain the factors contributing to changes since the previous valuation on 31 March 2022. The subsequent stages will involve examining employer-level results and setting contribution rates.

Chart 1: Movement in funding position between 31 March 2022 and 31 March 2025



The value of the Fund's assets is higher at the 2025 valuation - asset returns over the inter-valuation period have been higher than the assumption set at the 2022 valuation.

Expectations of higher future returns at the 2025 valuation have reduced the value of the liabilities, despite high inflation over the inter-valuation period.

Based on your agreed assumptions, the funding level at 31 March 2025 is 151% *(v 107% at the 2022 valuation)*

Further detail on the impact of actual experience since 2022, and changes in future expectations, on the funding position is set out on page 8.

Contents

In this report:

Addressee and purpose

Addressee and purpose

We have been commissioned by Suffolk County Council (the Administering Authority) to carry out a valuation of the Suffolk Pension Fund (the Fund) as at 31 March 2025. This report is a summary of the initial results of that valuation. This report is addressed to Suffolk County Council in its capacity as Administering Authority to the Suffolk Pension Fund. **The report must not be shared with any third parties or included in public meeting papers.**

The purpose of this paper is as follows:

Initial whole Fund level results

To provide the funding level, and other funding metrics, at whole Fund level as at 31 March 2025, including the reasons for changes from the position at the last valuation.

Risks and sensitivities

To help the Fund understand the sources of funding risk and a quantification of their impact. This information may support a review of the Fund's funding risk management strategy and framework.

Employer results overview

To provide an overview of the Fund's employers, their diversity and distribution of funding positions. The next stage of the valuation will be to examine the employer-level results and set contribution rates.

The contents of this report have been prepared on the basis that they will be used to facilitate a discussion with the Fund. The results in this report should be treated as draft as changes may be made to data, assumptions or other inputs during the valuation exercise. A report with final valuation results will be prepared before 31 March 2026.

Initial results – Whole Fund

Agenda Item 6, Appendix 1

Funding position – Whole Fund

We have completed the first stage of the 2025 valuation calculations. We can now report the whole Fund funding position (and other relevant funding metrics) and set out the reasons for change in the funding position since the last valuation (31 March 2022). The whole Fund funding position is shown in Table 1.

Funding position and other funding metrics

- As at 31 March 2025, the reported funding position of the whole Fund has improved from the last valuation.
- The future investment return required to be 100% funded has decreased .This means, at 31 March 2025, the Fund needs to earn 2.8% p.a. to have enough money now to meet accrued benefits.
- Our estimated likelihood of achieving the required return has increased to over 95% (from 83% at the last valuation). This increased likelihood reflects the change in economic environment since the last valuation.

The funding level is only a snapshot at a point in time. It is sensitive to the assumptions used for the valuation, particularly the assumed level of future investment returns, inflation and life expectancy (which are uncertain), and other sources of funding risk. Please refer to the Risk & Sensitivities section for further information.

Table 1: Whole Fund level funding position

Valuation Date	31 March 2025	31 March 2022
Assets (£m)	4,471	3,756
Total Liabilities (£m)	2,952	3,522
Surplus / (Deficit) (£m)	1,518	235
Funding Level	151%	107%

Funding metrics	31 March 2025	31 March 2022
Required return (to be 100% funded)	2.8% p.a.	3.3% p.a.
Likelihood of achieving this return	> 95%	83%

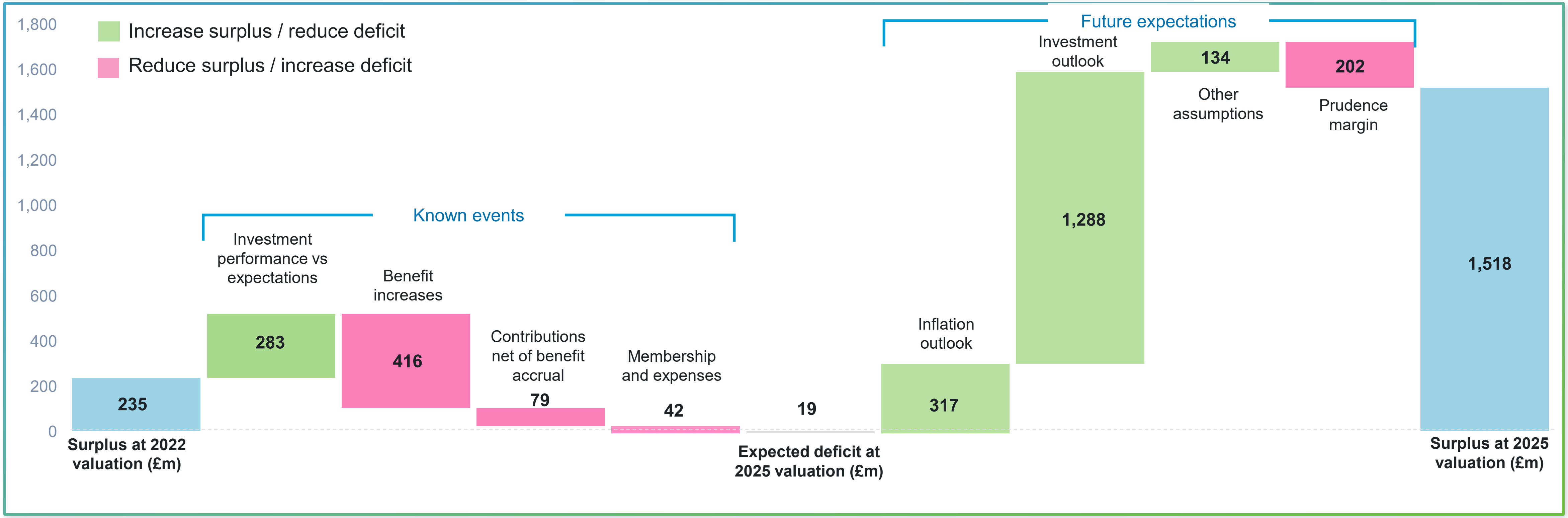
The results use the data provided by the Fund (summarised in **Appendix 1**) and the funding assumptions already agreed (see **Appendix 2**). A detailed breakdown of the funding position, is set out in **Appendix 3,** along with a projection of future benefit payments in respect of all future service earned up to the valuation date.

Agenda Item 6, Appendix 1

What is driving the change in funding?

The factors that cause the funding position to change are split between actual experience being different from expectations at the last valuation (***Known events***) and changes in assumptions about the future (***Future expectations***). Chart 2 details the factors that have caused the funding position to change since the last valuation. Further detail on this reconciliation is included in **Appendix 4**.

Chart 2: Change in funding position since last valuation



Agenda Item 6, Appendix 1

What does this mean for the Fund and employers?

Funding position: Whole Fund

The Fund has a reported funding level of 151% at 31 March 2025, which corresponds to a surplus of £1,518m. It indicates that the Fund is in a strong funding position.

The funding level is a useful summary statistic; however, it does have limitations:

- It is a single metric based on a single set of assumptions about the future and asset values at a single point in time.
- It only recognises benefits earned to date ("past service") and does not consider the cost of future benefits.
- It is a snapshot on a particular day and can be volatile from day-to-day depending on what happens in the financial markets.
- It is important that stakeholders understand the risks to funding, and the sensitivity to assumptions about the future – particularly the assumed future investment return.

The funding position faces a range of risks and uncertainties which could impact future funding (see Risk & Sensitivities).

Funding position: Employers

Whilst improvements in funding level can be expected for most employers, each employer is different, and results can differ. This is discussed further in the Employer results overview section of this report.

The next stage in the valuation process is to calculate the funding position, associated funding metrics and set a contribution rate for each employer within the Fund.

When setting contribution rates, the Fund is seeking to ensure there will be enough money to pay benefits in the long-term (solvency) and that contribution rates are stable and affordable.

It is also important that employer contribution rates reflect the circumstances of each employer.

Therefore, whilst improvements in the funding position may result in contribution relief for some employers, any reductions may be gradual to support the funding objectives of contribution rate stability and affordability.

It is important to not draw any firm conclusions about employer contribution rates based on the results set out in this report.

Risks and sensitivities

Background and economic risks

Background

The funding position, and the Fund's funding plans, are sensitive to various sources of risks. These funding risks broadly fall into categories of **economic**, **demographic, regulatory** and **other**.

Identifying and specifying these risks, including analysis of their potential impact, is an important part of the risk cycle.

The Fund has various methods of managing and mitigating the funding risks. These are set out in the Funding Strategy Statement. As part of the valuation, we recommend that the Fund carries out a review of its funding risk management strategy and framework to ensure it is happy that it remains fit for purpose. This review should also ensure the risks are included in the Fund's risk register.

Economic risks

The main economic risks are in relation to

- Investment returns
- Benefit increases (ie Consumer Price Index inflation)
- Salary increases

Table 2: Impact of known events since 2022

For all three sources of risk, the table below details the actual experience since the last valuation compared to 2022 expectations, and the impact on the funding position.

Source	Expected	Actual	Funding impact
Investment returns	3.7% p.a.	5.8% p.a.	+£283m
Benefit increases	2.7% p.a.	6.1% p.a.	-£416m
Salary increases	3.7% p.a.	6.6% p.a.	-£45m

Since 2022, the Fund's administration and governance expenses have totalled £7m. This figure is equivalent to 0.5% of the Fund's total pensionable pay over the 3 year period. Unless otherwise instructed, we will allow for the Fund's expenses by adding 0.5% of pay to employer contribution rates from 1 April 2026 (0.5% p.a. at the last valuation).

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Economic risks (continued)

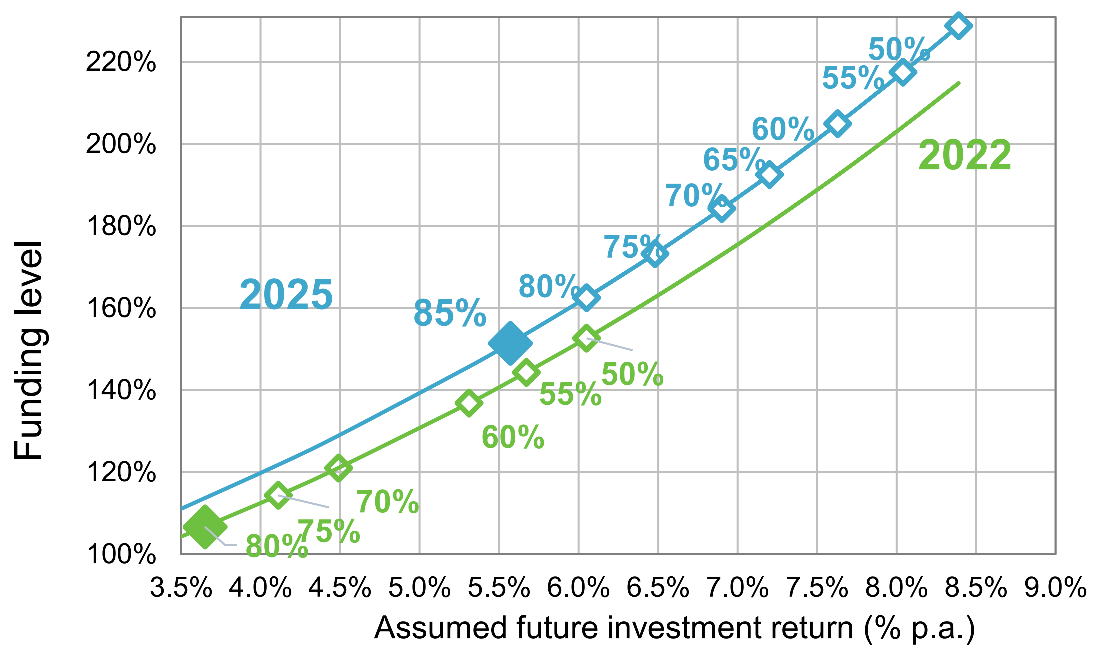
Impact of changes in future outcomes

The results in this report are based on a set of assumptions about the future outcomes for these economic risks. If the future is different from these assumptions, then the results in this report would be different.

- **Investment returns:** Chart 3 shows how the funding level at 31 March 2025 changes depending on the level of future investment returns. The green line shows the same analysis at 31 March 2022. Each point on the line denotes the estimated likelihood of achieving the level of future return at the relevant valuation date. This indicates that the best estimate (the return with 50% likelihood) funding level at 31 March 2025 is 229%.

  Expectations of future investment returns are significantly higher at 31 March 2025 compared to 31 March 2022. Adopting the same level of prudence within this assumption, the future investment return for the funding level would have moved from 3.7% p.a. to 6.1% p.a. However, in light of an increasingly uncertain economic environment, the Fund has increased the prudence level for this valuation to 85%. The increase in prudence level from 80% to 85% has lowered the expected future investment return within the funding level from 6.1% p.a. to 5.6% p.a.
- **Benefit increases:** if future inflation was 0.1% pa higher than assumed at this valuation, then the funding level would reduce by around 2%.
- **Salary increases:** if salary increases were 0.5% pa higher than assumed at this valuation, then the funding level would reduce by around 1%.

Chart 3: Impact of future return assumption on funding level



** Solid diamond indicates the reported funding level at the valuation*

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Demographic, regulatory and other risks

Demographic risks

The main demographic risk is in relation to life expectancy.

Table 3: Impact of known events since 2022

The Fund's mortality experience between 2022 and 2025 has been lighter than expected (i.e. less pension ceasing) as shown in table 3.

Actual amount of pension ceased	£7.4m
Expected amount of pension ceased	£8.4m
Difference	£1m
Funding impact on surplus	-£9.7m

Impact of changes in future outcomes

The results in this report are based on an assumption that in the long-term, the rate of mortality reduces at a rate of 1.5% p.a. If this rate of improvement turned out to be stronger (1.75% p.a. instead of 1.5% p.a.), then members would live longer than expected. In this scenario, the liabilities would increase by around £14m.

Regulatory risks

Changes in central government legislation may affect the future cost of the LGPS. For example, the cost to rectify the McCloud discrimination is estimated to increase the Fund's liabilities by £9m.

Other risks

- **Climate change:** this is now widely regarded as one of the main sources of risk for pension schemes, with potential implications for future inflation, investment returns and longevity (and other relevant factors). Climate change has the potential to make extreme outcomes more likely which could in turn have a significant impact on the funding position. The Fund has carried out separate modelling to assess the potential impact of extreme outcomes on longer term funding which will be considered during the valuation process.
- **Administration:** failures in administration processes leading to incorrect data used in the valuation.

Post valuation events

The results in this report are as at 31 March 2025. Since this date, there continues to be volatility in the financial markets and other areas which may affect these results. However, we do not believe their impact to be material on the valuation and require any additional adjustments.

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Employer results overview

The employer results throughout this section are based on estimated calculations and may change during the employer results preparation stage of the valuation.

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Overview of employers

Whole Fund level results give a useful overview of the Fund's current position but are not the valuation's most important output. In reality, the Fund is a collection of individual employers, who are responsible for funding the benefits earned by their current and ex-staff.

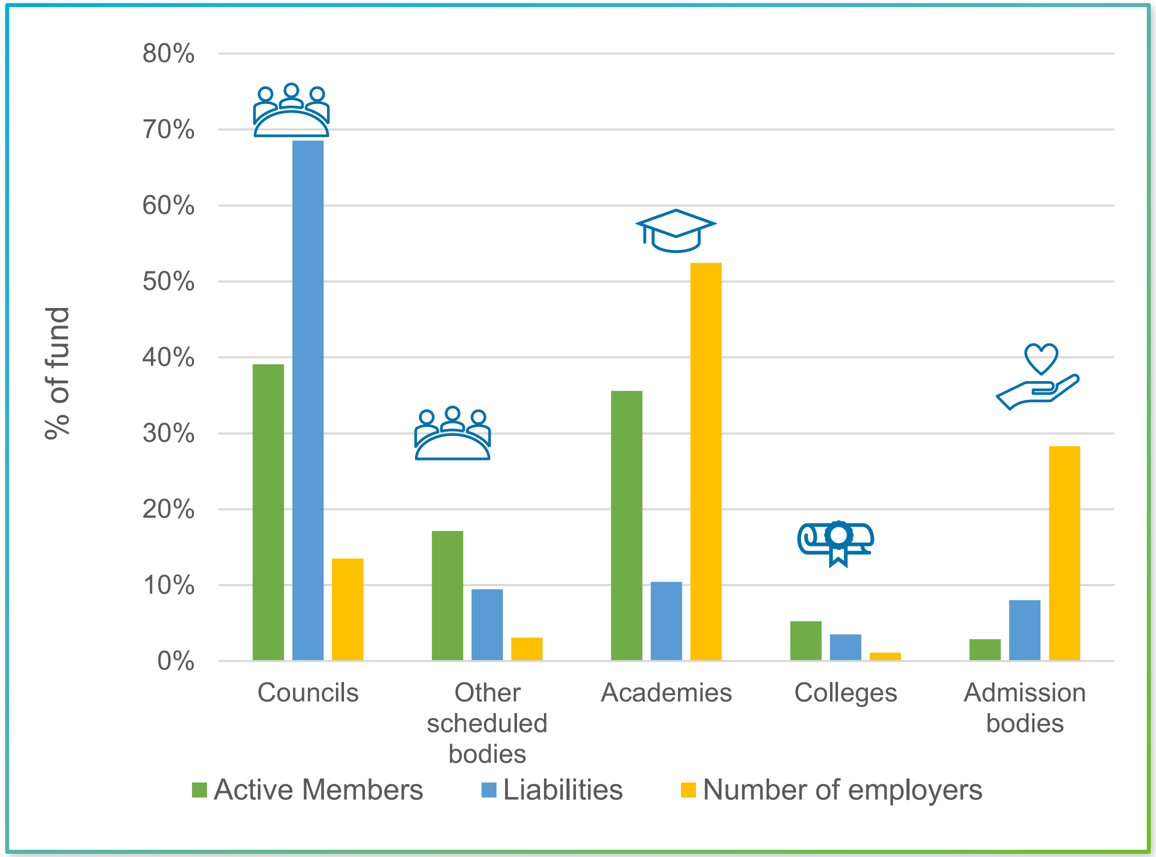
Employer diversity

As at 31 March 2025 there are over 350 individual active employers in the Fund.

The next stage of the valuation is to prepare funding positions and review contribution rates for each individual employer in the Fund. There is a significant range and diversity of employers, so we will work with the Fund to make sure the funding strategy recognises this diversity and is flexible enough to cater for employers' differences.

Chart 4 on the right, and the charts on the following pages, provide an indication of the employer diversity currently within the Fund.

Chart 4: Fund employers by type



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Capturing this diversity in funding calculations

Employer diversity is not restricted to type and size – even for smaller employers, there are significant differences in funding positions and contribution rates. This may be due to previous decisions, for example early retirement experience, pay awards, level of contributions paid, or because the membership varies.

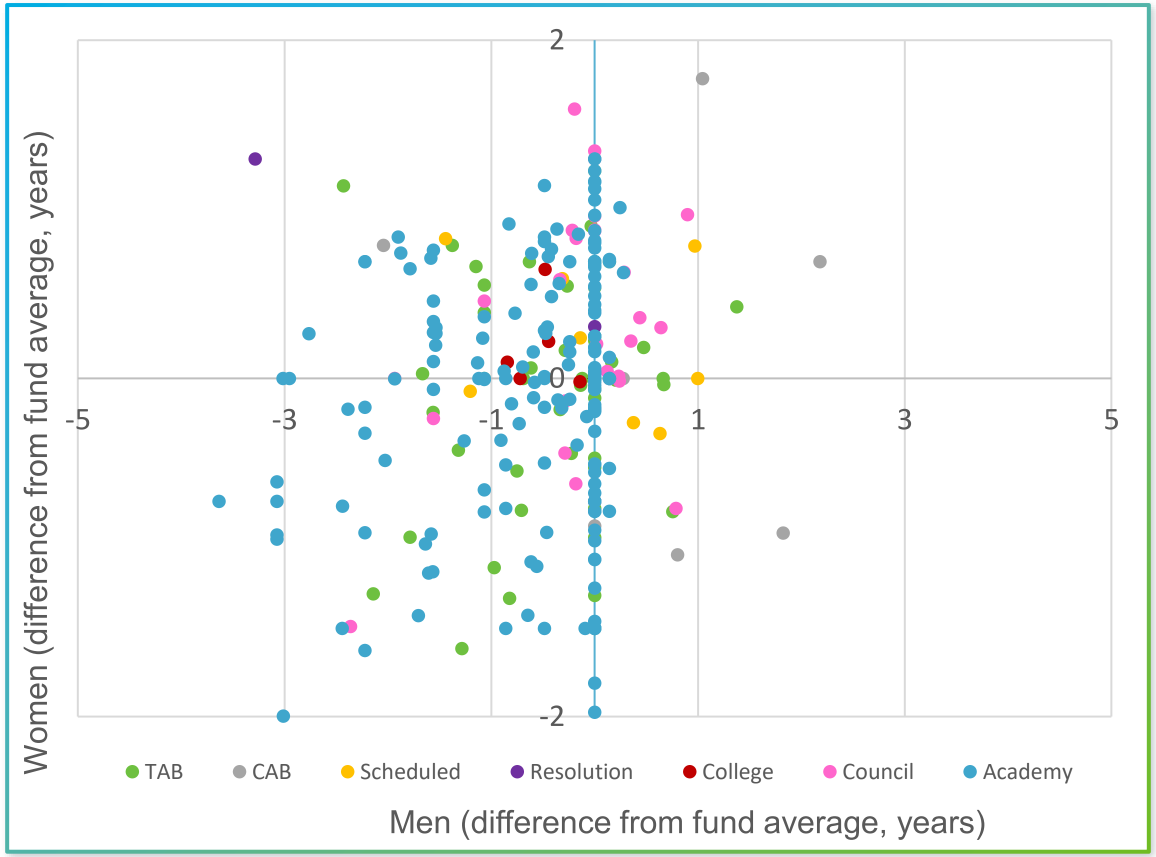
Individual employer life expectancy

Life expectancy is a good example of the diversity of membership. Studies show it can vary between members due to factors like socio-economic status and retirement health. Using Club Vita to set a baseline life expectancy assumption captures this individual member variation. That means the liabilities and contribution rates better reflect the Fund's, and each employer's, membership.

Chart 5 shows the difference in average life expectancy at employer level.

Most employers are grouped around a central cluster. Outliers will have a relatively larger proportion of members in higher/lower socio-economic groups.

Chart 5: Difference in average life expectancy (from Fund average) at employer level



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Employer funding levels

Each employer within the Fund has its own funding position and contribution plan. The Fund's overall funding position is the combination of all these employers' results.

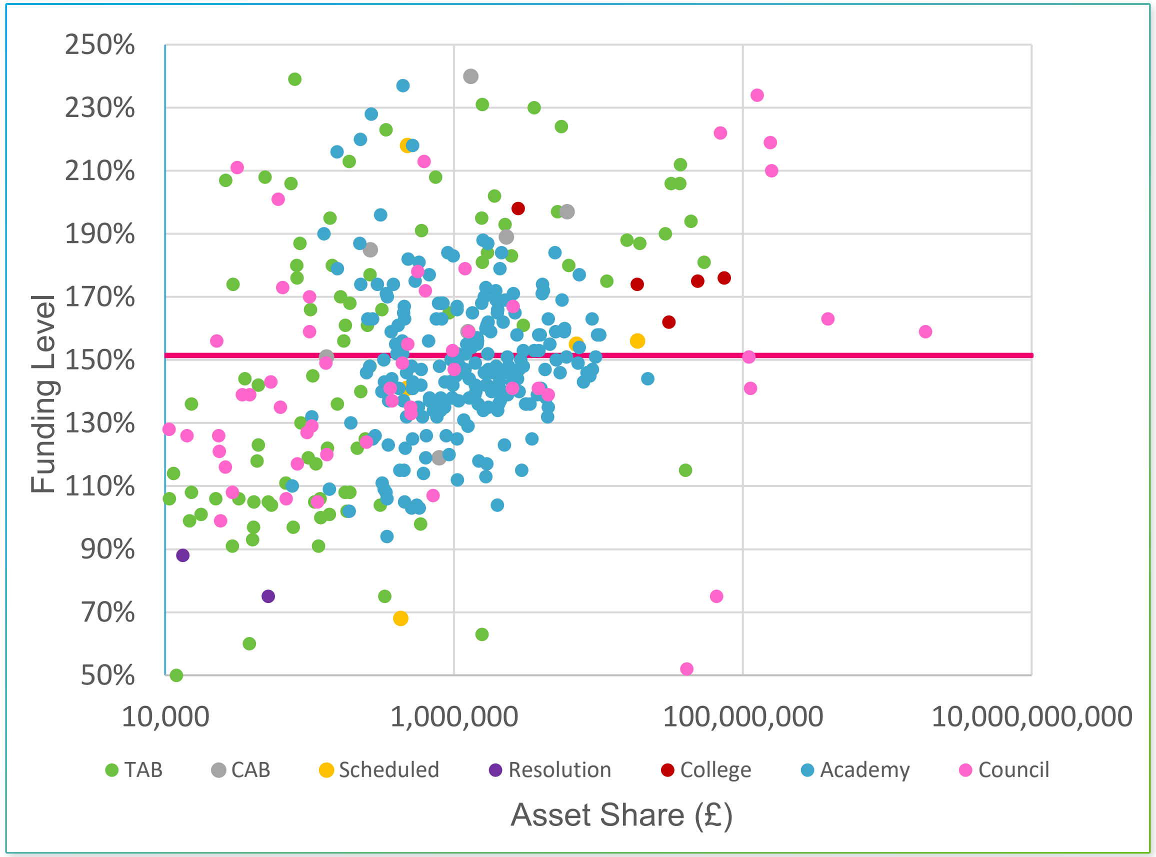
Chart 6 shows the range of employer funding positions. Each dot represents an employer and shows:

- Horizontal scale: the employer's share of the Fund assets (this is a logarithmic scale to accommodate the range in size of employer from smallest to largest).
- Vertical scale: the employer's funding level on 31 March 2025.

The red line is the Fund's overall funding level. This shows that it does not relate to the average of the employer results. Instead, the whole Fund position is driven by the largest employers (those employers on the right-hand side of the chart).

This shows the importance of considering individual employer results as well as the whole Fund position. This is the next stage of the valuation.

Chart 6: Employer funding level vs asset share



Outcomes and next steps

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Next steps

1

Discuss results with Fund Actuary and identify if any sources of funding risk need further investigation.

2

Confirm that no changes are needed to valuation data or assumptions.

3

Prepare individual employer valuation results for discussion with Officers.

Recap: key valuation milestones

Data cleansing
Q4 2024

Assumptions advice
January 2025

Contribution rate modelling
Q1 & Q2 2025

Data provision
June/July 2025

Initial results
August 2025

Employer results
September 2025

Funding Strategy Statement
September 2025

Employer discussions
Q4 2025

Valuation sign off
March 2026

Completed

Next steps

Appendices

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Membership data

The membership data used for the purposes of this valuation was provided by the Administering Authority on 30 June 2025.

A summary of this membership data provided by the Fund for this valuation is set out in Table 4. The corresponding membership data from the previous valuation is also shown for reference.

The results of the valuation are dependent on the quality of the data used. We have carried out a series of validation checks on the data supplied to us by the Administering Authority to ensure that it is fit for purpose. These are detailed in a separate data report.

In addition, we have also used the cashflow data provided by the Administering Authority and the relevant annual accounts of the Fund to further validate the membership data.

Table 4: Membership data summary

Whole Fund Membership Data	This Valuation 31 March 2025	Last Valuation 31 March 2022
Employee members		
Number	23,336	22,133
Total actual pay (£000)	520,840	401,016
Total accrued pension (£000)	86,803	64,083
Average age (liability weighted)	54.0	51.9
Deferred pensioners (including undecideds)		
Number	32,037	32,185
Total accrued pension (£000)	50,010	39,685
Average age (liability weighted)	54.0	51.5
Pensioners and dependants		
Number	21,281	18,489
Total pensions in payment (£000)	115,855	89,664
Average age (liability weighted)	70.3	69.3

APPENDIX 1: Data

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Investment strategy data

A summary of the investment strategy allocation used to derive the future assumed investment return is set out in Table 5.

This strategy was confirmed by the Administering Authority in November 2024 as appropriate for the purposes of the valuation.

Table 5: Investment strategy summary

Asset class	Allocation
UK Equity	5.0%
Global Equities (hedged)	7.0%
Global Equities (unhedged)	27.0%
EM equities (unhedged)	1.5%
UK corporate bonds (BBB-rated average)	8.0%
UK corporate bonds (A-rated average)	12.0%
UK corporate bonds (BB-rated average)	8.0%
Infrastructure equity	10.0%
Property	12.0%
Private lending	5.0%
Private equity	4.0%
Cash	0.5%
Total	**100.0%**

APPENDIX 2: Assumptions

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Summary of assumptions

The assumptions methodology and prudence levels used in this report were agreed by the Pensions Committee on 19 March 2025 after consideration of our paper, Suffolk Pension Fund – 2025 Valuation Assumptions Advice Assumptions Paper, dated 20 January 2025. The final assumptions to reflect 31 March 2025 market conditions were agreed with officers on 31 July 2025. Table 6 sets out a summary of these assumptions. Additionally, sample pre-retirement demographics and life expectancies, assumptions regarding the LGPS benefit structure and detail on the model underlying the estimation of future investment return likelihoods are also set on the following pages.

Table 6: Summary of assumptions

	31 March 2025	31 March 2022
Discount rate	5.6%	3.7%
Benefit increases (CPI inflation)	2.3%	2.7%
Salary increases	3.3%	3.7%
Demographic assumptions		
Baseline longevity	VitaCurves	VitaCurves
Longevity future improvements	CMI 2024 model with core parameterisation, except: Initial addition = 0.25% (Male & Female) Long-term rate of improvement 1.5% p.a.	CMI 2021 model Initial addition, A = 0.25% (Male & Female) Smoothing factor, Sk = 7.0 Long-term rate of improvement = 1.5% p.a.
Commutation	60% of maximum under HMRC limits	55% of maximum under HMRC limits
50:50 option take-up	0% of existing members opt to change scheme	0.7% of members
Retirement age	Earliest age at which members can retire with unreduced benefits	
Family statistics	Varying proportion have dependant at retirement/earlier death Dependant of a male is 3.4 years younger than him Dependant of a female is 2.3 years older than her	Varying proportion have dependant at retirement / earlier death Dependant of a male is 3 years younger than him Dependant of a female is 3 years older than her

Sample rates for demographic assumptions

Table 7: Sample rates for demographic assumptions - Males

Age	Salary Scale	Death Before Retirement	Withdrawals		Ill Health Tier 1		Ill Health Tier 2	
		FT & PT	FT	PT	FT	PT	FT	PT
20	105	0.17	323.45	548.78	0.00	0.00	0.00	0.00
25	117	0.17	213.65	362.49	0.00	0.00	0.00	0.00
30	131	0.20	151.59	257.16	0.00	0.00	0.00	0.00
35	144	0.24	118.44	200.90	0.10	0.07	0.02	0.01
40	151	0.41	95.36	161.69	0.16	0.12	0.03	0.02
45	159	0.68	89.57	151.85	0.35	0.27	0.07	0.05
50	167	1.09	73.83	125.03	0.90	0.68	0.23	0.17
55	173	1.70	58.14	98.51	3.54	2.65	0.51	0.38
60	174	3.06	51.82	87.76	6.23	4.67	0.44	0.33
65	174	5.10	31.81	53.87	11.83	8.87	0.00	0.00

Table 8: Sample rates for demographic assumptions - Females

Age	Salary Scale	Death Before Retirement	Withdrawals		Ill Health Tier 1		Ill Health Tier 2	
		FT & PT	FT	PT	FT	PT	FT	PT
20	105	0.10	281.94	373.90	0.00	0.00	0.00	0.00
25	117	0.10	189.71	251.55	0.10	0.07	0.02	0.01
30	131	0.14	159.02	210.83	0.13	0.10	0.03	0.02
35	144	0.24	137.25	181.90	0.26	0.19	0.05	0.04
40	151	0.38	114.23	151.34	0.39	0.29	0.08	0.06
45	159	0.62	106.60	141.21	0.52	0.39	0.10	0.08
50	167	0.90	89.87	118.92	0.97	0.73	0.24	0.18
55	173	1.19	67.06	88.83	3.59	2.69	0.52	0.39
60	174	1.52	54.04	71.50	5.71	4.28	0.54	0.40
65	174	1.95	25.76	34.07	10.26	7.69	0.00	0.00

Figures are incidence rates per 1,000 members except salary scale. FT and PT denote full-time and part-time members respectively.

APPENDIX 2: Assumptions

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Sample life expectancy and benefit structure

Sample life expectancies

Based on the longevity assumptions used for the 2025 valuation, Table 9 details the average life expectancy for the Fund's membership.

Table 9: Average life expectancies

Average life expectancy	31 March 2025	31 March 2022
Male pensioner	21.9	22.0
Male non-pensioner	22.6	22.7
Female pensioner	24.6	24.6
Female non-pensioner	25.9	26.2

The average life expectancies are from the age of 65. They assume that pensioners are aged 65 at the respective valuation date and non-pensioners are aged 45.

Benefit structure

Results are based on our understanding of the benefit structure of the LGPS in England and Wales on 31 March 2025 – see www.lgpsregs.org. However, there are areas of uncertainty and potential change.

- **McCloud:** in line with the 2022 valuation, we will make an allowance for the cost of these potential improvements in the 2025 valuation based on the agreed assumptions (in particular, the salary increase and withdrawal assumptions).
- **Cost sharing mechanism:** we have assumed that there will be no changes required to the LGPS benefit structure due to this mechanism.
- **Guaranteed Minimum Pension equalisation and revaluation:** in line with the 2022 valuation, we have assumed that all increases on GMP for members with a State Pension Age after 5 April 2016 will be funded by the Fund.
- **Other benefit changes:** there may be benefit changes due to the current "Access and Fairness" consultation. We have not made any allowance for any changes to the benefit structure proposed in this consultation as we would not expect them to be material if implemented.
- **Virgin Media case:** we have made no allowance for any impact the recent Virgin Media case may have on the LGPS benefit structure.

Deriving future investment return likelihoods

To derive the distribution of future investment returns and obtain associated estimated likelihoods, we use the Fund's long-term investment strategy and our Economic Scenario Service (ESS) model. The ESS uses statistical models to generate a future distribution of year-on-year returns for each asset class, eg UK equities. The ESS reflects correlations between asset classes and wider economic variables (eg inflation). In the short-term (first few years), the models are fitted with current financial market expectations. Over the longer-term, models are built around our views of fundamental economic parameters, for example equity risk premium, credit-spreads and long-term inflation. Table 10 sets out the individual asset class return distribution of the ESS model at 31 March 2025.

Table 10: ESS individual asset class return distributions at 31 March 2025

		Annualised total returns												Inflation/Yields		
Time period	Percentile	Cash	Global Equities (hedged)	Global Equities (unhedged)	EM equities (unhedged)	UK Equity	UK corporate bonds (BBB-rated average)	UK corporate bonds (A-rated average)	UK corporate bonds (BB-rated average)	Property	Private Equity	Private Lending	Infrastructure equity	Inflation (CPI)	17-year real yield (CPI)	17-year yield
5 Years	16th	3.5%	0.3%	-0.2%	-3.2%	0.1%	3.8%	4.0%	3.8%	0.2%	-2.5%	4.5%	1.1%	1.2%	1.5%	4.8%
	50th	4.3%	8.7%	8.5%	8.5%	8.2%	5.5%	5.2%	6.0%	6.8%	10.0%	8.2%	8.1%	2.8%	2.4%	5.8%
	84th	5.1%	17.0%	17.1%	20.9%	16.4%	6.6%	6.1%	7.4%	14.1%	22.8%	11.4%	15.5%	4.3%	3.3%	7.1%
10 Years	16th	3.6%	2.8%	2.5%	0.2%	2.5%	4.9%	4.8%	4.9%	2.3%	1.2%	6.4%	3.1%	0.8%	0.8%	3.9%
	50th	4.6%	8.9%	8.7%	8.8%	8.6%	6.1%	5.8%	6.5%	7.3%	10.2%	8.8%	8.4%	2.5%	2.1%	5.3%
	84th	5.8%	14.9%	15.0%	17.5%	14.6%	7.1%	6.7%	7.8%	12.7%	19.6%	10.9%	13.8%	4.1%	3.3%	7.1%
20 Years	16th	3.1%	4.3%	3.9%	2.2%	3.8%	4.8%	4.6%	5.1%	3.5%	3.4%	7.0%	4.2%	0.7%	-0.5%	1.6%
	50th	4.5%	8.7%	8.6%	8.5%	8.4%	6.1%	5.8%	6.5%	7.3%	9.9%	8.8%	8.3%	2.3%	1.3%	3.6%
	84th	6.3%	13.3%	13.4%	15.1%	12.9%	7.6%	7.2%	8.1%	11.3%	17.0%	10.7%	12.4%	3.9%	3.0%	6.2%
	Volatility (1 yr)	0.3%	17.8%	18.4%	24.3%	16.3%	3.7%	3.2%	4.7%	15.2%	26.6%	9.3%	14.5%	1.4%	-	-

APPENDIX 3: Funding position information

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Further information on the funding position

Calculating the funding level

The ratio of the Fund's assets to its liabilities is called the funding level. The asset value is based on the market-value of the Fund's investments, plus any cash. The liabilities are calculated by:

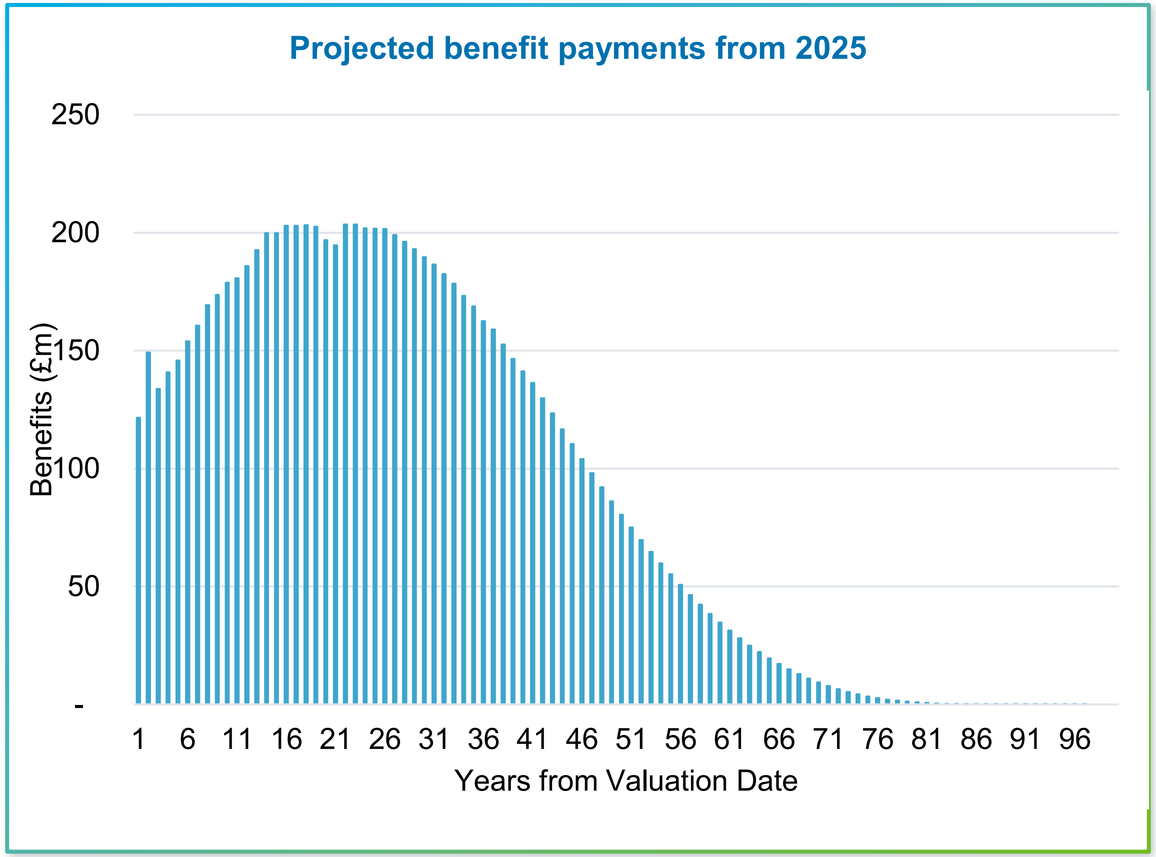
- Deriving the projected benefit amounts that will be paid to members based on service earned up to the valuation date
- Discounting these projection with an assumed future investment return (the discount rate) to the valuation date

Table 11 sets out the funding position as at 31 March 2025 (and comparison to the 2022 valuation) and Chart 7 shows the projected benefits for the Fund as at 31 March 2025.

Table 11: Detailed funding level

Valuation Date		31 March 2025	31 March 2022
Assets		4,471	3,756
Liabilities	Actives (£m)	921	1,213
	Deferreds (£m)	567	809
	Pensioners (£m)	1,465	1,500
Surplus / (Deficit) (£m)		1,518	235
Funding Level		151%	107%

Chart 7: Projected past service benefit payments from 2025



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APPENDIX 4: Reconciliation

Detailed reconciliation of funding position

Table 12: Detailed funding position reconciliation

	£m	Assets	Liabilities	Surplus/(deficit)
Last valuation		**3,756**	**3,522**	**235**
Known events last valuation	**Employer contribution paid in**	322	0	322
	Employee contribution paid in	93	0	93
	Benefits paid out	(385)	(385)	0
	Other cashflows (eg, expenses, transfers)	(3)	0	(3)
	Expected growth	428	405	23*
	Excess return on assets	260	0	260*
	Accrual of new benefits	0	493	(493)
	Benefit Increases	0	416	(416)
	Membership experience	0	39	(39)
Expected position at 31 March 2025		**4,471**	**4,490**	**(19)**
Changes in future expectations	**Financial assumptions** (no change to prudence)	0	(1,607)	1,607
	Longevity assumptions	0	(53)	53
	Other demographic assumptions	0	(79)	79
	Prudence margin (80% to 85%)	0	202	(202)
Actual position at 31 March 2025		**4,471**	**2,952**	**1,518**

** These items combined give the £283m overall impact on the funding position of the investment performance relative to expectations*

Reliances and limitations

We have been commissioned by Suffolk County Council ('the Administering Authority') to carry out a full actuarial valuation of the Suffolk Pension Fund ('the Fund') at 31 March 2025, as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 ('the Regulations').

This paper is addressed to the Administering Authority. It has been prepared by us as actuaries to the Fund and is solely for the purpose of:

- presenting the current funding position using a range of actuarial assumptions
- explaining why the funding position has changed since the previous valuation in 2022
- showing the sensitivity of the funding position.

It has not been prepared for any other purpose and should not be used for any other purpose.

The Administering Authority is the only user of this advice. Neither we nor Hymans Robertson LLP accept any liability to any party other than the Administering Authority unless we have expressly accepted such liability in writing. The advice or any part of it must not be disclosed or released in any medium to any other third party without our prior written consent. In circumstances where disclosure is permitted, the advice may only be released or otherwise disclosed in its entirety fully disclosing the basis upon which it has been produced (including any and all limitations, caveats or qualifications).

This information can be used by the Administering Authority to support the development of the funding strategy and to identify and understand areas of potential risk that it may wish to explore or mitigate during the valuation process.

Technical Actuarial Standards apply to this advice and have been complied with where material and to a proportionate degree. They are:

- TAS100; and
- TAS300.

Note: This report does not comply with paragraphs P2.9 (a) and (b) of TAS 300, regarding future projections of funding level and their volatility. The figures in this report provide a notification of the whole Fund funding position, rather than individual employer positions. Therefore, we do not believe the exclusion of the information under these paragraphs is material.

Glossary

Term	Explanation
50:50 option	An option for LGPS members to pay half contributions and earn half the retirement benefit (pre-retirement protection benefits are unreduced).
Baseline longevity	The rates of death (by age and sex) in a given group of people based on current observed data.
VitaCurves	The assumptions used for baseline longevity. These assumptions are provided by Club Vita, a firm of longevity experts we partner with for longevity analysis. They combine data from thousands of pension schemes and use it to create detailed longevity assumptions at member-level, as well as insight on general longevity trends and future improvements.
Commutation	The option for members to exchange part of their annual pension for a one-off lump sum at retirement. In the LGPS, every £1 of pension exchanged gives the member £12 of lump sum. The amounts that members commute is heavily influenced by tax rules which set an upper limit on how much lump sum can be taken tax-free.
CPI inflation	The annual rate of change of the Consumer Prices Index (CPI). The CPI is the UK government's preferred measure of inflation and is the measure used to increase LGPS (and all other public sector pension scheme) benefits each year.
Demographic assumptions	Assumptions concerned with member and employer choices rather than macroeconomic or financial factors. For example, retirement age or promotional salary scales. Demographic assumptions typically determine the timing of benefit payments.
Discount rate	A number used to place a single value on a stream of future payments, allowing for expected future investment returns.
ESS	Economic Scenario Service – Hymans Robertson's proprietary economic scenario generator used to create thousands of simulations of future inflation, asset class returns and interest rates.

APPENDIX 6: Glossary

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Glossary

Term	Explanation
Funding position	The extent to which the assets held by the fund cover the accrued benefits ie the liabilities. The two measures of the funding position are: › the funding level – the ratio of assets to liabilities; and › the funding surplus/deficit – the difference between the asset and liabilities values.
Inflation	Prices tend to increase over time, which is called inflation. Inflation is measured in different ways, using a different ‘basket’ of goods and mathematical formulas.
Liabilities	An employer’s liability value is the single value at a given point in time of all the benefit payments expected to be made in future to all members. Benefit payments are projected using demographic and financial assumptions and the liability is calculated using a discount rate.
Longevity improvements	An assumption about how rates of death will change in future. Typically, we assume that death rates will fall, and life expectancies will improve over time, continuing the long-running trend.
Prudence	To be prudent means to err on the side of caution in the overall set of assumptions. We build prudence into the choice of discount rate by choosing an assumption with a prudence level of more than 50%. All other assumptions aim to be best estimate.
Prudence level	A percentage indicating the likelihood that a discount rate assumption will be achieved in practice, based on the ESS model. The higher the prudence level, the more prudent the discount rate is.
Withdrawal	Refers to members leaving the scheme before retirement. These members retain an entitlement to an LGPS pension when they retire but are no longer earning new benefits.

HYMANS ROBERTSON

Suffolk Pension Fund

Funding Strategy Statement

April 2026

Effective date	1 April 2026
Previous valuation date	31 March 2025
Date approved	
Next review	March 2029
Prepared in accordance with SAB / CIPFA / MHCLG guidance dated	January 2025

Contents

1 Purpose of the Suffolk Pension Fund and the Funding Strategy Statement

The Local Government Pension Scheme (LGPS) regulations require funds to maintain and publish a funding strategy statement (FSS). According to the Ministry for Housing, Communities and Local Government (MHCLG) the purpose of the FSS is to document the processes the administering authority uses to:

- *establish a clear and transparent fund-specific strategy identifying how employers' pension liabilities are best met going forward*
- *support the desirability of maintaining as constant and stable primary contribution rate as possible, as defined in Regulation 62(5) of the LGPS Regulations 2013*
- *ensure that the regulatory requirements to set contributions to ensure the solvency and long-term cost efficiency of the fund are met.*
- *explain how the fund balances the interests of different employers.*
- *explain how the fund deals with conflicts of interest and references other policies/strategies*

You can find more information about the LGPS at www.lgpsmember.org and about the regulatory framework in Appendix A.

This document sets out the FSS for Suffolk Pension Fund (the Fund). If you have any queries about the FSS, contact Tracey.Woods@suffolk.gov.uk or Sharon.Tan@suffolk.gov.uk.

The Suffolk Pension Fund is part of the Local Government Pension Scheme (LGPS) and is administered by Suffolk County Council, known as the administering authority. The Suffolk Pension Fund is part of the Local Government Pension Scheme (LGPS). The administering authority runs the Fund on behalf of participating employers, their employees and current and future pensioners. You can find out more about roles and responsibilities in Appendix B.

Suffolk County Council worked with the fund's actuary, Hymans Robertson, to prepare this FSS which is effective from 1 April 2026, and is expected to remain in force until 31 March 2029 at the latest, unless an interim review is carried out prior to then. LGPS Regulations (specifically Regulation 62) require an actuarial valuation to be carried out every three years, under which contribution rates for all participating employers are set for the following three years. This FSS sets out the assumptions and methodology underpinning the 2025 actuarial valuation actuarial exercise

1.1 What are the funding strategy objectives?

The funding strategy objectives are to:

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

The Fund engages with employers when developing funding strategy in a way which balances the risk appetite of stakeholders. The funding strategy therefore reflects the specific characteristics of its fund employers and its own investment strategy.

1.2 Who is the FSS for?

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

Different types of employers participate in the Fund:

Scheduled bodies

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

Resolution bodies (otherwise known Designating employers)

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

Admission bodies

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

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

The Scheme Advisory Board refer to three different tiers of employers which may participate in the LGPS, specifically:

- Tier 1 – Local Authorities (including contractors participating in the LGPS with Local Authority backing)
- Tier 2 – Academy Trusts and Further Education Institutions (Colleges).
- Tier 3 – Standalone employers with no local or national taxpayer backing. Include universities, housing associations and charities.

1.3 How often is the Funding Strategy Statement reviewed?

The FSS is reviewed in detail at least every three years ahead of the triennial actuarial valuation and an annual check is carried out in the intervening years.

Any amendments will be consulted on and approved by the Pensions Committee.

Amendments to the FSS may be made due to the following circumstances:

- material changes to the scheme benefit structure (e.g. HM Treasury-led)
- on the advice of the fund actuary
- significant changes to investment strategy or if there has been significant market volatility which impacts the FSS or goes beyond FSS expectation
- if there have been significant changes to the fund membership and/or fund maturity profile

- if there have been significant or notable changes to the number, type, or individual circumstances of any of the employing authorities to such an extent that they impact on the funding strategy (e.g. exit/restructuring/failure) which could materially impact cashflow and/or maturity profile and/or covenant)
- if there has been a material change in the affordability of contributions and/or employer(s) financial covenant strength which has an impact on the FSS.
- recommendations from MHCLG/GAD.

In undertaking such reviews, the administering authority should consider:

- looking at experience in relation to long-term funding assumptions (in terms of both investment income and forecast contributions income) and consequences of actions taken by employers (e.g. pay awards and early retirements)
- the implications for the funding strategy and, if significant, determine what action should be taken to review the FSS
- the implications arising from the funding strategy for meeting the liabilities of individual employers and any amendments required to the ISS
- consulting with individual employers specifically impacted by any changes as an integral part of the monitoring and review process

A review won't necessarily lead to rates changes for individual employers but could impact admissions, terminations, approach to managing risk and employer risk assessment.

1.4 Links to Administration Strategy

The fund maintains an Administration Strategy Statement which outlines the responsibilities, standards and procedures for employers and the fund. A copy of this can be found here.

Adherence with the requirements of the Administration Strategy Statement is crucial and failure to do so may have a material effect on the value of an employer's liabilities and its contribution rate requirements

1.5 Actuarial valuation report

The actuarial valuation report sets out 1) the actuary's assessment of the past service funding position, and 2) the contributions required to ensure full funding by the end of the time horizon. The Rates and Adjustments certificate shows the contribution rates payable by each employer (which may be expressed as a percentage of payroll and/or monetary amounts).

PART A – Key Funding Principles

2 How does the Fund calculate employer contributions?

2.1 Calculating contribution rates

Employee contribution rates are set by the LGPS regulations.

Employer contribution rates are determined by a mandatory actuarial valuation exercise, and are made up of the following elements:

- **the primary contribution rate** – contributions payable towards funding future benefits accruing
- **the secondary contribution rate** – the difference between the primary rate and the total employer contribution

The primary rate also includes an allowance for the Fund's expenses, calculated at each formal valuation.

The Fund actuary uses a model to project each employer's asset share over a range of future economic scenarios. The contribution rate takes each employer's assets into account as well as the projected benefits due to their members. The value of the projected benefits is worked out using employer membership data and the assumptions in Appendix E.

The total contribution rate for each employer is then based on:

- **the funding target** – how much money the Fund aims to hold for each employer
- **the time horizon** – the time over which the employer aims to achieve the funding target
- **the likelihood of success** – the proportion of modelled scenarios where the funding target is met.

This takes into account the maturing profile of the membership when setting employer contribution rates.

The approach taken by the fund actuary helps the fund meet the aim of maintaining as stable a primary employer contribution rate as possible.

2.2 The contribution rate calculation

Table 1: contribution rate calculation for individual or pooled employers

Type of employer	Scheduled bodies			CABs and designating employers		TABs
Sub-type	Councils, Police	Academies, Colleges	Other Scheduled Bodies	Open to new entrants	Closed to new entrants	Without pass-through arrangements
SAB Tier	Tier 1	Tier 2	Tier 3	Tier 3	Tier 3	Tier 1 or 2
Funding target*	Ongoing	Ongoing	Ongoing	Ongoing, but may move to low-risk exit basis		Ongoing
Minimum likelihood of success	85%	85%	85%	85%	85%	85%

Type of employer	Scheduled bodies			CABs and designating employers		TABs
Sub-type	Councils, Police	Academies, Colleges	Other Scheduled Bodies	Open to new entrants	Closed to new entrants	Without pass-through arrangements
SAB Tier	Tier 1	Tier 2	Tier 3	Tier 3	Tier 3	Tier 1 or 2
Maximum time horizon	20 years	20 years	20 years	15 years	15 years	15 years
Primary rate approach*	The contributions must be sufficient to meet the cost of benefits earned in the future with the required likelihood of success at the end of the time horizon, expressed as a percentage of pensionable pay					
Secondary rate	% of payroll	% of payroll	% of payroll	% of payroll	Monetary amount	% of payroll
Stabilised contribution rate?	Yes	Yes	No	No	No	No
Treatment of surplus (assessed at valuation date)	Covered by stabilisation arrangement		Total contribution rate must be set at least at the primary rate. However, reductions may be permitted by the administering authority subject to additional consideration of the low-risk exit basis position			
Phasing of contribution changes	Covered by stabilisation arrangement		3 years	3 years	3 years	3 years

** The Primary Rate for the whole fund is the weighted average by payroll of the individual employers' primary rates*

*** The past service funding position is that assessed as at the triennial funding valuation date, using the triennial funding valuation assumptions and based on full individual membership data and actual assets.*

Employers participating in the Fund under a pass-through agreement will pay a contribution rate as agreed between the contractor and letting employer, subject to Administering Authority approval. See Appendix H for further details.

The fund manages funding risks as part of the wider risk management framework, as documented in the fund's risk register. The funding-specific risks identified and managed by the fund are set out in Appendix D – Risks and Controls.

2.3 Making contribution rates stable

Making employer contribution rates reasonably stable is an important funding objective. Where appropriate, contributions are set with this objective in mind. The Fund adopts a stabilised approach to setting contributions for long-term tax raising employers, which aims to keep contribution variations within a pre-determined range from year-to-year. Stabilisation criteria and limits are reviewed during each triennial valuation process.

In light of both sustained past service funding position improvements and increased market volatility and economic uncertainty, the administering authority believes a stabilised approach remains a prudent long-term strategy and the robustness of this approach was once again tested by extensive asset liability modelling (ALM) carried out by the Fund actuary at the 31 March 2025 funding valuation.

In recognition of local government reorganisation within Suffolk, contribution rates have been aligned for county, district and borough councils by 1 April 2028.

Table 2: stabilisation approach (from 1 April 2026)

Type of employer	Councils, Police, Academies, Colleges
Maximum contribution increase per year	+1% of pay
Maximum contribution decrease per year	-1% of pay

The administering authority may exercise discretion over the phasing of annual contribution rate increases or decreases subject to a maximum increase/decrease of 3% of pay over the 3-year inter-valuation period.

2.4 How does the funding strategy link to the investment strategy?

The funding strategy sets out how money will be collected from employers to meet the Fund's obligations. Contributions, assets and other income are then invested according to an investment strategy set by the administering authority. You can find the Fund's investment strategy in its Investment Strategy Statement (ISS) here.

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

The investment strategy is set considering the Fund's long-term funding requirements and its investment risk appetite. The fund's current strategic investment strategy is summarised in the table, with full details available set out in the ISS.

Asset class	Allocation
Equities	42.5%
Bonds	28.0%
Alternatives	29.0%
Cash	0.5%

2.5 Does the funding strategy reflect the investment strategy?

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

2.6 Reviewing contributions between valuations

The Fund may amend contribution rates between formal valuations, in line with its policy on contribution reviews. The Fund's policy is available in Appendix F. The purpose of any review is to establish the most appropriate contributions. A review may lead to an increase or decrease in contributions.

2.7 What is pooling for funding and contribution rate purposes?

A single contribution rate is payable by all employers in the pool and individual funding positions are not tracked.

All schools within a single multi-academy trust are pooled for funding and contribution rate purposes.

2.8 What is pooling for contribution rate purposes only?

A single contribution rate is payable by all employers in the pool and individual funding positions are tracked, by the Fund actuary.

Contribution rates can be volatile for smaller employers that are more sensitive to individual membership changes, pooling across a group of employers minimises this.

As individual funding positions are tracked, some employers may be better funded or more poorly funded than the pool average. In this type of pooling arrangement, employers do not target full funding at exit. If an employer leaves the Fund, the cessation valuation is based on their own funding position rather than the pool average.

CABs that are closed to new entrants aren't usually allowed to enter a pool. TABs are usually also ineligible for pooling (with other TABs).

The current contribution rate pools are:

- **Town and Parish Councils** – the fund operates a contribution rate pool for Town and Parish Councils (MATs), where a single contribution rate is payable by each employer in the pool and individual funding positions are tracked.
- **TABs –** where pass-through is in place, the admission body will be pooled with the letting authorityF.

2.9 Administering authority discretion

Individual employers may be affected by circumstances not easily managed within the FSS rules and policies. If this happens, the administering authority may adopt alternative funding approaches on a case-by-case basis.

Additionally, the administering authority may allow greater flexibility to the employer's contributions if added security is provided. Flexibility could include things such as a reduced contribution rate, extended time horizon, or permission to join a pool. Added security may include a suitable bond, a legally binding guarantee from an appropriate third party, or security over an asset.

The fund may, at its absolute discretion, permit the prepayment of employer contributions in specific circumstances.

2.10 Non cash funding

The Fund will not accept any form of non-cash assets in lieu of contributions.

2.11 Managing surpluses and deficits

The funding strategy is designed to ensure that all employers are at least fully funded on a prudent basis at the end of their own specific time horizon. The uncertain and volatile nature of pension scheme funding means that it is likely there will be times when employers are in surplus and times when employers are in deficit. The funding strategy recognises this by 1) including sufficient prudence to manage the effect of this over the time horizon, and 2) making changes to employer contribution rates to ensure the funding strategy objectives are met.

Fluctuations in funding positions are inevitable over the time horizon, due to market movements and changing asset values, which could lead to deficits or surplus from time to time, and changes in employer contribution rates.

3 What additional contributions may be payable?

3.1 Pension costs – awarding additional pension and early retirement on non ill-health grounds

If an employer awards additional pension as an annual benefit amount, they pay an additional contribution to the fund as a single lump sum. The amount is set by guidance issued by the Government Actuary's Department and updated from time to time.

If an employee retires before their normal retirement age on unreduced benefits, employers may be asked to pay additional contributions called strain payments. The Fund's policy is that any additional contributions are payable immediately.

3.2 Pension costs – early retirement on ill-health grounds

If a member retires early because of ill-health, their employer must pay a funding strain, which may be a large sum.

For some larger employers, the Fund will monitor an ill-health based on the assumptions from the most recent valuation. When the budget is used up, additional contributions will be requested. Details are included in each admission agreement.

To mitigate this risk, employers may choose to use external insurance made available by the Fund.

The Fund's policy is detailed in Appendix G.

4 How does the Fund calculate assets and liabilities?

4.1 How are employer asset shares calculated?

The Fund adopts a cashflow approach to track individual employer assets.

The Fund uses Hymans Robertson's Employer Asset Tracker (HEAT) system to track employer assets monthly. Each employer's assets from the previous month end are added to monthly cashflows paid in/out and investment returns to give a new month-end asset value.

If an employee moves from one employer to another within the Fund, assets equal to the cash equivalent transfer value (CETV) will move from the original employer to the receiving employer's asset share.

Alternatively, if employees move when a new academy is formed or an outsourced contract begins, the Fund actuary will calculate assets linked to the value of the liabilities transferring (see Section 2).

4.2 How are employer liabilities calculated?

The Fund holds membership data for all active, deferred and pensioner members. Based on this data and the assumptions in Appendix E, the Fund actuary projects the expected benefits for all members into the future. This is expressed as a single value – the liabilities – by allowing for expected future investment returns.

Benefits are valued in line with the regulations in force at the time of the valuation, with an exception relating to the McCloud ruling. The benefits of members likely to be affected by the McCloud ruling have instead been valued in line with the expected regulations, reflecting an underpin as directed by DLUHC

Each employer's liabilities reflect the pension fund experience of their own employees and ex-employees.

4.3 What is a funding level?

An employer's funding level is the ratio of the market value of asset share against liabilities. If this is less than 100%, the employer is in deficit. If it is more than 100%, the employer is in surplus. The amount of deficit or surplus is the difference between the asset value and the liability value.

Funding levels and deficit/surplus values measure a particular point in time, based on a particular set of future assumptions. While this measure is of interest, for most employers the main issue is the level of contributions payable. The funding level does not directly drive contribution rates. See Section 2 for further information on rates.

PART B – Employer Events

5 What happens when an employer joins the Fund?

5.1 When can an employer join the Fund

Employers can join the Fund if they are a new scheduled body or a new admission body. New designated employers may also join the Fund if they pass a designation to do so.

On joining, the Fund will determine the assets and liabilities for that employer within the Fund. The calculation will depend on the type of employer, the existence of any guarantee, and the circumstances of joining.

A contribution rate will also be set. This will be set in accordance with the calculation set out in Section 2, unless alternative arrangements apply (for example, the employer has agreed a pass-through arrangement). More details on this are in Section 5.3 below.

5.2 New academies

Academies converting from local authority status

For an academy converting from local authority status, only active members of the former local authority school transfer to the new academy.

Liabilities for transferring active members will be calculated (on the ongoing basis) by the Fund actuary on the day before conversion to an academy. Liabilities relating to the converting school's former employees (ie members with deferred or pensioner status) remain with the ceding council.

New academies will be allocated an asset share based on the estimated funding level of the ceding council's active members, having first allocated the council's assets to fully fund their deferred and pensioner members. This funding level will then be applied to the transferring liabilities to calculate the academy's initial asset share, capped at a maximum of 100%. The council's estimated funding level will be based on market conditions on the day before conversion.

New academies joining the Fund will fall into one of the below categories:

1. be a single academy trust (a "SAT"); or

2. one of multiple academies within the Fund who are part of a multi-academy trust (a "MAT"); or

3. a standalone employer where they are the only academy within the Fund who are a part of a MAT (and the other academies in the MAT do not participate within the Suffolk Pension Fund).

If the academy joins an existing MAT in the Fund (i.e. 2 above), the assessed assets and liabilities are added to the MAT funding pool and the academy will pay the MAT contribution rate. This approach represents full risk-sharing of past and future service costs.

If the new academy is a SAT or standalone employer (i.e. 1 or 3 above), then the actuary will need to calculate the contribution rate to be paid on conversion.

If an academy leaves one MAT and joins another, all active, deferred and pensioner members transfer to the new MAT.

Newly set up academies (including free schools and studio schools)

Free schools do not transfer active members from a converting school but must allow new active members to transfer in any eligible service.

Newly set up academies (including free schools and studio schools) will fall into one of the below categories:

- the academy joins an existing MAT in the Fund, becomes part of the MAT funding pool and will pay the MAT contribution rate.
- if the academy is sponsored by another employer within the Fund, it becomes part of the sponsoring employer's funding pool and will pay the sponsoring employer's contribution rate.
- if the academy is standalone, the academy will pay the in-force Suffolk County Council contribution rate. The academy rate will then be re-assessed as part of the next triennial funding valuation exercise, alongside all other Fund employers.

The Fund's academy policy can be found here.

5.3 New admission bodies as a result of outsourcing services

New admission bodies usually join the Fund because an existing employer (usually a scheduled body such as a council or academy) outsources a service to another organisation (a contractor). This involves TUPE transfers of staff from the letting employer to the contractor. The contractor becomes a new participating Fund employer for the duration of the contract and transferring employees remain eligible for LGPS membership. At the end of the contract, employees typically revert to the letting employer or a replacement contractor.

Liabilities for transferring active members will be calculated by the Fund actuary on the day before the outsourcing occurs.

New contractors will be allocated an asset share equal to the value of the transferring liabilities. The admission agreement may set a different initial asset allocation, depending on contract-specific circumstances.

There is flexibility for outsourcing employers when it comes to pension risk potentially taken on by the contractor. You can find more details on outsourcing options from the administering authority or in the contract admission agreement.

The Fund's policy is to administer any new admission bodies under a pass-through arrangement. The Fund's policy on pass through is detailed in Appendix H.

Where an academy is the letting employer, the admission body is set up as a pass-through arrangement which is closed to new members. This is to ensure that the 'Department for Education (DfE) Academy Trust LGPS Guarantee policy' can apply to the outsourcing.

5.4 Other new employers

There may be other circumstances that lead to a new admission body entering the Fund, eg set up of a wholly owned subsidiary company by a Local Authority. Calculation of assets and liabilities on joining and a contribution rate will be carried out allowing for the circumstances of the new employer.

New designated employers may also join the Fund. These are usually town and parish councils. Contribution rates will be set using the same approach as other designated employers in the Fund.

5.5 Risk assessment for new admission bodies

Under the LGPS regulations, a new admission body must assess the risks it poses to the Fund if the admission agreement ends early, for example if the admission body becomes insolvent or goes out of business. In practice, the Fund actuary assesses this because the assessment must be carried out to the administering authority's satisfaction.

After considering the assessment, the administering authority may decide the admission body must provide security, such as a guarantee from the letting employer, an indemnity or a bond.

This must cover some or all of the:

- strain costs of any early retirements, if employees are made redundant when a contract ends prematurely
- allowance for the risk of assets performing less well than expected
- allowance for the risk of liabilities being greater than expected
- allowance for the possible non-payment of employer and member contributions
- admission body's existing deficit.

Where an academy is the letting employer, the Fund will expect academies to ensure and confirm that the outsourcing complies with the requirements set out in the DfE Academy Trust LGPS Guarantee policy before permitting an admission body in the Fund. Where this requirement is met, no additional risk assessment or security will typically be required for the admitted body as the pension liabilities will be covered by the DfE Academy Guarantee.

Where the admission body does not meet the requirements of the DfE Academy Trust LGPS Guarantee policy, the Fund will review each case individually to decide if the admission body must provide security before being admitted to the Fund. In these cases, the Fund will typically require the academy to evidence that they have sought and received permission from the Education and Skills Funding Agency to act as a guarantor.

The Fund's admissions policy can be found here.

6 What happens if an employer has a bulk transfer of staff?

Bulk transfer cases will be looked at individually, but generally:

- the Fund won't pay bulk transfers greater in value than either the asset share of the transferring employer in the Fund, or the value of the liabilities of the transferring members, whichever is lower
- the Fund won't grant added benefits to members bringing in entitlements from another fund, unless the asset transfer is enough to meet the added liabilities
- the Fund may permit shortfalls on bulk transfers if the employer has a suitable covenant and commits to meeting the shortfall in an appropriate period, which may require increased contributions between valuations.

7 What happens when an employer leaves the Fund?

7.1 What is a cessation event?

Triggers for considering cessation from the Fund are:

- the last active member stops participation in the Fund
- insolvency, winding up or liquidation of the admission body
- a breach of the agreement obligations that isn't remedied to the Fund's satisfaction
- failure to pay any sums due within the period required
- failure to renew or adjust the level of a bond or indemnity, or to confirm an appropriate alternative guarantor
- termination of a deferred debt arrangement (DDA).

The administering authority, at its discretion, can defer triggering a cessation for up to three years by issuing a suspension notice. That means cessation won't be triggered if the employer takes on one or more active members during the agreed time.

If no DDA exists, the administering authority will instruct the Fund actuary to carry out a cessation valuation to calculate if there is a surplus or a deficit when the employer leaves the Fund.

7.2 What happens on cessation?

The administering authority must protect the interests of the remaining Fund employers when an employer leaves the scheme. The actuary aims to protect remaining employers from the risk of future loss. The funding target adopted for the cessation calculation is below. These are defined in Appendix E.

(a) Where there is no guarantor, cessation liabilities and a final surplus/deficit will usually be calculated using a low-risk basis, which is more prudent than the ongoing participation basis.

(b) Where there is a guarantor, the guarantee will be considered before the cessation valuation. Where the guarantor is a guarantor of last resort, this will have no effect on the cessation valuation. If this isn't the case, cessation may be calculated using the same basis that was used to calculate liabilities (and the corresponding asset share) on joining the Fund.

(c) Depending on the guarantee, it may be possible to transfer the employer's liabilities and assets to the guarantor without crystallising deficits or surplus. This may happen if an employer can't pay the contributions due and the approach is within guarantee terms. This is known as 'subsumption' of the assets and liabilities.

If the Fund can't recover the required payment in full, unpaid amounts will be paid by the related letting authority (in the case of a ceased admission body) or shared between the other Fund employers. This may require an immediate revision to the rates and adjustments certificate or be reflected in the contribution rates set at the next formal valuation.

The Fund actuary charges a fee for cessation valuations and there may be other cessation expenses. Fees and expenses are at the employer's expense and are deducted from the cessation surplus or added to the cessation deficit. This improves efficiency by reducing transactions between employer and fund.

The cessation policy is in Appendix I.

7.3 What happens if there is a surplus?

If the cessation valuation shows the exiting employer has more assets than liabilities – an exit credit – the administering authority can decide how much (if any) will be paid back to the employer based on:

- the surplus amount
- any representations (such as risk sharing agreements or guarantees) made by the exiting employer and any employer providing a guarantee or some other form of employer assistance/support
- any other relevant factors.

The exit credit policy is covered in the cessation policy in Appendix I.

7.4 What happens if there is a deficit?

If the cessation valuation shows the exiting employer has less assets than liabilities, then there is a deficit – an exit debt, full payment will be expected in a single lump sum or:

- spread over an agreed period, if the employer enters into a deferred spreading agreement (DSA)
- if an exiting employer enters into a deferred debt agreement, it stays in the Fund and pays contributions until the cessation debt is repaid. Payments are reassessed at each formal valuation.

The employer flexibility on exit policy is covered in the cessation policy in Appendix I.

7.5 What if an employer has no active members?

When employers leave the Fund because their last active members have left, they may pay a cessation debt, receive an exit credit or enter a DDA/DSA. Beyond this they have no further obligation to the Fund and either:

a) their asset share runs out before all ex-employees' benefits have been paid. The other fund employers will be required to contribute to the remaining benefits. The Fund actuary will portion the liabilities on a pro-rata basis based on each employer's share of overall liabilities at each formal valuation, or

b) the last ex-employee or dependant dies before the employer's asset share is fully run down. The Fund actuary will apportion the remaining assets to the other fund employers based on each employer's share of overall liabilities at each formal valuation.

8 What are the statutory reporting requirements?

8.1 Reporting regulations

The Public Service Pensions Act 2013 requires the Government Actuary's Department to report on LGPS funds in England and Wales after every three-year valuation, in what's usually called a Section 13 report. The report includes advice on whether the following terms are achieved:

- Compliance
- Consistency
- Solvency
- Long term cost efficiency

8.2 Solvency

Employer contributions are set at an appropriate solvency level if the rate of contribution targets a funding level of 100% over an appropriate time, using appropriate assumptions compared to other funds. Either:

(a) employers collectively can increase their contributions, or the Fund can realise contingencies to target a 100% funding level; or

(b) there is an appropriate plan in place if there is, or is expected to be, a reduction in employers' ability to increase contributions as needed.

8.3 Long-term cost efficiency

Employer contributions are set at an appropriate long-term cost efficiency level if the contribution rate makes provision for the cost of current benefit accrual, with an appropriate adjustment for any surplus or deficit. To assess this, the administering authority may consider absolute and relative factors.

Relative factors include:

1. comparing LGPS funds with each other
2. the implied deficit recovery period
3. the investment return required to achieve full funding after 20 years.

Absolute factors include:

1. comparing funds with an objective benchmark
2. the extent to which contributions will cover the cost of current benefit accrual and interest on any deficit
3. how the required investment return under relative considerations compares to the estimated future return targeted by the investment strategy
4. the extent to which contributions paid are in line with expected contributions, based on the rates and adjustment certificate
5. how any new deficit recovery plan reconciles with, and can be a continuation of, any previous deficit recovery plan, allowing for Fund experience.

These metrics may be assessed by GAD on a standardised market-related basis where the Fund's actuarial bases don't offer straightforward comparisons. Standard information about the fund's approach to solvency of the pension fund and long-term cost efficiency will be provided in a uniform dashboard format in the valuation report to facilitate comparisons between funds.

Appendices

Appendix A – The regulatory framework

A1 Why do funds need a funding strategy statement?

The Local Government Pension Scheme (LGPS) regulations require funds to maintain and publish a funding strategy statement (FSS). According to the Ministry for Housing, Communities and Local Government (MHCLG) the purpose of the FSS is to document the processes the administering authority uses to:

- *establish a clear and transparent fund-specific strategy identifying how employers' pension liabilities are best met going forward*
- *support the desirability of maintaining as constant and stable primary contribution rate as possible, as defined in Regulation 62(5) of the LGPS Regulations 2013*
- *ensure that the regulatory requirements to set contributions to ensure the solvency and long-term cost efficiency of the fund are met.*
- *explain how the fund balances the interests of different employers.*
- *explain how the fund deals with conflicts of interest and references other policies/strategies*

To prepare this FSS, the administering authority has used guidance jointly prepared by the Scheme Advisory Board (SAB), MHCLG, and by the Chartered Institute of Public Finance and Accountancy (CIPFA) dated January 2025.

The fund has a fiduciary duty to scheme members and obligations to employers to administer the scheme competently to keep employer contributions at an affordable level. The funding strategy statement sets out how the fund meets these responsibilities

A2 Consultation

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

In practice, for the Fund, the consultation process for this FSS was as follows:

a) A draft version of the FSS was issued to all participating employers and the Local Pensions Board in XXX 2025 for comment;

b) Comments were requested by DDMMYY;

c) Following the end of the consultation period the FSS was updated where required and then published, in MMYY

The fund also shared the draft FSS with the Department for Education.

A3 How is the FSS published?

The FSS is made available through the following routes:

- published on the Suffolk Pension Fund website, at www.suffolkpensionfund.org

- adding the FSS to the agenda of pension fund annual employer meetings
- copies made freely available on request.

A4 How does the FSS fit into the overall Fund documentation?
The FSS is a summary of the Fund's approach to funding liabilities. It isn't exhaustive – the Fund publishes other statements such as the Investment Strategy Statement, Governance Strategy and Communications Strategy. The Fund's annual report and accounts also includes up-to-date Fund information.

You can see all fund documentation at www.suffolkpensionfund.org

Appendix B – Roles and responsibilities

B1 The administering authority is required to:

1 operate a pension fund

2 collect employer and employee contributions, investment income and other amounts due to the pension fund as stipulated in LGPS Regulations

3 have an escalation policy in situations where employers fail to meet their obligations

4 pay from the pension fund the relevant entitlements as stipulated in LGPS Regulations

5 invest surplus monies in accordance with the relevant regulations

6 ensure that cash is available to meet liabilities as and when they fall due

7 ensure benefits paid to members are accurate and undertake timely and appropriate action to rectify any inaccurate benefit payments take measures as set out in the regulations to safeguard the fund against the consequences of employer default

8 take measures as set out in the regulations to safeguard the fund against the consequences of employer default

9 manage the valuation process in consultation with the fund's actuary

10 prepare and maintain an FSS and associated funding policies and SIP/ISS, after proper consultation with interested parties

11 monitor all aspects of the fund's performance and funding, and amend the FSS/ISS accordingly

12 establish a policy around exit payments and payment of exit credits/debits in relation to employer exits

13 effectively manage any potential conflicts of interest arising from its dual role as both fund administrator and scheme employer

14 enable the local pension board to review the valuation and FSS review process and as set out in their terms of reference

15 support and monitor a Local Pension Board (LPB) as required by the Public Service Pensions Act 2013, the Regulations and the Pensions Regulator's relevant Code of Practice

B2 Individual employers are required to:

1 ensure staff who are eligible are contractually enrolled and deduct contributions from employees' pay correctly after determining the appropriate employee contribution rate (in accordance with the Regulations),

2 provide the fund with accurate data and understand that the quality of the data provided to the Fund will directly impact on the assessment of their liabilities and their contributions. In particular, any deficiencies in their data may result in the employer paying higher contributions than otherwise would be the case if their data was of high quality

3 pay all ongoing contributions, including employer contributions determined by the actuary and set out in the rates and adjustments certificate, promptly by the due date

4 develop a policy on certain discretions and exercise those discretions as permitted within the regulatory framework

5 make additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of scheme benefits and early retirement strain

6 notify the administering authority promptly of all changes to active membership that affect future funding

7 pay any exit payments on ceasing participation in the fund timely provide the fund with accurate data and understand that the quality of the data provided to the fund will directly impact on the assessment of their liabilities and their contributions. In particular, any inaccuracies in data may result in the employer paying higher contributions than otherwise would be the case if their data was of high quality.

B3 The Fund actuary should:

1 prepare valuations including the setting of employers' contribution rates at a level to ensure fund solvency and long-term cost efficiency based on the assumptions 26 set by the administering authority and having regard to the FSS and the LGPS Regulations

2 provide advice so the fund can set the necessary assumptions for the valuation • prepare advice and calculations in connection with bulk transfers and the funding aspects of individual benefit-related matters such as pension strain costs, ill health retirement costs, compensatory added years costs, etc

3 provide advice and valuations to the fund so that it can make decisions on the exit of employers from the fund

4 provide advice to the fund on bonds or other forms of security against the financial effect on the fund of employer default

5 assist the fund in assessing whether employer contributions need to be revised between valuations as permitted or required by the regulations

6 ensure that the fund is aware of any professional guidance or other professional requirements that may be relevant in the role of advising the fund.

7 identify to the fund and manage any potential conflicts of interest that may arise in the delivery the contractual arrangements to the fund and other clients.

B4 Local Pension Boards (LPB):

Local Pension Boards have responsibility to assist the administering authority to secure compliance with the LGPS regulations, other legislation relating to the governance and administration of the LGPS, any requirements imposed by the Regulator in relation to the LGPS, and to ensure the effective and efficient governance and administration of the LGPS. It will be for each fund to determine the input into the development of the FSS (as appropriate within fund's own governance arrangements) however this may include:

1 Assist with the development and review the FSS

2 Review the compliance of scheme employers with their duties under the FSS, regulations and other relevant legislation

3 Assist with the development of and review communications in relation to the FSS.

B5 Employer guarantors

1 Department for Education - To pay cessation debts in the case of academy cessations (where the obligations are not being transferred to another MAT) and to consider using intervention powers if an academy is deemed to be in breach of the regulations.

2 Other bodies with a financial interest (outsourcing employers)

3 Any other Guarantor

B6 Other parties:

1 internal and external investment advisers ensure the Investment Strategy Statement (ISS) is consistent with the Funding Strategy Statement

2 investment managers, custodians and bankers play their part in the effective investment and dis-investment of Fund assets in line with the ISS

3 auditors comply with standards, ensure Fund compliance with requirements, monitor and advise on fraud detection, and sign-off annual reports and financial statements

4 governance advisers may be asked to advise the administering authority on processes and working methods

5 internal and external legal advisers ensure the fund complies with all regulations and broader local government requirements, including the administering authority's own procedures

6 the Ministry for Housing, Communities and Local Government, assisted by the Government Actuary's Department and the Scheme Advisory Board, work with LGPS funds to meet Section 13 requirements.

Appendix C – Glossary

Actuarial certificates

A statement of the contributions payable by the employer (see also rates and adjustments certificate). The effective date is 12 months after the completion of the valuation.

Actuarial valuation

An investigation by an actuary, appointed by an Administering Authority into the costs of the scheme and the ability of the fund managed by that authority to meet its liabilities. This assesses the funding level and recommended employer contribution rates based on estimating the cost of pensions both in payment and those yet to be paid and comparing this to the value of the assets held in the Fund. Valuations take place every three years (triennial).

Administering Authority (referred to as 'the fund')

A body listed in Part 1 of Schedule 3 of the regulations who maintains a fund within the LGPS and a body with a statutory duty to manage and administer the LGPS and maintain a pension fund (the fund). Usually, but not restricted to being, a local authority.

Admission agreement

A written agreement which provides for a body to participate in the LGPS as a scheme employer.

Assumptions

Forecasts of future experience which impact the costs of the scheme. For example, pay growth, longevity of pensioners, inflation, and investment returns.

Code of Practice

The Pensions Regulator's General Code of Practice.

Debt spreading arrangement

The ability to spread an exit payment over a period of time.

Deferred debt agreement

An agreement for an employer to continue to participate in the LGPS without any contributing scheme members.

Employer covenant

The extent of the employer's legal obligation and financial ability to support its pension scheme now and in the future.

Funding level

The funding level is the value of assets compares with the liabilities. It can be expressed as a ratio of the assets and liabilities (known as the funding level) or as the difference between the assets and liabilities (referred to as a surplus or deficit).

Fund valuation date

The effective date of the triennial fund valuation.

Guarantee / guarantor

A formal promise by a third party (the guarantor) that it will meet any pension obligations not met by a specified employer. The presence of a guarantor will mean, for instance, that the fund can consider the employer's covenant to be as strong as its guarantor's.

Local Pension Board

The board established to assist the Administering Authority as the Scheme Manager for each Fund.

Non-statutory guidance

Guidance which although it confers no statutory obligation on the parties named, they should nevertheless have regard to its contents.

Notifiable events

Events which the employer should make the Administering Authority aware of.

Past service liabilities

The cost of pensions already built up or in payment.

Pension committee

A committee or sub-committee to which an administering authority has delegated its pension function.

Pensions Administration Strategy

A statement of the duties and responsibilities of scheme employers and Administering Authorities to ensure the effective management of the scheme.

Primary and secondary employer contributions

Primary employer contributions meet the future costs of the scheme and Secondary employer contributions meet the costs already built up (adjusted to reflect the experience of each scheme employer). Contributions will therefore vary across scheme employers within a Fund.

Rates and adjustments certificate

A statement of the contributions payable by each scheme employer (see actuarial certificates).

Scheme Manager

A person or body responsible for managing or administering a pension scheme established under section 1 of the 2013 Act. In the case of the LGPS, each Fund has a Scheme Manager which is the Administering Authority.

Appendix D – Risks and controls

D1 Managing risks

The administering authority has a risk management programme to identify and control financial, demographic, regulatory and governance risks.

The role of the local pension board is set out in the Suffolk County Council's Constitution, board terms of reference available [Part 1 Articles of the Constitution (suffolk.gov.uk)]

Details of the key fund-specific risks and controls are below.

Financial risks

Risk	Control
Fund assets don't deliver the anticipated returns that underpin the valuation of liabilities and contribution rates over the long-term.	Anticipate long-term returns on a prudent basis to reduce risk of under-performing. Use specialist advice to invest and diversify assets across asset classes, geographies, managers, etc. Analyse progress at three-year valuations for all employers. Roll forward whole Fund liabilities between valuations.
Inappropriate long-term investment strategy.	Consider overall investment strategy options as part of the funding strategy. Use asset liability modelling to measure outcomes and choose the option that provides the best balance. Operate various strategies to meet the needs of a diverse employer group.
Active investment manager under-performs relative to benchmark.	Use quarterly investment monitoring to analyse market performance and active managers, relative to index benchmark.
Pay and price inflation is significantly more than anticipated.	Focus valuation on real returns on assets, net of price and pay increases. Use inter-valuation monitoring to give early warning. Invest in bonds. Employers to be mindful of the geared effect on pension liabilities of any bias in pensionable pay rises towards longer-serving employees.
Increased employer's contribution rate affects service delivery and admission/scheduled bodies.	Agree an explicit stabilisation mechanism, with other measures to limit sudden increases in contributions.

Risk	Control
Orphaned employers create added Fund costs.	Seek a cessation debt (or security/guarantor). Spread added costs among employers.

Demographic risks

Risk	Control
Pensioners live longer, increasing Fund costs.	Set mortality assumptions with allowances for future increases in life expectancy. Use the Fund actuary's experience and access to over 50 LGPS funds to identify changes in life expectancy that might affect the longevity assumptions early.
As the Fund matures, the proportion of actively contributing employees declines relative to retired employees.	Monitor at each valuation, consider seeking monetary amounts rather than % of pay. Consider alternative investment strategies.
Deteriorating patterns of early retirements	Charge employers the extra cost of non ill-health retirements following each individual decision. Monitor employer ill-health retirement experience, with optional insurance.
Reductions in payroll cause insufficient deficit recovery payments.	Buy-out employers in the stabilisation mechanism to permit contribution increases. Review contributions between valuations. This may require a move in deficit contributions from a percentage of payroll to fixed monetary amounts.

Regulatory risks

Risk	Control
Changes to national pension requirements or HMRC rules.	Consider all Government consultation papers and comment where appropriate. Monitor progress on the McCloud court case and consider an interim valuation or other action once more information is known. Build preferred solutions into valuations as required.
Time, cost or reputational risks associated with any DLUHC intervention triggered by the Section 13 analysis	Take advice from the actuary and consider the proposed valuation approach, relative to anticipated Section 13 analysis.

Changes to employer participation in LGPS funds leads to impacts on funding or investment strategies.	Consider all Government consultation papers and comment where appropriate. Take advice from the Fund actuary and amend strategy.

Governance risks

Risk	Control
The administering authority is not aware of employer membership changes, for example a large fall in employee members, large number of retirements, or is not advised that an employer is closed to new entrants.	The administering authority develops a close relationship with employing bodies and communicates required standards. The actuary may revise the rates and adjustments certificate to increase an employer's contributions between valuations Deficit contributions may be expressed as monetary amounts.
Actuarial or investment advice is not sought, heeded, or proves to be insufficient in some way	The administering authority maintains close contact with its advisers. Advice is delivered through formal meetings and recorded appropriately. Actuarial advice is subject to professional requirements such as peer review.
The administering authority fails to commission the actuary to carry out a termination valuation for an admission body leaving the Fund.	CABs' memberships are monitored and steps are taken if active membership decreases.
An employer ceases to exist with insufficient funding or bonds.	It's normally too late to manage this risk if left to the time of departure. This risk is mitigated by: Seeking a funding guarantee from another scheme employer, or external body. Alerting the prospective employer to its obligations and encouraging it to take independent actuarial advice. Vetting prospective employers before admission. Requiring a bond to protect the Fund, where permitted. Requiring a guarantor for new CABs. Regularly reviewing bond or guarantor arrangements. Reviewing contributions well ahead of cessation.

Risk	Control
An employer ceases to exist, so an exit credit is payable.	The administering authority regularly monitors admission bodies coming up to cessation. The administering authority invests in liquid assets so that exit credits can be paid.

D2 Employer covenant assessment and monitoring

Many of the employers participating in the fund, such as admitted bodies (including TABs and CABs), have no local tax-raising powers. The fund assesses and monitors the long-term financial health of these employers to assess an appropriate level of risk for each employer's funding strategy.

Type of employer	Assessment	Monitoring
Local Authorities, Police, Fire	Tax-raising or government-backed, no individual assessment required	n/a
Colleges	Government-backed, covered by DfE guarantee in event of failure	Check that DfE guarantee continues, after regular scheduled DfE review
Universities	No change since 2022 valuation	Regular ongoing dialogue
Academies	Government-backed, covered by DfE guarantee in event of MAT failure	Check that DfE guarantee continues, after regular scheduled DfE review
Admission bodies (CABs)	No change since 2022 valuation	Regular ongoing dialogue
Admission bodies (TABs)	No change since 2022 valuation	Regular ongoing dialogue
Designating employers	No change since 2022 valuation	Regular ongoing dialogue

Any change in covenant over the inter-valuation period may lead to a contribution rate review

D3 Climate risk and TCFD reporting

The Fund has considered climate-related risks when setting the funding strategy.

The Fund has carried out climate scenario analysis incorporating both stress testing, and narrative-based scenario analysis for the local authority employers at the 2025 valuation. The narrative approach explores the complex and interrelated risks associated with climate change by defining a specific extreme, downside risk (in this instance a food shock) and constructing narratives around potential policy and market responses, noting these may be sub-optimal. This approach allows consideration to be given to the impact of sudden, severe downside risks in the short term, the interdependencies that arise and potential immediate actions. Coupling this approach with stress testing (to better understand the impact of possible climate scenarios) has allowed the Fund to assess a range of outcomes that may arise, and assess the resilience of the Fund under these scenarios.

The results show that:

1. When considering climate scenario stress tests, the Fund appears to be generally resilient to different climate scenarios, with generally modest impacts versus the base case modelled

2. The results of the downside, narrative analysis suggest that the Fund is likely to be resilient in the face of some severe downside risk events (in comparison to the base case), but not all.

Climate scenario analysis helps assess risks and tests the resilience of current and long-term strategies under various scenarios. This helps to identify vulnerabilities across both assets and liabilities. Identification of these vulnerabilities can inform risk management processes (see figure 1), helping the Fund ensure appropriate controls and mitigations are in place. Scenario analysis therefore supports informed decision making, and may be used in future to assist with disclosures prepared in line with Task Force on Climate-Related Financial Disclosures (TCFD) principles.

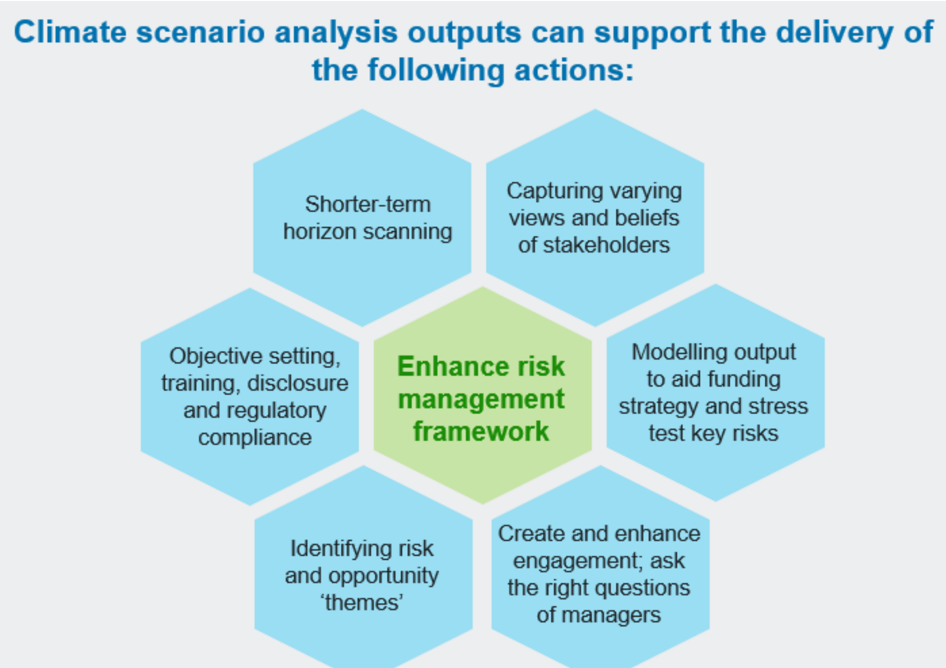

Figure 1.

This climate analysis was not applied to the funding strategy modelling for smaller employers. However, given that the same underlying model is used for all employers and that the local authority employers make up the vast majority of the fund's assets and liabilities, applying the climate analysis to all employers was not deemed proportionate at this stage and would not be expected to result in any changes to the agreed contribution plans.

The Fund's Responsible Investment beliefs are included in its Investment Strategy Statement.

Appendix E – Actuarial assumptions

The Fund's actuary uses a set of assumptions to determine the strategy, and so assumptions are a fundamental part of the Funding Strategy Statement.

E1 What are actuarial assumptions?
Actuarial assumptions are required to value the fund's liabilities because:

- There is uncertainty regarding both the timing and amount of the future benefit payments (the actual cost can't be known until the final payment is made). Therefore to estimate the cost of benefits earned to date and in the future, assumptions need to be made about the timing and amount of these future benefit payments

- The assets allowed to an employer today are a known figure. However, the future investment return earned on those assets and future cashflows into the fund are uncertain. An assumption is needed about what those future investment returns will be

There are two types of actuarial assumptions that are needed to perform an actuarial valuation: **financial assumptions** determine the expected amount of future benefit payments and the expected investment return on the assets held to meet those benefits, whilst **demographic assumptions** relate primarily to the expected timing of future benefit payments (i.e. when they are made and for how long).

All actuarial assumptions are set as best estimates of future experience with the exception of the discount rate assumption which is deliberately prudent to meet the regulatory requirement for a 'prudent' valuation.

Any change in the assumptions will affect the value that is placed on future benefit payments ('liabilities'), but different assumptions don't affect the actual benefits the fund will pay in future.

E2 What funding bases are operated by the Fund?

A *funding basis* is the set of actuarial assumptions used to value an employer's (past and future service) liabilities. The fund operates two funding bases for funding valuations: the *ongoing participation basis* and the *low-risk exit basis*. All actuarial assumptions are the same for both funding bases with the exception of the discount rate – see further details below.

E3 What financial assumptions are used by the fund?

Discount rate

The discount rate assumption is the average annual rate of future investment return assumed to be earned on an employer's assets from a given valuation date.

The fund uses a risk-based approach to setting the discount rate which allows for prevailing market conditions on the valuation date (see 'Further detail on the calculation of financial assumptions') and the Fund's investment strategy.

The discount rate is determined by the *prudence level*. Specifically, the discount rate is calculated to be:

The average annual level of future investment return that can be achieved on the Fund's assets over a 20 year period with a x% likelihood.

The prudence level is the likelihood. The prudence levels used by the fund are as follows:

Funding basis	**Prudence level**
Ongoing participation	85%
Low-risk exit	95%

CPI inflation

The CPI inflation assumption is the average annual rate of future Consumer Price Index (CPI) inflation assumed to be observed from a given valuation date. This assumption is required because LGPS benefit increases (in deferment and in payment) and revaluation of CARE benefits are in line with CPI.

The fund uses a risk-based approach to setting the CPI inflation assumption which allows for prevailing market conditions on the valuation date (see ‘Further detail on the calculation of financial assumptions’).

The CPI inflation assumption is calculated to be:

The average annual level of future CPI inflation that will be observed over a 20 year period with a 50% likelihood

Salary growth

The salary growth assumption is linked to the CPI inflation assumption via a fixed margin. The salary increases assumption is 1.0% above the CPI inflation assumption plus a promotional salary scale.

E4 Further detail on the calculation of financial assumptions

The discount rate and CPI inflation assumptions are calculated using a risk-based method. To assess the likelihood associated with a given level of investment return or a given level of future inflation, the fund actuary uses Hymans Robertson’s propriety economic scenario generator; the *Economic Scenario Service* (or *ESS*). The model uses statistical distributions to project a range of 5,000 different possible outcomes for the future behaviour of different asset classes and wider economic variables, such as inflation.

The table below shows the calibration of the model as at 31 March 2025 for some sample asset classes and economic variables. All returns are shown net of fees and are the annualised total returns over 5, 10 and 20 years. Yields and inflation refer to the simulated yields at that time horizon.

Table: Summary of assumptions underlying the ESS, 31 March 2025

		Annualised total returns												Inflation/Yields		
Time period	Percentile	Cash	Global Equities (hedged)	Global Equities (unhedged)	EM equities (unhedged)	UK Equity	UK corporate bonds (BBB-rated average)	UK corporate bonds (A-rated average)	UK corporate bonds (BB-rated average)	Property	Private Equity	Private Lending	Infrastructure equity	Inflation (CPI)	17-year real yield (CPI)	17-year yield
5 Years	16th	3.5%	0.3%	-0.2%	-3.2%	0.1%	3.8%	4.0%	3.8%	0.2%	-2.5%	4.5%	1.1%	1.2%	1.5%	4.8%
	50th	4.3%	8.7%	8.5%	8.5%	8.2%	5.5%	5.2%	6.0%	6.8%	10.0%	8.2%	8.1%	2.8%	2.4%	5.8%
	84th	5.1%	17.0%	17.1%	20.9%	16.4%	6.6%	6.1%	7.4%	14.1%	22.8%	11.4%	15.5%	4.3%	3.3%	7.1%
10 Years	16th	3.6%	2.8%	2.5%	0.2%	2.5%	4.9%	4.8%	4.9%	2.3%	1.2%	6.4%	3.1%	0.8%	0.8%	3.9%
	50th	4.6%	8.9%	8.7%	8.8%	8.6%	6.1%	5.8%	6.5%	7.3%	10.2%	8.8%	8.4%	2.5%	2.1%	5.3%
	84th	5.8%	14.9%	15.0%	17.5%	14.6%	7.1%	6.7%	7.8%	12.7%	19.6%	10.9%	13.8%	4.1%	3.3%	7.1%
20 Years	16th	3.1%	4.3%	3.9%	2.2%	3.8%	4.8%	4.6%	5.1%	3.5%	3.4%	7.0%	4.2%	0.7%	-0.5%	1.6%
	50th	4.5%	8.7%	8.6%	8.5%	8.4%	6.1%	5.8%	6.5%	7.3%	9.9%	8.8%	8.3%	2.3%	1.3%	3.6%
	84th	6.3%	13.3%	13.4%	15.1%	12.9%	7.6%	7.2%	8.1%	11.3%	17.0%	10.7%	12.4%	3.9%	3.0%	6.2%
	Volatility (1 yr)	0.3%	17.8%	18.4%	24.3%	16.3%	3.7%	3.2%	4.7%	15.2%	26.6%	9.3%	14.5%	1.4%	-	-

The ESS model is recalibrated monthly. The fund actuary uses the most recent calibration of the model (prior to the valuation date) to set financial assumptions for each funding valuation.

E5 What demographic assumptions were used?

The Fund uses advice from Club Vita to set demographic assumptions, as well as analysis and judgement based on the fund's experience.

Demographic assumptions vary by type of member, so each employer's own membership profile is reflected in their results.

Life expectancy

The longevity assumptions are a bespoke set of VitaCurves produced by detailed analysis and tailored to fit the fund's membership profile.

Allowance has been made for future improvements to mortality, in line with the 2024 version of the continuous mortality investigation (CMI) tables published by the actuarial profession. The starting point has been adjusted by +0.25% to reflect the difference between the population-wide data used in the CMI and LGPS membership. A long-term rate of mortality improvements of 1.5% p.a. applies.

Other demographic assumptions	
Retirement in normal health	Members are assumed to retire at the earliest age possible with no pension reduction.
Promotional salary increases	Sample increases below
Death in service	Sample rates below
Withdrawals	Sample rates below
Retirement in ill health	Sample rates below
Family details	A varying proportion of members are assumed to have a dependant partner at retirement or on earlier death. For example, at age 65 this is assumed to be 55% for males and 54% for females. The dependant of a male member is assumed to be 3.4 years younger than him and the dependent of a female member is assumed to be 2.3 years older than her.
Commutation	60% of maximum tax-free cash
50:50 option	0% of existing members will opt to change schemes

Males

Age	Salary Scale	Death Before Retirement	Withdrawals		Ill Health Tier 1		Ill Health Tier 2	
		FT & PT	FT	PT	FT	PT	FT	PT
20	105	0.17	323.45	548.78	0.00	0.00	0.00	0.00
25	117	0.17	213.65	362.49	0.00	0.00	0.00	0.00
30	131	0.20	151.59	257.16	0.00	0.00	0.00	0.00
35	144	0.24	118.44	200.90	0.10	0.07	0.02	0.01
40	151	0.41	95.36	161.69	0.16	0.12	0.03	0.02
45	159	0.68	89.57	151.85	0.35	0.27	0.07	0.05
50	167	1.09	73.83	125.03	0.90	0.68	0.23	0.17
55	173	1.70	58.14	98.51	3.54	2.65	0.51	0.38
60	174	3.06	51.82	87.76	6.23	4.67	0.44	0.33
65	174	5.10	31.81	53.87	11.83	8.87	0.00	0.00

Females

Age	Salary Scale	Death Before Retirement	Withdrawals		Ill Health Tier 1		Ill Health Tier 2	
		FT & PT	FT	PT	FT	PT	FT	PT
20	105	0.10	281.94	373.90	0.00	0.00	0.00	0.00
25	117	0.10	189.71	251.55	0.10	0.07	0.02	0.01
30	131	0.14	159.02	210.83	0.13	0.10	0.03	0.02
35	144	0.24	137.25	181.90	0.26	0.19	0.05	0.04
40	151	0.38	114.23	151.34	0.39	0.29	0.08	0.06
45	159	0.62	106.60	141.21	0.52	0.39	0.10	0.08
50	167	0.90	89.87	118.92	0.97	0.73	0.24	0.18
55	173	1.19	67.06	88.83	3.59	2.69	0.52	0.39
60	174	1.52	54.04	71.50	5.71	4.28	0.54	0.40
65	174	1.95	25.76	34.07	10.26	7.69	0.00	0.00

Appendix F – Contribution reviews

Under the LGPS Regulations the Fund may amend contribution rates between valuations where there has been "significant change" to the liabilities or covenant of an employer. The Fund would consider the following circumstances as a potential trigger for review:

- in the opinion of an administering authority there are circumstances which make it likely that an employer (including an admission body) will become an exiting employer sooner than anticipated at the last valuation;
- an employer is approaching exit from the scheme within the next two years and before completion of the next valuation;
- an employer agrees to pay increased contributions to meet the cost of an award of additional pension, under Regulation 31(3) of the Regulations;
- there are changes to the benefit structure set out in the LGPS Regulations including the outcomes of the McCloud case and cost sharing mechanisms (if permitted in Regulation at that time) which have not been allowed for at the last valuation;
- it appears likely to the administering authority that the amount of the liabilities arising or likely to arise for an employer or employers has changed significantly since the last valuation;
- it appears likely to the administering authority that there has been a significant change in the ability of an employer or employers to meet their obligations (i.e. a material change in employer covenant);
- it appears to the administering authority that the membership of the employer has changed materially due to events such as bulk transfers, significant reductions to payroll or large-scale restructuring; or
- where an employer has failed to pay contributions or has not arranged appropriate security as required by the administering authority.

The administering authority will also consider a request from any employer to review contributions where the employer has undertaken to meet the costs of that review and sets out the reasoning for the review (which would be expected to fall into one of the above categories, such as a belief that their covenant has changed materially or they are going through a significant restructuring impacting their membership). The employer would be expected to provide evidence to back up its request for a review e.g. report and accounts, financial forecasts and budgets. The administering authority will endeavour to complete any review within 3 months of request subject to receipt of satisfactory evidence, and will monitor any change in an employer's circumstances on a regular basis following any change in contribution rate and may require further information from the employer to support this monitoring process.

Except in circumstances such as an employer nearing cessation, the administering authority will not consider market volatility or changes to asset values as a basis for a change in contributions outside a formal valuation.

It should be noted that any review may require increased contributions. The administering authority may need to consult other fund employers e.g. where they act as guarantor, as part of a review.

Appendix G – Ill-health risk management

The Fund recognises ill health early retirement costs can have a significant impact on an employer's funding and contribution rate, which could ultimately jeopardise their continued operation.

Each employer may elect to use external insurance which has been made available by the Fund. The Fund communicates this external insurance option regularly to all employers including new employers.

If an employer provides satisfactory evidence to the administering authority of putting in place an external insurance policy covering ill health early retirement strains, then:

- the employer's contribution rate to the Fund each year is reduced by the amount of that year's insurance premium rate, and
- there is no need for monitoring of ill health allowances versus experience.

When an active member retires on ill health early retirement the claim amount will be paid directly from the insurer to the insured employer. This amount should then be paid to the Fund to allow the employer's asset share to be credited.

The employer must keep the administering authority notified of any changes in the insurance policy's coverage or premium terms, or if the policy is ceased.

Appendix H – Pass-through and risk sharing

Employers which "outsource" have flexibility in the way that they can deal with the pension risk potentially taken on by the contractor. If the contractor does not take on the risk (the traditional approach), then there are different approaches that may be adopted.

i) **Fixed contribution rate agreed** - under this option the contractor pays a fixed contribution rate throughout its participation in the Fund and on cessation does not pay any deficit or receive an exit credit. In other words, the pension risks "pass-through" to the letting employer.

ii) **Pooling** - under this option the contractor is pooled with the letting employer. In this case, the contractor pays the same rate as the letting employer, which may be under a stabilisation approach.

The Administering Authority's preferred approach is that a new TAB will participate in the Fund via a fixed contribution rate arrangement with the letting employer*. The certified employer contribution rate will be set equal to the fixed contribution rate agreed between the letting authority and the contractor. The fixed rate that will be paid is at the discretion of the letting authority and contractor subject to a minimum of the letting authority's primary rate on the contract start date. Upon cessation the contractor's assets and liabilities will transfer back to the letting authority with no crystallisation of any deficit or surplus.

The Administering Authority is, however, willing to administer either of the above two options – it will be important that the approach is clearly documented in the Admission Agreement and/or any transfer agreement.

Any risk sharing agreement should ensure that some element of risk transfers to the contractor where it relates to their decisions and it is unfair to burden the letting employer with that risk. For example, the contractor should typically be responsible for pension costs that arise from:

- above average pay increases, including the effect in respect of service prior to contract commencement even if the letting employer takes on responsibility for the latter under (ii) above; and
- redundancy and early retirement decisions.

* Catering and cleaning contracts are often outsourced by academies. The Fund expects academies to set up such contracts as pass-through arrangements which are closed to new members, and to confirm that the outsourcing complies with the requirements set out in the 'DfE Academy Trust LGPS Guarantee policy'. This confirmation should be sent to the Fund ahead of the academy entering into an agreement with the contractor. If confirmation is not provided, the Fund may ask for security to be provided as a condition of admission.

Appendix I – Cessation policy

On cessation, the Administering Authority will instruct the Fund Actuary to carry out a cessation valuation to determine whether there is any deficit or surplus. The administering authority reserves the right to put in place a Deferred Debt Agreement (as described in Regulation 64 (7A)).This is covered in further detail below.

Where there is a debt, payment of this amount in full would normally be sought from the admission body. The Fund's normal policy is that this cessation debt is paid in full as a single lump sum. However, subject to actuarial, covenant, legal and any other advice as necessary, in line with the Regulations and when in the best interests of all parties, the Fund may agree for this payment to be spread over an agreed period. Repayments may be subject to an interest charge and any spreading would always be discussed in advance and agreed with the employer. Such agreement would only be permitted at the Fund's discretion, where the employer can demonstrate that payment of the debt in a single immediate lump sum could be shown to be materially detrimental to its normal operations. In cases where payment is spread, the Fund reserves the right to require that the ceasing employer provides some form of security (such as a charge over assets, bond indemnity or guarantee) relating to the unpaid amount of debt at any given time. The length of any spreading period will depend on the employer's financial circumstances and on the strength of any security provided, and ordinarily would not exceed 5 years. The Fund will confirm the spreading period, annual repayments including any interest, and any other costs (e.g. actuarial or legal) payable by the employer prior to the repayments starting. The Fund will monitor the employer's circumstances regularly during the spreading period and may request updated financial information that could trigger a review of the arrangement and repayments. The Fund will endeavour to accommodate any such spreading arrangement or review within 3 months of receipt of the relevant evidence from the employer.

In the rare event that the Fund is not able to recover the required payment in full and there is no guarantor, then the unpaid amounts fall to be shared amongst all of the other employers in the Fund. If material, this will require an immediate revision to the Rates and Adjustments Certificate affecting other employers in the Fund. If not, it will be reflected in the contribution rates set at the next formal valuation following the cessation date.

Where there is a surplus, the administering authority will determine the amount of exit credit to be paid in accordance with the Regulations. In making this determination, the administering authority will consider the extent of any surplus, the proportion of surplus arising as a result of the admission's body's employer contributions, any representations (such as risk sharing agreements - please see Appendix H) and any employer providing a guarantee to the admission body.

Deferred Debt Agreement (DDA)
As an alternative, where the ceasing admission body is continuing in business, the Administering Authority may enter into a written agreement with the admission body to defer its obligations to make an exit payment and continue to make Secondary contributions (a 'Deferred Debt Agreement' as described in Regulation 64 (7A)).

The admission body must meet all requirements of Scheme employers and pay the Secondary rate of contributions as determined by the Fund actuary until the termination of the DDA. Any such agreement would always be discussed in advance with the admission body, whether at its request or not. The Fund will endeavour to accommodate any agreement within 3 months of receipt of all relevant evidence from the employer as outlined below.

The administering authority will consider DDA's in the following circumstances:

- The admission body requests the Fund to consider a DDA;
- The admission body is expected to have a deficit when the cessation valuation is carried out;

- The admission body is expected to be a going concern; and
- The covenant of the admission body is considered sufficient by the administering authority. Evidence may be required from the admission body to back this up e.g. report and accounts, financial forecasts and budgets.

The administering authority will normally require:

- Security to be put in place covering the admission body's deficit on its cessation basis;
- Regular monitoring of the contribution requirements and security requirements;
- All costs of the arrangement to be met by the admission body, such as the cost of actuarial or legal advice to the Fund, ongoing monitoring of the arrangement and correspondence on any ongoing contribution and security requirements. Estimates of these would be notified to the admission body.

A DDA will normally terminate on the first date on which one of the following events occurs:

- the admission body enrols new active Fund members;
- the period specified, or as varied, under the DDA elapses;
- the take-over, amalgamation, insolvency, winding up or liquidation of the admission body;
- the administering authority serves a notice on the admission body that the administering authority is reasonably satisfied that the admission body's ability to meet the contributions payable under the DDA has weakened materially or is likely to weaken materially in the next 12 months;
- the Fund actuary assesses that the admission body has paid sufficient secondary contributions to cover all (or almost all) of the exit payment due if the employer becomes an exiting employer on the calculation date (i.e. the admission body is now largely fully funded on its cessation basis); or
- the admission body requests early termination of the agreement and settles the exit payment in full as calculated by the Fund actuary on the calculation date (i.e. the admission body pays its outstanding cessation debt on its cessation basis).

On the termination of a DDA, the admission body will become an exiting employer.

Suffolk County Council

Agenda Item 7

Suffolk Pension Board

Report Title:	Annual Report and Accounts 2024-25
Meeting Date:	17 October 2025
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Nicola Beach, Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151)
Author:	Tracey Woods, Head of Pensions Tel. 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of the item to be considered

1. This report presents the Audit Results Report compiled by Ernst & Young (EY) on the key findings and outcomes from the audit of the Pension Fund Annual Report and Accounts for 2024-2025 and the draft Annual Report & Accounts.

Action recommended

2. The Board is asked to note the Audit Results Report.
3. The Board is asked to note the Fund's Annual Report and Accounts and consider any areas of interest that the Board would like further information on to be added to the forward work programme.

Reason for recommendation

4. The audit results report summarises the findings from the 2024-2025 audit of the Pension Fund Annual Report and Accounts.
5. The Pension Fund Annual Report and Accounts is an important channel of communication, reporting on the Pension Fund's activities to employers, scheme members and other stakeholders.
6. The Board receives information about the Annual Report and Accounts of the Fund to fulfil its remit to secure the effective and efficient governance and administration of the Suffolk Pension Fund.

Alternative options

7. There are no alternative options.

Main body of report

Audit Results Report

8. The audit of the Suffolk Pension Fund 2024-2025 accounts commenced on 20 May 2025, with a formal audit plan from EY being agreed at the Pension Fund Committee meeting on 23 June 2025, having previously been seen by the Audit Committee on 18 June 2025.

9. The Audit for the Pension fund is substantially complete. The following items remain outstanding:

   a) Review of IAS 26 Disclosure – actuarial present value of promised retirement benefits;

   b) Review of Annual Report;

   c) Going concern review and disclosures;

   d) Final Manager's and Partner's file review on Investment, journals and other areas of audit work;

   e) Final review and approval procedures;

   f) Review of the final version of the financial statements;

   g) Completion of subsequent events review to the date of the audit report;

   h) Receipt of the signed management representation letter and financial statements.

10. The following items remain outstanding until completion of the County Council's accounts:

    a) Completion of subsequent events review to the date of the audit report

    b) Receipt of the signed management representation letter and financial statements.

11. There were no transactions which were corrected during the audit.

12. There was one uncorrected audit difference identified in the report.

    a) The reconciled investment statements from the alternative investment managers (which were received after the completion of the accounts), identified a net decrease of £7.409 million.

13. This audit results report (set out in **Appendix 1**) states that subject to the satisfactory completion of a small number of outstanding items and some closing procedures, EY expect to issue an unqualified opinion upon the Pension Fund Financial Statements.

14. The Pension Fund Committee received the audit results report at its meeting on 17 September 2025, and Audit Committee received it at its meeting on 26 September 2025.

Pension Fund Accounts

15. The Pension Fund Accounts attached as **Appendix 2,** are included in the Suffolk County Council Statement of Accounts. The Pension Fund Accounts are incorporated into the Pension Fund Annual Report and is a regulatory requirement and an important channel of communication, reporting on the Pension Fund's activities to employers, scheme members and other stakeholders.

16. The overall assets of the Pension Fund as at 31 March 2025 is £4.471bn, an increase of £218m from the previous financial year. Investment assets are £4.463bn an increase of £222m from the previous year. The investment return for the year was 5.3%.

17. There are 344 active employers in the scheme with 74,605 scheme members of whom 23,852 are contributing members, 21,121 are in receipt of pension benefits and the remainder deferred members.

18. Contributions for the year totalled £111m from employers and £33m from contributing members. £142m was paid out in pension benefits.

19. Management expenses were £16m, of which investment expenses were £13m. Investment expenses include management fees and expenses, and performance fees, directly charged to the Pension Fund and those charged against the Net Asset Statement.

20. The Pension Fund Accounts for 2024-25 are attached as **Appendix 2**. This has been prepared with regards to the regulations and guidance.

21. The Annual Report and Accounts were presented to the Pension Fund Committee on 17 September 2025, with an action to recommend the Pension Fund Accounts to the Audit Committee and to publish the Annual Report and Accounts on the Pension Fund website.

22. The Audit Committee noted the Pension Fund Accounts on 26 September 2025. They will be approved when the Audit Committee approves the Suffolk County Council Accounts on 28 November 2025.

Conclusion

23. The audit results report summarises the position of the Suffolk Pension Fund audit and highlights the key elements undertaken by EY. This was presented to the Pension Fund Committee on 17 September 2025 and Audit Committee on 26 September 2025.

24. Subject to satisfactory completion of the remaining outstanding matters, EY would expect to issue an unqualified opinion for the 2024-2025 Suffolk Pension Fund accounts.

25. The Pension Fund accounts are included in the Suffolk County Council Statement of Accounts. The Pension Fund Committee received them within the Suffolk Pension Fund Annual Report, at its meeting on 17 September 2025, with an action to recommend them to the Audit Committee for approval.

26. There is an expectation that Audit Committee will receive the audit results report for the Suffolk County Council at their meeting on 28 November 2025 and will be in a position to approve the Suffolk County Council's Statement of Accounts, inclusive of the Pension Fund accounts.

Sources of further information

No further documents have been relied on to a material extent for this report.

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Suffolk Pension Fund

Provisional Audit Results Report

Year ended 31 March 2025

8 September 2025

The better the question. The better the answer. The better the world works.

Shape the future with confidence

Private and Confidential

8 September 2025

Audit Committee and Pension Fund Committee
Suffolk County Council
Endeavour House
8 Russell Road
Ipswich
IP1 2BX

Dear Audit Committee / Pension Fund Committee Members,

2024/25 Provisional Audit Results Report

We are pleased to attach our Provisional Audit Results Report, summarising the status of our audit for the forthcoming meeting of the Audit Committee of Suffolk Pension Fund (the Fund). We will update the Audit Committee at its meeting scheduled for 26 September 2025 on further progress to that date and explain the remaining steps to the issue of our final opinion.

The audit is designed to express an opinion on the 2024/25 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on the Fund's accounting policies and judgements, and material internal control findings. Each year sees further enhancements to the level of audit challenge, the exercise of professional judgement and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process.

This report is intended solely for the information and use of the Audit Committee, Pension Fund Committee, and Management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee meeting on 26 September 2025.

Yours faithfully

David Riglar

Partner

For and on behalf of Ernst & Young LLP

Encl

Contents

Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (Statement of responsibilities of auditors and audited bodies (from 2023/24 audits) - Page 4 of 7 - PSAA). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance from July 2021" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and legislation and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit Committee, Pension Fund Committee, and Management in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee, Pension Fund Committee, and Management of Suffolk Pension Fund those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee, Pension Fund Committee, and Management for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

01 Executive Summary

Executive Summary

Scope update

In our provisional audit planning report presented at the 18 June 2025 Audit Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- Changes in materiality: We updated our planning materiality assessment using the draft accounts and have also reconsidered our risk assessment. Based on our materiality measure of Net Assets, we have updated our overall materiality assessment to £44.7 million (Provisional Audit Planning Report, £42.5 million). This results in updated performance materiality, at 75% of overall materiality, of £33.5 million (Provisional Audit Planning Report, £31.9 million), and an updated threshold for reporting misstatements of £2.2 million (Provisional Audit Planning Report, £2.1 million).

We have not made any revisions to the audit risks and planned audit procedures set out within the Provisional Audit Planning Report.

Status of the audit

Our audit work in respect of the Pension Fund opinion is well-progressed. The following items relating to the completion of our audit procedures were outstanding at the date of this report.

- Review of IAS 26 Disclosure – actuarial present value of promised retirement benefits;
- Review of Annual Report;
- Going concern review and disclosures;
- Final Manager's and Partner's file review on Investment and journals work, and a number of other areas of the audit;
- Final review and approval procedures;
- Review of the final version of the financial statements;
- Completion of subsequent events review to the date of the audit report; and
- Receipt of the signed management representation letter and financial statements.

Details of each outstanding item, actions required to resolve and responsibility is included in Appendix B.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Annual Report and Accounts which could influence our final audit opinion.

Audit differences

Uncorrected audit differences

At the time of issuing this report, there was one uncorrected audit difference arising from our audit, which we need to bring to your attention:

1. *Total investments asset value* – we have identified an audit difference of £7.409 million related to Level 3 Investments. The difference was due to updated information received from the Pension Fund's fund managers for period ended 31 March 2025, which was provided after the draft accounts were prepared. The updated information identified a net decrease of £7.409 million in the value of Level 3 Investments. See Section 04 for details.

Corrected audit differences

At the time of issuing this report, we have not identified any corrected audit differences.

Executive Summary (cont'd)

Areas of audit focus

In our Provisional Audit Plan we identified a number of key areas of focus for our audit of the financial report of Suffolk Pension Fund. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below.

Presumptive risk of management override of controls – Fraud Risk

- Subject to final Manager's and Partner's file review on journals testing, we have completed our testing and found no indications of management override of controls and have no matters to report.

Valuation of Hard to Value Investments (Level 3 Investments) – Significant Risk

- Subject to Final Manager's and Partner's file review on Investment work, we have completed our work in this area and have identified an audit difference of £7.409 million related to Level 3 Investments. The difference was due to updated information received from the Pension Fund's fund managers for period ended 31 March 2025, which was provided after the draft accounts were prepared. The updated information identified a net decrease of £7.409 million in the value of Level 3 Investments. See Section 04 for details.

IAS26 Disclosure – Actuarial Present Value of Promised Retirement Benefits – Other Area of Audit Focus

- Our work in this area is currently still in progress. To date, we have not identified any matters to report.

We request that you review these and other matters set out in this report to ensure:

- There are no further considerations or matters that could impact these issues
- You concur with the resolution of the issue
- There are no further significant issues you are aware of to be considered before the financial report is finalised

There are no matters, other than those reported by Management or disclosed in this report, which we believe should be brought to the attention of the Audit Committee, the Pension Fund Committee, or Management.

Control observations

During the audit, we did not identify any significant deficiencies in internal controls. We have taken a wholly substantive approach to the audit.

Independence

During the audit, we did not identify any issues relating to our independence and objectivity. Please refer to Section 07 for our update on Independence.

02 Areas of Audit Focus

Areas of Audit Focus

Presumptive risk of management override of controls (Fraud Risk)

What is the risk, and the key judgements and estimates?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

What are our conclusions?

Subject to final Manager's and Partner's file review, we have not identified any material weaknesses in controls or evidence of material management override.

Through our assessment of accounting estimates for evidence of management bias, along with our procedures to evaluate fraud risks and management's controls, we have not identified any instances of inappropriate judgments being applied in this area.

We did not identify any other transactions during our audit which appeared unusual or outside the Fund's normal course of business.

Our journal entry testing has not identified any instances of inappropriate posting of journals.

Our response to the key areas of challenge and professional judgement

We undertook the following procedures to address the fraud risk, which include:

- Identifying fraud risks during the planning stages.
- Inquiring of management about risks of fraud and the controls put in place to address those risks.
- Gaining an understanding of the oversight given by those charged with governance of management's processes over fraud.
- Discussing with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions).
- Considering whether there are any fraud risk factors associated with related party relationships and transactions and if so, whether they give rise to a risk of material misstatement due to fraud.
- Considering the effectiveness of management's controls designed to address the risk of fraud.
- Determining an appropriate strategy to address those identified risks of fraud.
- Performing mandatory procedures regardless of specifically identified fraud risks, including testing appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- Evaluating the business rationale for significant unusual transactions outside the normal course of business.
- Assessing accounting estimates for evidence of management bias.

Areas of Audit Focus (cont'd)

Valuation of Hard to Value Investments (Level 3 Investments) (Significant Risk)

What is the risk, and the key judgements and estimates?

The Fund's investments include as unquoted pooled investment vehicles, property and private equity.

Judgements are made by the investment fund managers to value these investments, whose prices are not publicly available. The material nature of this type of investment, means that any error in judgement could result in a material valuation error.

What are our conclusions?

Subject to the final review by the Manager and Partner, we have not identified any material misstatements in the year-end investment asset valuations.

Our procedures did not reveal any issues or material valuation differences in the reported fund valuations within the financial statements.

Additionally, we agreed the Custodian record to the draft financial statements, and then the Fund Manager records to the Custodian record as part of the testing, including the re-performance of the investment notes, did not identify any material differences upon completion of our work.

We have, however, identified an audit difference of £7.409 million related to Level 3 Investments. The difference was due to updated information received from the Pension Fund's fund managers for period ended 31 March 2025, which was provided after the draft accounts were prepared. The updated information identified a net decrease of £7.409 million in the value of Level 3 Investments. See Section 04 for details.

Our response to the key areas of challenge and professional judgement

We undertook the following procedures to address the significant risk, which include:

- Analysing a schedule of investments to ensure correct classification, presentation and disclosure of items in the financial statements and corresponding notes.
- Gaining an understanding and evaluation of the work of management's experts. Evaluating the ISAE 3402 report for Custodian and Fund Managers where applicable.
- Reviewing the latest audited accounts for the relevant Fund Managers to ensure there are no matters arising that highlight weaknesses in the fund's valuation.
- Where the latest audited accounts are not as at 31 March 2025, inquiring of what procedures management had performed to take account of this risk, performing analytical procedures and checking the valuation output for reasonableness against our own expectations.
- Reviewing the basis of valuation for property investments and other unquoted investments and assessing the appropriateness of the valuation methods used.
- Reviewing investment valuation disclosures to verify that significant judgements surrounding the valuation of Level 3 Investments had been appropriately made in the financial statements.
- Agreeing the amount per the financial statements to Custodian record, and then the Fund Manager records to Custodian.
- Testing accounting entries had been correctly processed in the financial statements.
- Assessing topside adjustments and journal entries for evidence of management bias and evaluating for business rationale.

Areas of Audit Focus (cont’d)

IAS26 Disclosure – Actuarial Present Value of Promised Retirement Benefits (Other Area of Focus)

What is the risk, and the key judgements and estimates?

IAS26 requires post-employment benefits plans to disclose annually the basis used to determine the actuarial present value of promised retirement benefits, including demographic and financial key assumptions.

The estimate is based on a roll-forward of data from the previous triennial valuation in 2022, updated where necessary, and takes into account assumptions.

The information disclosed is based on the IAS 26 report issued to the Fund by the actuary to the Fund.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What are our conclusions?

Our work in this area is currently still in progress. To date, we have not identified any matters to report.

Our response to the key areas of challenge and professional judgement

We undertook the following procedures to address this other area of focus, which include:

- Assessing the work of the pension fund actuary including the assumptions they had used by relying on the work of the Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considered any relevant reviews by the EY actuarial team; and
- Evaluating the reasonableness of the Pension Fund actuary’s calculations by leveraging the assurance from IAS19 for the largest employer in the fund, Suffolk County Council.

What else did we do?

We also undertook the following work:

- Ensuring that the IAS 26 disclosure is in line with the relevant standards and consistent with the valuation provided by the Actuary.

Areas of Audit Focus (cont’d)

Valuation methods applied

Financial statement area	Valuation method applied and related disclosures	Impact of changes made to the valuation method applied
Level 1 Investment Assets	Fair value using observable market data, including published bid market price	No changes made to the valuation method
Level 2 Investment Assets	Fair value using valuation techniques where inputs are based on observable market data.	No changes made to the valuation method
Level 3 Investment Assets	Fair value using unobservable data that are determined by Fund Managers	No changes made to the valuation method
IAS26 actuarial present value of promised retirement benefits	Projected credit unit method	No changes made to the valuation method

Going concern

The provisions of the CIPFA Code of Practice on Local Authority Accounting in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that local authorities cannot be created or dissolved without statutory prescription and that they must prepare their financial statements on a going concern basis of accounting. Local authorities carry out functions essential to the local community, are themselves revenue-raising bodies and the financial reporting framework presumes the continuation of service provision. However, the Pension Fund is required to carry out a going concern assessment that is proportionate to the risks it faces. Under the auditing standard in relation to going concern (ISA570), the Pension Fundis required to ensure that its going concern disclosure within the statement of accounts adequately reflects its going concern assessment and in particular highlights any uncertainties it has identified.

Our work in this area will be concluded closer to the Audit Report date. Based on the work we have performed to date, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Pension Fund’s ability to continue as a going concern.

Areas of Audit Focus (cont’d)

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Fund’s financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures.
- Significant difficulties, if any, encountered during the audit
- Significant matters, if any, arising from the audit that were discussed with management
- Matters regarding management’s process for identifying and responding to the risks of fraud in the entity
- Disagreements with management, if any arising during the audit
- Other matters if any, significant to the oversight of the financial reporting process, including the strengths and weaknesses of the finance function and the quality of the financial statement preparation process
- Written representations that we are seeking
- Expected modifications to the audit report
- Related parties
- External confirmations
- Consideration of laws and regulations, including any significant matters involving actual or suspected non-compliance with laws and regulations or articles of association which were identified in the course of the audit, in so far as they are considered to be relevant in order to enable the audit committee to fulfil its tasks.

We have nothing to report in respect of these matters.

03 Audit Report

Audit Report

Draft audit report

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUFFOLK COUNTY COUNCIL ON THE PENSION FUND'S FINANCIAL STATEMENTS

Opinion

We have audited the Pension Fund ("the Fund") financial statements for the year ended 31 March 2025 under the Local Audit and Accountability Act 2014 (as amended). The pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion the pension fund financial statements:

- give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2025 and the amount and disposition at that date of the its assets and liabilities as at 31 March 2025 ; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Council as administering authority for the Pension Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the [Chief Financial Officer]'s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the authority's ability to continue as a going concern for a period of twelve months from when the Fund's financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the authority's ability to continue as a going concern.

Other information

The other information comprises the information included in the Statement of Accounts 2024/25 [set out on pages], other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information contained within the Statement of Accounts 2024/25.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Audit Report (cont'd)

Our opinion on the financial statements

Matters on which we report by exception

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended); or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended).

We have nothing to report in these respects.

Responsibility of the Chief Financial Officer

As explained more fully in the Statement of the Chief Financial Officer's Responsibilities set out on pages XX, the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts, which includes the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. The Chief Financial Officer is also responsible for such internal control as the [Chief Financial Officer] determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administering Authority either intends to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with Chief Financial Officer.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are the Local Government Pension Scheme Regulations 2013 (as amended), and The Public Service Pensions Act 2013.
- We understood how the Fund is complying with those frameworks by making enquiries of the management. We corroborated this through our reading of the Pension Board minutes, through enquiry of employees to confirm Pension policies, and through the inspection of employee handbooks and other information.

Audit Report (cont'd)

Our opinion on the financial statements

- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of the management for their awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of minutes.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Fund has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud.
- In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any identified significant transactions that were unusual or outside the normal course of business. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- The Fund is required to comply with The Local Government Pensions Scheme regulations, other legislation relevant to the governance and administration of the Local Government Pension Scheme and requirements imposed by the Pension Regulator in relation to the Local Government Pension Scheme. As such, we have considered the experience and expertise of the engagement team including the use of specialists where appropriate, to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Fund with these regulations as part of our audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of Suffolk County Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the [name of Administering Authority] and its members as a body, for our audit work, for this report, or for the opinions we have formed.

04 Audit Differences

Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as 'known' or 'judgemental'. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted differences

At the date of this report, we have not identified any corrected audit differences.

Summary of unadjusted differences

In addition we highlight the following misstatements to the financial statements and/or disclosures which were not corrected by management. We ask that the Audit Committee request of management that these uncorrected misstatements be corrected or a rationale as to why they are not corrected be considered and approved by the Audit Committee and provided within the Letter of Representation:

At the date of this report, there was one unadjusted audit difference arising from our audit as follows:

1. *Total investments asset value* – we have identified an audit difference of £7.409 million related to Level 3 Investments. The difference was due to updated information received from the Pension Fund's fund managers for period ended 31 March 2025, which was provided after the draft accounts were prepared. The updated information identified a net decrease of £7.409 million in the value of Level 3 Investments.

   This has the following impact:

   Dr Fund Account – Change in market value of investments, £7.409 million

   Cr Net Assets Statement – Investment Assets, £7.409 million

05 Other Reporting Issues

Other Reporting Issues

Consistency of information published with the financial statements

We must give an opinion on the consistency of the information published with the financial statements, including the financial and non-financial information in the Pension Fund Statements of Accounts with the audited financial statement of Suffolk County Council, the consistency of the Pension Fund Statements of Accounts with the financial statements in the Pension Fund Annual Report, and the consistency of the Pension Fund Annual Report with the audited financial statements. The work remains outstanding and has not been completed yet. We will provide the Audit Committee an update on the work once it's completed.

We are currently unable to provide an indicative timeline for the final sign-off of the audit and consistency checks, due to the need to agree a timescale for issuing an opinion on the Suffolk County Council 2024/25 Statement of Accounts. We will, if possible, provide an update on this matter to the Audit Committee on 26 September 2025.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We had no reason to exercise these duties.

Other reporting issues

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Fund's financial reporting process. We had no matters to report.

06 Assessment of Control Environment

Assessment of Control Environment

Financial controls

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control.

It is the responsibility of the Pension Fund to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Pension Fund has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As we have adopted a fully substantive approach, we have therefore not tested the operation of controls. We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

07 Independence

Independence

Relationships

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Pension Fund, and its members and senior management and its affiliates, including all services provided by us and our network to the Pension Fund, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2024 to the date of this report which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2024

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2024:

EY UK 2024 Transparency Report | EY - UK

Services provided by EY

There are no services provided by EY from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

The table on the subsequent page includes a summary of the fees that you have paid to us in the year ended 31 March 2025 in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided and the related threats and safeguards are included below. We have adopted the necessary safeguards in our completion of this work and complied with Auditor Guidance Note 1 issued by the NAO in February 2025.

Independence

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

A breakdown of our fees is shown in the table to the right.

As set out in our Audit Planning Report the agreed fee presented was based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our financial statements opinion being unqualified;
- Appropriate quality of documentation is provided by the Pension Fund; and
- The Pension Fund has an effective control environment
- The Pension Fund complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/. In particular the Pension Fund should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

If any of the above assumptions prove to be unfounded, we seek a variation to the agreed fee. A narrative summary of the areas where we expect to raise scale fee variations for the audit of the Pension Fund are set out in the fee analysis on this page.

	2024/25 Current Year	2023/24 Prior Year
	£	£
Scale Fee – Code Work	103,586	92,340
Proposed scale fee variation	TBC (Note 2)	TBC (Note 1)
Total fees	TBC	TBC

All fees exclude VAT

(1) For 2023/24, we re-assessed the scale fee to include procedures that were performed to address the risk profile of the Pension Fund, as set out in our Audit Results Report, and the additional work required to response to new IAS19 assurance requests from admitted bodies and their auditors in 2023/24. We concluded the 2023/24 work and submitted the final fee to PSAA for determination as set out in the SFV categories as follows:

- IAS19 - for the requests received from additional admitted bodies
- ISA315 – relating to the revision of ISA315
- Pension Valuation – relating to IAS26 actuarial calculation

As at the date of this report that scale fee variation has not yet been determined by PSAA.

(2) We propose to submit a scale fee variation to PSAA for additional 2024/25 work covering the following areas:

- Pension Valuation – relating to IAS26 actuarial calculation

The 2024/25 scale fee details can be found in PSAA website

https://www.psaa.co.uk/appointing-auditors-and-fees/auditor-appointments-and-scale-fees-2023-24-2027-28/2024-25-auditor-appointments-and-audit-fee-scale/

08 Appendices

Appendix A – Required communications with the Audit Committee

Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committees of UK entities. We have detailed these here together with a reference of when and where they were covered:

Required communications	What is reported?	Our Reporting to you When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of: ▪ The planned scope and timing of the audit ▪ Any limitations on the planned work to be undertaken ▪ The planned use of internal audit ▪ The significant risks identified	Provisional Audit Planning Report – 18 June 2025 Audit Committee
Significant findings from the audit	▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Significant matters, if any, arising from the audit that were discussed with management ▪ Written representations that we are seeking ▪ Expected modifications to the audit report ▪ Other matters if any, significant to the oversight of the financial reporting process	Provisional Audit Results Report – 26 September 2025 Audit Committee

Appendix A – Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ▪ Whether the events or conditions constitute a material uncertainty related to going concern ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▪ The appropriateness of related disclosures in the financial statements	Provisional Audit Results Report – 26 September 2025 Audit Committee
Misstatements	▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▪ The effect of uncorrected misstatements related to prior periods ▪ A request that any uncorrected misstatement be corrected ▪ Material misstatements corrected by management	Provisional Audit Results Report – 26 September 2025 Audit Committee

Fraud	▪ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity
	▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist
	▪ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving:
	  ▪ Management;
	  ▪ Employees who have significant roles in internal control; or
	  ▪ Others where the fraud results in a material misstatement in the financial statements.
	▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected
	▪ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud
	▪ Any other matters related to fraud, relevant to Audit Committee responsibility.
		Provisional Audit Results Report – 26 September 2025 Audit Committee

Appendix A – Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ▪ Non-disclosure by management ▪ Inappropriate authorisation and approval of transactions ▪ Disagreement over disclosures ▪ Non-compliance with laws and regulations ▪ Difficulty in identifying the party that ultimately controls the entity	Provisional Audit Results Report – 26 September 2025 Audit Committee
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence. Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence Communications whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.	Provisional Audit Planning Report – 18 June 2025 Audit Committee Provisional Audit Results Report – 26 September 2025 Audit Committee
External confirmations	▪ Management's refusal for us to request confirmations ▪ Inability to obtain relevant and reliable audit evidence from other procedures.	Provisional Audit Results Report – 26 September 2025 Audit Committee
Consideration of laws and regulations	▪ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▪ Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of	Provisional Audit Results Report – 26 September 2025 Audit Committee

Appendix A – Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Significant deficiencies in internal controls identified during the audit	▪ Significant deficiencies in internal controls identified during the audit.	Provisional Audit Results Report – 26 September 2025 Audit Committee
Written representations we are requesting from management and/or those charged with governance	▪ Written representations we are requesting from management and/or those charged with governance	Provisional Audit Results Report – 26 September 2025 Audit Committee
System of quality management	▪ How the system of quality management (SQM) supports the consistent performance of a quality audit	Provisional Audit Results Report – 26 September 2025 Audit Committee
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	▪ Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Provisional Audit Results Report – 26 September 2025 Audit Committee
Auditors report	▪ Any circumstances identified that affect the form and content of our auditor's report	Provisional Audit Results Report – 26 September 2025 Audit Committee
Use of statutory powers	• Identification of issues that are likely to lead to a form of public reporting, including: • Statutory recommendations • Public interest reporting	Provisional Audit Results Report – 26 September 2025 Audit Committee

Appendix B – Outstanding matters

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Review of IAS26 Disclosure – actuarial present value of promised retirement benefits	Review of the IAS26 Disclosure and associated support	EY and Management
Review of Annual Report	Review of the Annual Report and associated support for disclosures	EY and Management
Going concern review and disclosures	EY central review process and finalisation of disclosures and opinion wording	EY and Management
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and Management
Management representation letter	Receipt of signed management representation letter	Management and Audit Committee
Final Manager and Engagement Partner review procedures	Final review of areas listed above	EY

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Annual Report. At this point no issues have emerged that would cause us to modify our opinion, but we should point out that key disclosures on [going concern, directors' remuneration, climate-related matters and impairment sensitivities] remain to be finalised and audited. A draft of the current opinion (with outstanding areas highlighted) is included in Section 03.

Appendix C – Management representation letter

Management representation letter (draft)

[Date]

Ernst & Young

[Address]

This letter of representations is provided in connection with your audit of the financial statements of Suffolk Pension Fund ("the Fund") for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial transactions of the Fund during the period from 1 April 2024 to 31 March 2025 and of the amount and disposition of the Fund's assets and liabilities as at 31 March 2025, other than liabilities to pay pensions and benefits after the end of the period, have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of the Fund's financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose – all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with [the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

2. We confirm that the Fund is a Registered Pension Scheme. We are not aware of any reason why the tax status of the scheme should change.

3. We acknowledge, as members of management of the Fund, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position and the financial performance of the Fund in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.

4. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.

5. As members of management of the Fund, we believe that the Fund has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that are free from material misstatement, whether due to fraud or error.

6. We believe that the effects of any unadjusted audit differences, summarised in your Audit Results Report, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We have not corrected these differences identified and brought to our attention by you because (please specify the reasons for not correcting the misstatements).

B. Non-compliance with laws and regulations including fraud

1. We acknowledge that we are responsible for determining that the Fund's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have not made any reports to The Pensions Regulator, nor are we aware of any such reports having been made by any of our advisors.

5. There have been no other communications with The Pensions Regulator or other regulatory bodies during the Fund year or subsequently concerning matters of noncompliance with any legal duty.

Appendix C – Management representation letter

Management representation letter (draft)

6. We confirm that we are not aware of any breaches of the Payment Schedule/Schedule of Contributions or any other matters that have arisen which we considered reporting to the Pensions Regulator.

7. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Fund (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

• Involving financial improprieties

• Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the Fund's financial statements

• Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Fund, its ability to continue, or to avoid material penalties

• Involving management, or employees who have significant roles in internal control, or others

• In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

• Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.

• Additional information that you have requested from us for the purpose of the audit.

• Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. You have been informed of all changes to the Fund rules.

3. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

4. We have made available to you all minutes of the meetings of members of the management of the Fund and committees of members of the management of the Fund held through the period to the most recent meeting on the following date [date].

5. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Fund's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.

6. We confirm the completeness of information provided regarding annuities held in the name of the members of the management of the Fund.

7. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

8. We have disclosed to you, and the Fund has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

9. No transactions have been made which are not in the interests of the Fund members or the Fund during the fund year or subsequently.

10. From the date of our last management representation letter, XX Month Year, through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

Appendix C – Management representation letter

Management representation letter (draft)

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in the Note [X] to the financial statements all guarantees that we have given to third parties.

E. Subsequent Events

1. Other than………. described in Note [X] to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

F. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the annual report on pages 1 to [x], other than the financial statements, the auditor's report and the statement about contributions.

2. We confirm that the content contained within the other information is consistent with the financial statements.

G. Advisory Reports

We have not commissioned any advisory reports except for [give details] which may affect the conduct of your work in relation to the Fund's financial statements and schedule of contributions/payment schedule.

H. Independence

As members of management of the Fund, we are not aware of any matters which would render Ernst & Young LLP ineligible to act as auditor to the Fund.

I. Derivative Financial Instruments and Polling Investments, including the use of collective investment vehicles and shared services

1. We confirm that all investments in derivative financial instruments have been made after due consideration by the members of management of the Fund of the limitations in their use imposed by The Occupational Pension Schemes (Investment) Regulations 2005; namely that they contribute to a reduction in Scheme risk, facilitate efficient portfolio management, and that any such investment has been made to avoid excessive risk exposure to a single counterparty and to other derivative operations; and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. The Fund's Investment Strategy Statement has been duly reviewed to ensure that such investments comply with any limitations imposed by their provisions. The financial statements disclose all transactions in derivative financial instruments that have been entered into during the period, those still held by the members of management of the Fund at the Fund year end and the terms and conditions relating thereto.

The members of management of the Fund have duly considered and deemed as appropriate the assumptions and methodologies used in the valuation of 'over the counter' derivative financial instruments which the Fund is holding, and these have been communicated to you.

2. We confirm that all investments in pooling arrangements, including the use of collective investment vehicles and shared services, meet the criteria set out in the November 2015 investment reform and criteria guidance and that the requirements of the LGPS (Management and Investment of Funds) Regulations 2016 in respect of these investments has been followed.

J. Actuarial valuation

The latest report of the actuary Hymans Robertson as at 31 March 2025 and dated 16 May 2025 has been provided to you. To the best of our knowledge and belief we confirm that the information supplied by us to the actuary was true and that no significant information was omitted which may have a bearing on his report.

Appendix C – Management representation letter

Management representation letter (draft)

K. Estimates

Valuation of Investments

1. We confirm that the significant judgments made in making the valuation of investments have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.

2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of investments.

3. We confirm that the significant assumptions used in making the valuation of investments appropriately reflect our intent and ability to carry out the functions of the Pension Fund on behalf of the entity.

4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

5. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of investments.

6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements , including due to the COVID-19 pandemic.

Actuarial Present Value of Promised Retirement Benefits Estimate

1. We confirm that the significant judgements made in making the actuarial present value of promised retirement benefit estimate have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.

2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the actuarial present value of promised retirement benefit estimate.

3. We confirm that the significant assumptions used in making the actuarial present value of promised retirement benefits estimate appropriately reflect our intent and ability to carry out the specific courses of action on behalf of the entity.

4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

5. We confirm that appropriate specialised skills or expertise has been applied in making the actuarial present value of promised retirement benefit estimate.

6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements, including due to the COVID-19 pandemic.

L. Use of the Work of a Specialist

We agree with the findings of the specialists that we have engaged to value unquoted investments which include illiquid debt, infrastructure, timberlands and private equity investments and IAS26 actuarial valuation disclosures and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

M. Going Concern

Based on our assessment of going concern, the details of which have been shared with you, we confirm that we are not aware of any material uncertainties related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. We do not intend to wind up the Fund. We are satisfied that the use of the going concern basis of accounting is appropriate in the preparation and presentation of the financial statements.

Note [X] to the financial statements discloses all of the matters of which we are aware that are relevant to the Fund's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

Appendix C – Management representation letter

Management representation letter (draft)

N. Climate-Related Matters

1. Whilst recognising that the Climate Change Governance and Reporting Regulations do not cover the Local Government Pension Scheme, we confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered [include the following language when climate-related commitments have been made:, as well as the impact resulting from the commitments made by the Fund,] in the financial statements.

2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of United Kingdom Generally Accepted Accounting Practice aligned with the statements we have made in the other information or other public communications made by us.

Yours faithfully,

____

(Chief Financial Officer)

____

(Chair)

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Suffolk Pension Fund
Annual Report and Accounts
2024-25

CONTENTS

Report from the Chief Financial Officer

The Suffolk Pension Fund Annual Report and Accounts sets out the Pension Fund's income and expenditure and its assets and liabilities for the financial year ended 31 March 2025, the governance arrangements for administering the scheme and the work carried out by the Pension Fund Committee, Pension Fund Board and the Pension Fund officers throughout the year.

There are also a number of policy statements and these disclosures are published as separate documents on the website of the Fund (www.suffolkpensionfund.org).

Business Plan

The Committee approves a business plan at the start of each financial year. This provides a mechanism for the Committee to ensure that its responsibilities for the Fund are carried out effectively. The key actions for 2024-2425 are as below:

Actuarial Valuation

The Fund monitors the actuarial position of the Fund on a quarterly basis. Work has commenced on the 2025 valuation exercise, with the Pension Fund committee approving the process, timelines and valuation assumptions.

This position is a snapshot in time using a single set of assumptions to ascertain the solvency of the Fund and its likelihood to be able to meet the benefits promised to its members.

Given the sensitivity of a single set of assumptions to changes in market conditions on a day-to-day basis, a different approach is taken when setting employer contribution rates. Instead, projections are carried out over many different market scenarios to be able to determine a contribution strategy which meets the cost of benefits over enough of these scenarios.

Within these scenarios, there will be instances where market conditions improve over the time horizon being considered and instances where they worsen. These are allowed for to consider both the upside and downside of funding risks.

Committee also considered the implications of being in surplus and the options that may be available when setting employer contribution rates as part of this triennial valuation exercise.

Draft contributions rates will be sent round to Employers for consultation, alongside the Funding Strategy Statement in October 2025.

Asset Allocation

The Committee carried out the annual review of its strategic asset allocation and diversified its equity investments by reducing its allocation to UK equity with Blackrock and its global equity allocation with Newton. New allocations were made to two new active managers: the Longview Global Equity fund and Baillie Gifford Long Term Global Growth fund.

The Committee also reallocated 0.5% from the UBS Low Carbon fund to the Columbia Threadneedle emerging markets equity mandate and replaced a 4% allocation to UBS index linked gilts with liquid investment grade credit with Fidelity.

The Committee has continued to monitor the progress of the ACCESS pool and has made new investments in the pool's alternative asset offerings. This included a 12% allocation to CBRE as the pool's appointed property manager for Global and UK Core property investments. The Committee also made a 2% allocation to Timber.

Environment, Social & Governance

Within the equities, there is an allocation to a Climate Aware Fund and a Low Carbon Transition Fund to reduce the carbon intensity of the portfolio via a decarbonisation approach which allocates investment to companies that are lower carbon emitting to help mitigate the risks of climate change.

The Committee agreed the strategy and a high-level action plan, including timelines and interim targets, to deliver the commitment to achieving Net Zero by 2050 or earlier.

The Pension Fund is committed to integrating not just environmental factors, but also other social and governance factors to demonstrate a sustainable, responsible and ethical approach to investment.

The Pension Fund Committee receives a quarterly Environment, Social & Governance (ESG) report which outlines the investment managers approach to integrating and aligning ESG into their investment decisions, research and monitoring.

LGPS: Fit for the Future

The Committee responded to the Government's LGPS: Fit for the Future consultation and supported the ACCESS business case submission in relation to the Pensions Investment Review.

On 9 April 2025, the Suffolk Pension Fund was informed by letter from Torsten Bell MP (Minister for Pensions) and Jim McMahon MP (Minister for Local Government) that the ACCESS Asset Pool's proposal in response to the Government's Fit for the Future consultation was not approved and consequently it has been prescribed, that the Suffolk Pension Fund has to join another asset pool.

The Suffolk Pension Fund will be required, by 30 September 2025, to submit an in-principle decision on the LGPS Asset Pool that the Fund will transition to in the future.

The Pension Fund Officers alongside ACCESS and professional advisers have been assessing the remaining LGPS Asset Pools and carrying out due diligence to identify the Pool that will most suit the Suffolk Pension Fund.

The Pension Fund Committee have been appraised on the ongoing work and will be in a position to make an in-principle decision on which asset pool the Fund will move to at its meeting on 17 September 2025.

Audit

The Pension Fund accounts are included within the County Council's Statement of Accounts for 2024-25, which is subject to audit by Ernst and Young LLP. As part of the audit review, the external auditor will provide an opinion to confirm whether the information provided within the Pension Fund Annual Report and Accounts is consistent with the information contained within the County Council's Statement of Accounts.

Louise Aynsley
Chief Financial Officer (S151)
September 2025

Scheme Management and Advisers

Pension Fund Committee

Cllr Karen Soons (Chairman)	Cllr Simon Harley
Cllr Edward Back (Vice-Chairman)	Cllr Colin Kreidewolf
Cllr Henry Lloyd (From Nov 24)	Cllr Simon Dowling
Cllr David Goldsmith	Cllr Heike Sowa
Cllr Robert Lindsay	Steve Warner (Unison)
Cllr Georgia Hall (Up to Sept 24)	

Pension Board

Cllr Richard Smith (Chairman)	Ian Blofield
Pauline Bacon (Vice-Chairman)	Thomas Jarrett
Kay Davidson	Richard Blackwell

Suffolk County Council

Louise Aynsley	Chief Financial Officer (S151)
Paul Finbow	Head of Pensions (left June 24)
Tracey Woods	Head of Pensions (from 1 Apr 24)
Sharon Tan	Lead Accountant (Pensions)
Andy Chapman-Ennos	Technical Pensions Specialist
Stuart Potter	Operations Manager (Administration)

Pension Fund Advisers

Auditors	Ernst & Young LLP
Actuary	Hymans Robertson LLP
Investment Consultancy Service	Hymans Robertson LLP
Independent Investment Adviser	Mr Mark Stevens
Performance Measurement	Northern Trust PIRC
Investment Custodian	Northern Trust
Banking Services	Lloyds Banking Group Plc
Legal Advisers	Squire Patton Boggs
Pool Operator	Waystone

Investment Managers

Pooled and Pooled Aligned

UBS Group	www.ubs.com/uk/en
JP Morgan	www.jpmorgan.com/global
Columbia Threadneedle	www.columbiathreadneedle.com
Janus Henderson Investors	www.janushenderson.com
Newton Investment Management	www.newtonim.com
Blackrock Investment Management	www.blackrock.com

Baillie Gifford	Baillie Gifford	www.bailliegifford.com
Longview	LONGVIEW PARTNERS	www.longview-partners.com
Fidelity	Fidelity	www.fidelity.com
CBRE	CBRE Investment Management	www.cbreim.com

Non-Pooled

Brookfield Asset Management	www.brookfield.com
Kohlberg Kravis Roberts	www.kkr.com
M&G Investments	www.mandg.com
Partners Group	www.partnersgroup.com/en
Pantheon Ventures	www.pantheon.com
Wilshire	www.wilshire.com

Scheme Overview

Introduction to the Fund
The Local Government Pension Scheme (LGPS) provides pension benefits for certain employees within local government. It is governed by statute and the statutory responsibility for regulating the scheme lies with the Minister of Housing, Communities and Local Government (MHCLG).

The LGPS is administered locally by 86 Pension Funds in England and Wales and collectively is one of the largest pension schemes in the UK.

It is a defined benefit pension scheme, meaning benefits are paid out based on the members salary and for how long they have paid into the scheme.

Scheme Eligibility
The scheme is open to all County Council employees (except teachers, fire fighters and former NHS staff who have their own national schemes), employees of the Suffolk District and Borough Councils and employees of certain other public bodies (known as scheduled bodies) within Suffolk.

Parish and Town Councils may decide by designation to allow their employees to join the scheme and regulations also permit the Pension Fund Committee to admit certain other bodies which provide public services.

All eligible employees automatically become members of the scheme unless they chose to opt out.

How the Fund Works
The LGPS is a funded pension scheme, contributions from employees and employers are held in the Fund and invested, until the benefits fall due for payment. This enables the fund to generate capital growth and income from investments.

The Employer's contribution rates are set as part of the actuarial valuation exercise which is carried out every three years by the Suffolk Pension Fund's actuary, Hymans Robertson LLP.

The last valuation exercise was carried out in 2022-23, and following consultation with the Employers', the next three years contribution rates took effect from 1 April 2023.

Costs of Employee Membership
Employee contributions are set nationally, in bands on members' pensionable pay. The pay banding table which was used during 2024-25 is shown below:

Actual Pensionable	Contribution Rate
£0 - £17,600	5.50%
£17,601 - £27,600	5.80%
£27,601 - £44,900	6.50%
£44,901 - £56,800	6.80%
£56,801 - £79,700	8.50%
£79,701 - £112,900	9.90%
£112,901 - £133,100	10.50%
£133,101 - £199,700	11.40%
£199,701 or more	12.50%

The contribution rates are reviewed periodically to maintain the average contribution from employees at 6.6% and to ensure the long-term costs of the scheme are affordable.

Members have the option to join on a 50/50 basis which entitles members to pay half the contribution rate in exchange for half the pension benefit. These members retain full benefits in the event of ill health or death in service.

Benefits of the Pension Fund

The majority of the benefits payable are set by regulation and are increased in April each year based on the CPI rate as at 30 September in the previous year.

The core scheme benefits are:

- Life assurance of three times the member's yearly pay from the day they join the scheme.
- Inflation linked pension for the rest of the member's life.
- The ability to take a tax-free lump sum by commutation of pension. For service in the scheme prior to 1 April 2008 there is an automatic tax-free lump sum of three times the annual Pension to 31 March 2008.
- Dependent pensions for spouses, civil registered partners and qualifying co-habiting partners and eligible children should the member die.
- An entitlement paid early if a member has to stop work due to permanent ill health.
- Flexible retirement and an option to take the Pension from between the ages of 55 and 75.
- Early payment of members benefits without reduction from aged 55, should they be made redundant.

Orwell Bridge from Nacton Shores, Nacton

Governance Report

Pension Fund Committee Chairman's Report
I am pleased to be introducing the latest Suffolk Pension Fund Annual Report and Accounts.

The Fund returned 5.3% for the year, with the three-year return of 5.8% p.a and five year return of 9.5% per annum.

Compared with other local authority funds, although the Fund has a lower weighting to equities and higher waiting to Bonds it still resulted in a higher return than the average return of 3.5% calculated by PIRC.

There are significant levels of diversification between different asset classes to reduce overall portfolio risk through combining the performance of each asset class. This helps reduce the volatility effects of the financial markets, whilst maintaining the Fund's relatively low risk approach.

The Pension Fund Committee is aware of the need to generate a sufficient level of return whilst managing potential investment risks and therefore has developed a clear set of fundamental investment beliefs covering both investment and environmental, social and governance (ESG) considerations which provides a clear framework for all investment decisions.

The Committee's main objective is to deliver an investment return consistent with funding plans that does not compromise future generation's ability to meet their own needs. In addition, the Committee identifies climate change, pollution and company stewardship as the priorities for responsible investments and ESG.

The Pension Fund Committee has agreed to set a net zero target for 2050 or earlier. An action plan has been developed which includes timelines, interim targets and how this target can be achieved. This also includes monitoring and reporting to enable the Fund to report progress.

At its meeting in September 2025 the Committee will be receiving the carbon intensity metrics of the Fund as at September 2024. The Fund started making investment decisions considering climate risk in 2019 so progress from then will be shown.

The Fund met with investment managers on a rotational basis, quarterly, with the independent investment advisor, to understand the managers views on the current market conditions, the way they are investing the Funds money and implementing responsible investment in their decision making.

Value For Money
The Committee approves the budget for the administration function. The administrative function is a multifaceted service, having to manage increasing numbers of employers, members and new regulatory requirements. The Pension Fund continues to invest in the appropriate technological platforms to assist in effectively managing administration to a high standard and to have appropriately skilled staff to implement streamlined processes and meet new statutory requirements.

The Committee believes it is important that the costs and charges incurred in managing and administering the Fund provide good value in relation to the benefits and services provided to members. The administration, governance and investment management costs are benchmarked and the Suffolk Pension Fund in general, has lower average costs within the LGPS as a whole and within a peer group of similar asset sized funds.

Councillor Karen Soons

Chairman of the Pension Fund Committee
September 2025

Pension Fund Committee

The Pension Fund Committee's key responsibilities are:

a) The effective and prudent management of the Suffolk Pension Fund.

b) The approval of the Fund's investment strategy

c) The approval of the funding strategy following the triennial actuarial valuation, and the determination of the employers' contributions to the Fund.

Membership of the Committee

The Pension Fund Committee consisted of seven county councillors, who were appointed by the County Council, reflecting the political balance on the County Council as a result of County Council elections. In addition, the Committee included two district council representatives, who were nominated by the Suffolk District Council leaders, and a scheme member representative, who was nominated by UNISON.

Cllr Karen Soons

Chairman

Cllr Edward Back

Vice Chairman

Cllr David Goldsmith

Cllr Simon Dowling

Cllr Henry Lloyd

Cllr Robert Lindsay

Cllr Simon Harley

Cllr Colin Kreidewolf

…

Cllr Heike Sowa

Steve Warner

Union Representative

Committee Attendance

The attendance of the Pension Fund committee members for the Committee meetings held during 2024-25 are shown below.

Suffolk County Council Pension Fund committee members are encouraged to send a substitute for any committee meeting which they are unable to attend. The substitute is fully briefed by a Pension Fund officer to enable them to participate in the meeting.

Councillor	Meetings attended
Cllr Karen Soons	4/6
Cllr Georgia Hall	2/3*
Cllr Edward Back	5/6
Cllr David Goldsmith	6/6
Cllr Robert Lindsay	3/6
Cllr Simon Harley	4/6
Cllr Colin Kreidewolf	6/6
Cllr Simon Dowling	5/6
Cllr Henry Lloyd	3/3*
Cllr Heika Sowa	1/2*
Mr Steve Warner	5/6

*Cllr Georgia Hall stepped down in September 2024, replaced by Henry Lloyd in November 2024. Vacancy filled by Cllr Heika Sowa February 25

All members of the Pension Fund Committee have voting rights.

Committee members must declare any conflicts of interest at each committee meeting which are recorded in the minutes. In addition, all members must complete a register of interest declaration form which is available for public inspection. A review of the register is undertaken by internal audit as part of their governance auditing programme, and the results are reported to the Audit Committee.

Willy Lott's Cottage, Flatford

Committee Training

The Pension Fund Committee recognises the importance of ensuring that those who are responsible for financial management and decision making with regards to the pension scheme are equipped with the necessary knowledge and skills. The Chief Financial Officer is responsible for ensuring that appropriate training is undertaken by members and officers with responsibilities relating to the Pension Fund.

The Committee has adopted the CIPFA Pensions Knowledge and Skills Framework as the basis for assessing its training and development needs. All new committee members are given training on the operation of the Fund and their responsibilities.

In addition, the committee approves a formal training plan which is designed to cover the Committee's responsibilities. This is reviewed annually and updated to include new topics of interest and any additional training requirements identified.

Councillor	Training attended
Cllr Karen Soons	4/7
Cllr Georgia Hall	2/3
Cllr Edward Back	5/7
Cllr David Goldsmith	7/7
Cllr Robert Lindsay	4/7
Cllr Simon Harley	6/7
Cllr Colin Kreidewolf	7/7
Cllr Simon Dowling	6/7
Cllr Henry Lloyd	4/4
Heike Sowa	1/2
Mr Steve Warner	6/7

Training sessions are designed to cover the major areas of the Committee's activities throughout the year. In addition to these a training day is also offered to cover any specific training needs which are identified.

As part of the training plan the Committee has received presentations during the year from the fund's investment managers and advisers. This year topics have been:

- **Data Analytics for Longevity statistics -** delivered by Club Vita
- **Refresher on the Suffolk Pension Fund Annual Report and Accounts** - delivered by Sharon Tan
- **Timberlands as an Asset Class** delivered by Matt Woodman (Hymans Robertson)
- **Pensions Dashboard** delivered by Tracey Woods
- **Impact of the Government Pension Review on the role of Pension Fund Committees** delivered by Tracey Woods
- **Private Equity and Private Lending** delivered by Matt Woodman (Hymans Robertson)
- **Annual Training Day** with presentations by new investment managers and a focus on the next valuation delivered by Craig Alexander (Hymans Robertson).

The Suffolk Pension Fund Committee signed up to the Hymans Robertson online training module aimed at both Committee and Board members. They are progressing through the training modules and will continue to do so across the current year.

This is supplemented by external training provided by local government organisations and investment seminars organised by investment managers and industry experts. Committee members and officers have access to the on-line training and reference material contained in the CIPFA Pensions Knowledge and Skills 'tool kit'.

Work of the Pension Fund Committee

The Pension Fund Committee has an annual business plan which sets out its priorities for service development.

The Committee monitors the investment performance of the Fund and all its managers on a quarterly basis, receiving a combined investment report with collaboration from Hymans Robertson LLP and Mark Stevens, the Fund's Investment advisers and officers of the Pension Fund. The report includes commentaries on the performance of the managers and the investment strategies employed, a review based on the quarterly investment manager's meetings and an overview of the economic outlook.

The Committee monitors the actuarial position of the Fund on a quarterly basis with the receipt of an estimated funding valuation report produced by Hymans Robertson LLP.

The Committee has been regularly kept informed of the development of the ACCESS pool and has approved transfers of assets into the pool.

The Committee updated and approved the following policy documents:

- Treasury Management Strategy
- Administration Strategy
- Governance Policy
- Governance Compliance Statement
- Investment Strategy Statement
- Risk Management Strategy
- Risk Register
- Path to Net Zero Strategy

Additional areas considered by the Committee were:

- Review the business plan for 2024/25 and set the work for 2025/26
- Review the strategic asset allocation of investments.
- Regular report on the work of the administration team
- Continued development of reporting on ESG issues.
- Review and setting of the investment consultant performance objectives.
- Approval of Annual Report and Accounts
- Increase diversification of equities by reducing Blackrock and Newton and investing with Longview and Baillie Gifford.
- Replaced 5 year gilts with Fidelity sterling corporate bonds.
- New commitment to Timber with JP Morgan and Stafford.
- Reports on the work to meet the LGPS: Fit for the Future requirements.
-

Question Mark, Ipswich

Pension Board Chairman's Report

It is a pleasure to introduce the Suffolk Pension Board's annual report, which is incorporated within the Suffolk Pension Fund annual report and accounts for 2024-25.

The Board was established to ensure that the Suffolk Pension Fund is managed and administered effectively, efficiently, and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator. This means making sure the Fund is compliant with all relevant legislation with the aim of safeguarding the interests of all Pension Fund members and employers.

There are six members of the Suffolk Pension Board, with half of the Board members representing the employers in the Fund and the other half representing scheme members (active members, pensioners and deferred members).

The Board continues to engage with the employers of the Fund organising the annual Employers' meeting in December in conjunction with the Pension Fund Committee. This year the meeting covered an introduction to Legal & General and the new Additional voluntary contribution scheme. The actuary covered the funding position and the current conditions and developments which could affect the 2025 triennial valuation. There were also sessions on the data requirements for year end and how this data is used by the Pension Fund administration team.

The next annual employers' meeting will be held on 9 October 2025 which coincides with the start of the consultation with employers on their contribution rates for the next three years.

The Board continues to focus on monitoring and holding to account the administration function of the Fund. With growing membership and ever-increasing complexity, scheme administration relies very heavily on the diligence and experience of the Pension Fund officers as well as reliable and effective data systems to ensure that members receive clear information and accurate benefits.

It is imperative investment is made into data systems to keep continuously improving services to members and meet statutory requirement with an ever-increasing workload. During the year the Fund has upgraded the pension administration system, improving the following areas:

- A new member self-service system, known as Engage, which provides enhanced security measures and a wider range of tools to help members with retirement planning.
- The capability to connect to the Pension Dashboard that is being put in place by Government in 2026. This will enable members to see all their pensions in one place, including the state pension.
- New reporting tools to aid planning and monitoring of administration activities.

The Board continue to be satisfied that the Pension Fund is well managed and safeguarding the interests of members and employers.

Councillor Richard Smith (MVO)
Chairman of the Suffolk Pension Board
September 2025

Pension Board

The Pension Board's key responsibilities are:

1) Assist the Council as scheme manager.
    a) To secure compliance with the Local Government Pension Scheme (LGPS) Regulations and any other legislation relating to the governance and administration of the LGPS.
    b) To secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator.
    c) In such other matters as the LGPS Regulations may specify.
2) Secure the effective and efficient governance and administration of the Suffolk Pension Fund.

Framlingham Castle, Framlingham

Membership of the Board

The Suffolk Pension Board consists of six members, three Pension Fund employer representatives (one each representing the County Council, other local government employers and other employers) and three Pension Fund member representatives (one each representing current active members, retired members and trade unions).

Cllr Richard Smith	Suffolk County Council
Kay Davidson	Active Scheme Member
Thomas Jarrett	Other Employers
Ian Blofield	Other Local Government
Richard Blackwell	Retired Members
Pauline Bacon	Union representative

Board Attendance

The attendance of the Pension Board members for the quarterly meetings held during 2024-25 are as follows:

Board member	Representing	Meetings attended
Cllr Richard Smith	Suffolk County Council	4/4
Kay Davidson	Active Scheme Members	4/4
Richard Blackwell	Retired members	4/4
Ian Blofield	Other Local Government	4/4
Thomas Jarrett	Other Employers	2/4
Pauline Bacon	Unions	3/4

Board Training

The Pension Board recognises the importance of complying with the Pensions Regulator's Code of Practice in regard to the demonstrable knowledge and understanding of the LGPS that is expected, whilst in addition, having due regards to the guidance issued by the Scheme Advisory Board.

The Board approves a training plan which is designed to cover the Board's responsibilities. This is reviewed annually and updated to include new topics of interest and any additional training requirements identified.

Members of the Board are also invited to attend the Pension Fund Committee training and the annual Committee training day.

Board member	Representing	Training attended
Cllr Richard Smith	Suffolk County Council	4/4
Kay Davidson	Active Scheme Members	4/4
Richard Blackwell	Retired members	4/4
Ian Blofield	Other Local Government	2/4
Thomas Jarrett	Other Employers	3/4
Pauline Bacon	Unions	3/4

As part of the training plan the Board has received training as follows:

- **Refresher on the Suffolk Pension Fund Annual Report and Accounts** delivered by Sharon Tan
- **Pensions Dashboard** delivered by Tracey Woods
- **Single Code of Practice** delivered by Sharon Tan
- **Impact of the Government Pension Review on the role of Pension Fund committee and Board** delivered by Tracey Woods

The Board also agreed to sign up the Hymans Robertson online training module aimed at both Committee and Board members that covers all the required knowledge and understanding to undertake appropriate scrutiny and decisions.

Work of the Pension Board

The Pension Board agrees a forward work programme for the year ahead which includes regularly reviewing its risk register, quarterly updates on the performance of the administration team, and recent developments in the Fund.

The annual report on investment performance for 2023-24 presented to the Committee, was also separately presented to the Board.

The Board has been regularly kept informed of the development of the ACCESS pool and has been appraised of the transfers of assets into the pool by the Fund.

The board receives and reviews its risk register twice a year.

In addition to the regular reports the Board has received and reviewed:

- Pension Fund Annual Report and Accounts 2023-24
- Review of the process for the Actuarial Valuation.
- Administration and Management expenses
- Policies approved by the Committee.
- Review on the implementation of Legal and General as the new AVC provider for the Fund.
- Review of the new Heywood contract.
- Reports on the work carried out to meet the requirements of the LGPS: Fit for the Future consultation.

Risk Management

The long-term risk in relation to the Pension Fund is that its assets fall short of its liabilities and that there would be insufficient assets to pay the pensions to its members. Investment objectives have been set by the Pension Fund Committee with the aim of achieving long term investment returns within an agreed risk tolerance level to mitigate the risk.

Investment risk and performance is regularly monitored and reviewed by the Council's officers. The Pension Fund Committee reviews investment performance on a quarterly basis with the assistance of its investment advisers, Hymans Robertson LLP and Mark Stevens.

The Pension Fund Committee and Pension Board each maintains a risk register for the Pension Fund, which is available on the website (www.suffolkpensionfund.org). All Pension Fund risks are subject to regular monitoring in regards to the likelihood of occurrence and potential impact on the Fund.

Assurance over the systems operated by the Fund's investment managers and custodians is maintained by reviewing relevant documentation about their internal control environment such as ISAE340 reports, prepared in accordance with the guidance from the Audit and Assurance Faculty of the ICAEW.

Systems and internal control

The Council's statement of accounts, which includes the accounts of the Pension Fund, is subject to external audit by Ernst & Young LLP who produce an overall audit opinion on the Council's accounts. The auditors produce a separate opinion on the Pension Fund financial statements and an opinion that the Pension Fund annual report is consistent with the Pension Fund accounts.

The Pension Fund is also subject to an internal review by the Council's internal auditors on the robustness of the Pension Fund's systems, procedures and controls. The Head of Audit Services has provided the opinion that the internal control environment provides sufficient assurance that the Pension Fund financial and administrative systems have adequate controls and effective systems in operation.

The coverage of the Internal Audit reviews is based on The Pension Regulator's General Code of Practice and a good practice guide created as a joint working group of the Society County Treasurers, the Local Authority Working Group for the Audit of Investment Managers (LAWGAIM), and the [Local Authority] Chief Auditors' Network (CAN). These codes and guides have been tailored by Internal Audit to better suit the evaluation of the operations of the Suffolk Pension Fund.

A risk assessment is also conducted prior to the commencement of the work to identify any new risks and changes to rules and regulations. It also ensures that higher risk areas within the Fund are examined, and Internal Audit resources are used effectively.

Historically, Internal Audit assurance reviews related to the Pension Fund have focused on two key areas: Pension Fund Investments and Pension Administration. In 2024/25, however, the scope of Internal Audit work regarding the Fund was redesigned to add more coverage and meaningful outputs.

Three assurance reviews have been conducted in 2024/25, covering the areas of Communications, Information Handling, and IT & Cyber Controls.

Pension Fund: Information Handling

This review evaluated the controls existing to effectively handle both physical and digital information throughout the fund. The overall opinion given was Reasonable Assurance. This means that whilst there is a generally sound system of governance, risk management and control in place.

The review of Information Handling in the Fund confirmed the existence of sound governance, risk management, and control arrangements.

Pension systems were found to be equipped with controls such as exception reports and task workflows to assist in the maintenance of data accuracy, and documented separation of duties was evident. The audit also found that the Pension Team demonstrated a strong understanding of the risks associated with information handling and that regular training is undertaken

A data quality review by Hyman's gave Suffolk Pension Fund's membership data a green rating, indicating its readiness for triennial valuation in 2025.

Pension Fund: Communications

This review sought to evaluate the processes and controls within Suffolk Pension Fund's activities to issue effective communications, protect members and stakeholders from false communications, and respond to stakeholder feedback. The overall opinion given was Reasonable Assurance.

This review considered the controls and mitigations in place to address several potential risks. Regular updates are provided to Pension Fund members, pensioners, and employers though newsletters, and information required by The Pensions Regulator and LGPS were found to have been published on the Fund's website.

Pension staff have completed training on scams from the Pension Regulator, and guidance on transfer scams is prominently displayed on the Suffolk Pension Fund website.

Pension Fund: IT & Cyber Controls

The purpose of this review was to evaluate the effectiveness of IT and cyber controls operating in the Suffolk pension function. The overall opinion given was Reasonable Assurance.

This review considered the controls and mitigations in place to address several potential risks.

The pension IT systems, managed by Heywood, were found to be fit for purpose and meet the legal requirements of the LGPS. The contract is managed through regular contract management meetings, adherence to SLAs, and updates to reflect legislative changes.

Physical controls, such as passwords and access rights, align with organisational guidance and business needs. Access rights were managed effectively, and compensating controls were identified that facilitate a separation of duties.

User Acceptance Testing (UAT) is effectively conducted for system changes and upgrades. Communication with staff regarding changes is effective. The audit found that there are sufficient resources with the necessary skills to carry out, test, and apply system changes.

Comprehensive backup and recovery processes are in place. Heywood's disaster recovery tests have been reported as successful, ensuring Altair services remain functional in the event of a data centre failure.

ACCESS Pool

The ACCESS pool has a clear governance structure in place with quarterly reporting to the Joint Committee, and a business plan and risk register which are regularly reviewed. The ASU (ACCESS Support Unit) provides day-to-day support for the Pool, including programme and contract management, and administration and technical services. The ASU is audited by Essex County Council.

Counteracting Fraud

The Suffolk Pension Fund participates in the National Fraud Initiative exercise which matches electronic data between public and private sector bodies to prevent and detect fraud.

Any returned post or bank payments results in payments being ceased and a tracing agency is utilised to track down the member to confirm existence or otherwise.

The Suffolk Pension Fund utilises the ‘Tell us once’ service that enables someone to report a death to most government organisations online in one go instead of having to write to the Pension Fund at a later date which results in a timelier notification.

The Pension Fund has controls in place to prevent internal fraud such as administrative staff being unable to access their own records, separation of duties and appropriate authorised signatories which are checked against payments. Internal controls are also subject to the audit scrutiny on an annual basis.

Pension Fund Risk Register

The Committee has adopted a formal framework for the identification and management of the risks that the Fund is exposed to. The risk management strategy identifies the principles for how the Fund will embed risk awareness and management into the decisions and processes of the Pension Fund to ensure that the Fund’s objectives are met.

The risk management framework is used to identify and assess risks and the implementation of the management of those risks.

The risk register has been reviewed and updated in line with guidance and reflects best practice in the identification, evaluation and control of risks in order to ensure that key risks are recognised, and then either eliminated or reduced to a manageable level. If neither of these options is possible, then means to mitigate the implications of the risks is established.

Each of the risks within the key areas has been identified and assessed in terms of its impact on the Fund as a whole, on the Fund employers, and on the reputation of the Pension Fund Committee, Pension Board and Suffolk County Council as the administering authority, along with the probability of the risk occurring.

The risks are managed in accordance with the County Council’s arrangements for managing risks, including appropriate monitoring and mitigation measures.

The Pension Fund risk register includes risk on pooling, including the risk that pooling of the Suffolk Pension Fund assets does not meet current and changing Government expectations. The Committee and Board are updated on pooling at every meeting and the officers actively participate within the ACCESS pool.

Note 19 in the Pension Fund statement of accounts includes a statement of the nature and extent of risks associated with the Fund’s investments. The most significant risks associated with the Fund’s investments are considered to be market risk (the risk that the value of the Fund’s investments will fluctuate due to changes in market sentiment) and price risk (the risk that the funding level will fluctuate due to changes in market conditions and market performance). These risks are included in the Fund’s risk register and subject to appropriate management and monitoring arrangements.

ACCESS Pool Risk Register

The ACCESS Pool has a detailed risk register that is reviewed at the officer working group and reported to the Joint Committee. The risk register covers the establishment of pool governance, sub-fund establishment and implementation, and the risks of delivering current and changing Government expectations.

Financial Performance

Summary of the Financial Position

The following table shows the Pension Fund's financial position for the past five years:

Financial Summary	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000
Contributions	122,110	125,022	133,558	136,002	144,620
Other Income	4,119	10,625	10,571	10,827	11,933
	126,229	**135,647**	**144,129**	**146,829**	**156,553**
Benefits Payable	-101,372	-105,956	-111,336	-127,084	-142,319
Other Expenditure	-7,506	-7,661	-6,301	-9,706	-16,819
	-108,878	**-113,617**	**-117,637**	**-136,790**	**-159,138**
Net additions / withdrawals(-) from dealings with members	**17,351**	**22,030**	**26,492**	**10,039**	**-2,585**
Management Expenses	-11,518	-14,247	-17,561	-14,613	-15,618
Investment Income (net of tax)	36,301	35,392	57,656	111,130	123,849
Change in Market Value of Investments	547,829	314,837	-64,142	387,368	112,352
Net Returns on Investments	**572,612**	**335,982**	**-24,047**	**498,498**	**220,583**
Change in Fund during the year	**589,962**	**358,012**	**-2,445**	**493,924**	**217,998**
Net Assets at 31 March	**3,398,416**	**3,756,428**	**3,758,873**	**4,252,797**	**4,470,795**

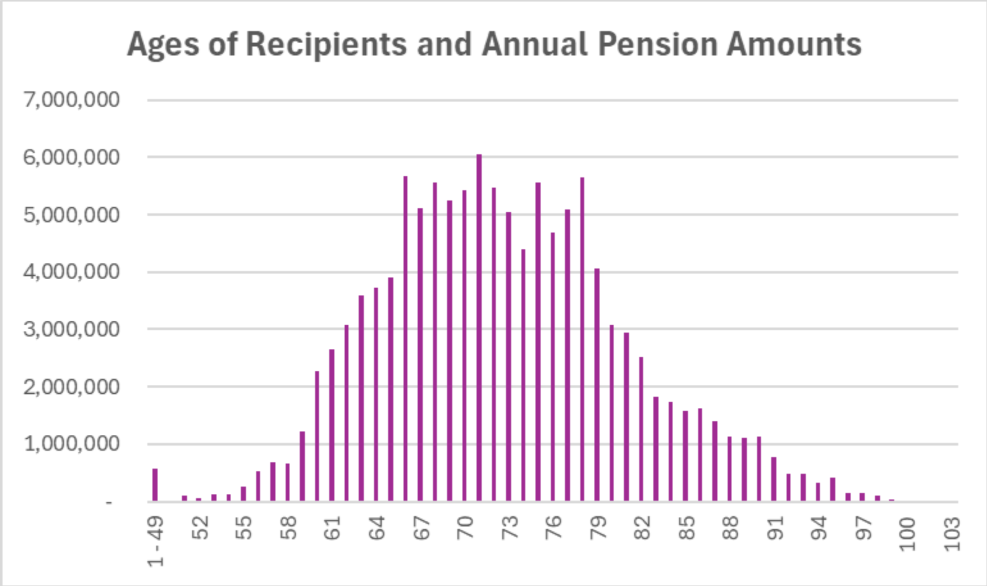
Benefit Payments

Annual pension benefits are paid:
- To a retiree for the rest of their life
- To the partner of a retiree when they have died
- To the partner of a member who dies before claiming their retirement benefits

There are circumstances when pensions are paid to dependents of members who die before claiming their retirement benefits such as:
- To dependent children of retirees when they die, or members who die before claiming their retirement benefits, until they leave full time education.
- To dependent children of retirees when they die, or members who die before claiming their retirement benefits, for the rest of their life, if they have a disability that inhibits their ability to be in gainful employment.

Demographic assumptions about the proportion of members who are assumed to have an eligible partner or have a dependent at retirement or on earlier death are made as part of the valuation process.

The graph across, shows the total pension payments for each age. Pension payments tend to be concentrated within the 65 – 78 age brackets with pension payments peaking with recipients at age 71 at £6m a year, with another peak at £5.6m for those aged 78. A significant reduction is not experienced until pensioners are in their early 80's. This is in line with the longevity demographic assumptions reported in the last valuation exercise.



- 8% of the recipients are aged 85 or over and account for 9% of the annual benefits being received.
- There are 11 recipients who are aged 100 or over.
- The pension being drawn for the longest, is 57 years and is currently £5,627. The initial amount of this pension was £266 in 1968 when it was first drawn.
- 46 pensions have been claimed for 40 or more years.
- The average amount received during the year is £5,576.60. 14,955 recipients receive less than the average payment.
- The national average wage is £36,972. 248 recipients receive in excess of the national average wage.

Contribution Receipts

A review is carried out on the timings of the payment of pension contributions to the fund by the employers and reported quarterly to the Pension Board. The administration strategy requires these to be received by the Pension Fund within 5 working days of the month in which the contributions were deducted. The table below summarises the timeliness of receipts for the 2024-25 financial year:

	2024-25		
	Emp.	Contribs.	
	%	£'000	%
On Time	90	142,830	98
Up to 1 week late	5	949	1
Over 1 week late	5	841	1
Total		**144,620**	

Cost of Running the Fund

Running costs are incurred in administration, investment management and governance. The costs for 2024-25 were £15.618 million, representing about 0.35% of the value of the Fund at 31 March 2025.

Shingle Street beach

Administration Expenses

Administrative expenses consist of costs incurred by Suffolk County Council as administering authority of the Pension Fund, relating to activities the pension administration team perform to administer and pay pensions and provide members with scheme and benefit entitlement information, such as their annual benefit statements.

	2023-24	2024-25
Administration Expenses	**£'000**	**£'000**
Suffolk County Council	1,212	1,362
Heywood pension administration system	407	594
Subscriptions and other costs	49	54
Total Administration Expenses	**1,668**	**2,010**

The Heywood administration software system supports the pensions' administration team to fulfil the complex requirements around administering the scheme; such as calculating pension benefits. The system holds every pension member record and history. Ongoing charges are incurred for maintenance of the system, licenses to use it and includes the costs of the self-service system which allows contributing and deferred members of the scheme to access their pension data, change their personal details and upload documents, calculate their pension estimates and receive their annual benefit statements.

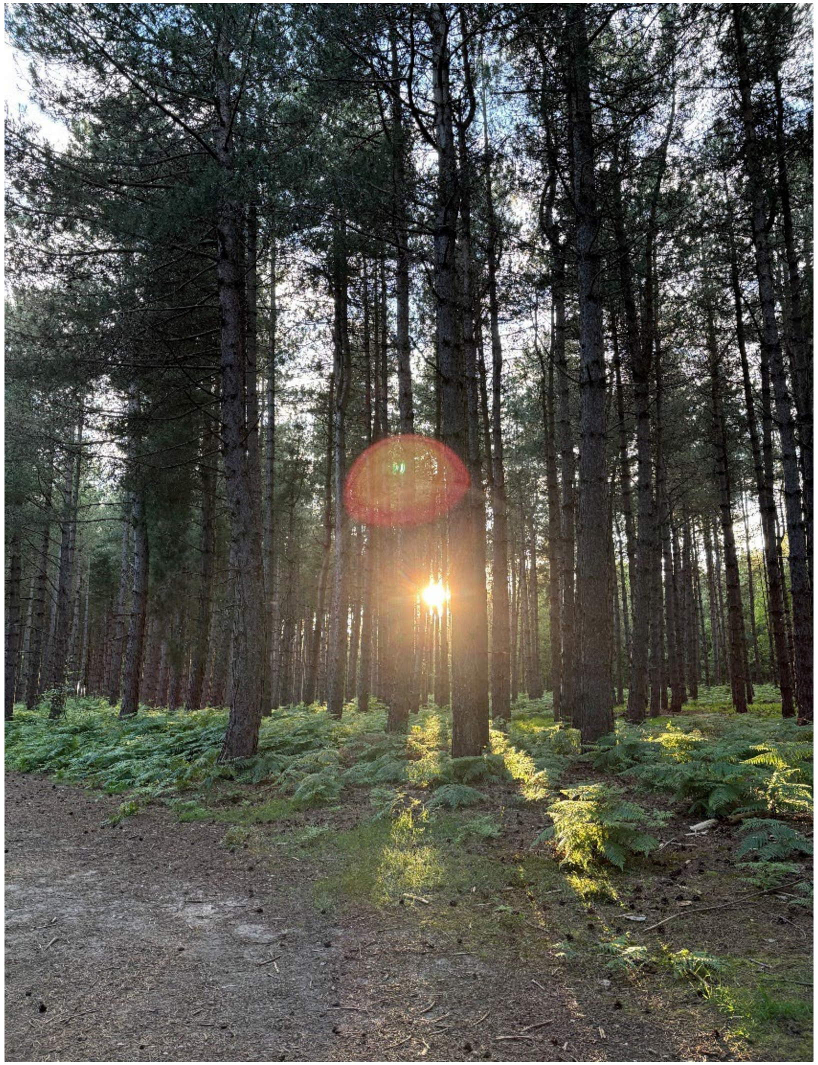
Heywood also provides the Fund with an integrated Pensioner payroll system that links with the member self-service module allowing pensioner members to view their payslips, P60's and keep their personal data up to date therefore reducing printing and postage costs whilst improving members access to their information.

Oversight and Governance Expenses

Oversight and governance expenses are costs relating to the ‘over seeing’ of the fund such as actuarial costs, internal and external audit costs and the costs of independent advisers to the Fund. Costs associated with the operation and support of the Pension Fund Committee and Pension Board, and costs associated with statutory and non-statutory reporting such as committee reports, annual reports and accounts.

Asset pooling costs represents Suffolk’s share of costs included in the ACCESS Pool Report (please see section on ACCESS for further information about the costs of the Pool). These are the operational ongoing costs for running the ACCESS Pool and include the costs of the ACCESS support unit and professional and legal advice.

	2023-24	2024-25
Oversight and Governance Expenses	**£'000**	**£'000**
Suffolk County Council	170	198
Pension Fund Committee	7	9
Pension Board	3	4
Actuarial Services	100	132
Audit Fees	93	111
Legal Fees	1	0
Performance Analysis	20	47
Proxy Voting Service	0	0
Investment Advice	137	145
Asset Pooling	146	224
Subscriptions and membership fees	15	15
Total Oversight and Governance Expenses	**692**	**885**



Rendlesham Forest, Near Woodbridge

Investment Management Expenses

Investment management expenses are costs related to the management of the fund's assets, including directly invoiced fees from investments managers and fees payable to fund managers which are deducted from the fund assets as opposed to being invoiced to the Pension Fund. The fees charged by the custodian, are also included.

In the Pension Fund accounts, (as per CIPFA guidance), only the fees and expenses that the Fund has a contractual liability for are included, this means that only the management fee, depositary fees and audit fees charged by Waystone for overseeing the sub-funds that Suffolk are invested in are shown. The additional fees and expenses paid to the investment managers that Waystone has a contractual agreement with, on behalf of the Fund, (Newton, Blackrock, Janus Henderson, M&G, Baillie Gifford, Fidelity, Longview and Columbia Threadneedle), are £6.251 million.

The Scheme Advisory Board have been supporting the cost transparency initiative which was developed through the LGPS code of transparency. Many of the managers the Fund has investment with have signed up to the voluntary code and submitted templates which illustrates underlying indirect costs which the Suffolk Pension Fund does not have a direct contractual liability.

These costs include indirect transaction costs, which is the difference between the buying and selling prices of investments and their actual value (bid offer spread) and implicit costs which is the opportunity cost of the investment manager using internal resources, these costs total £2.094 million.

Walkway, Snape Maltings

	2023-24	2024-25
Investment Management Expenses	**£'000**	**£'000**
BlackRock	-30	0
Brookfield	0	0
CBRE	0	544
InHouse	-13	0
J P Morgan	1,974	1,979
KKR	778	267
Waystone	373	448
M&G	763	754
Pantheon	1,054	1,353
Partners	4,527	5,032
Pyrford	291	150
Schroders	1,088	715
UBS	488	520
Wilshire	422	68
Transaction Costs	498	855
Custodian (NT)	40	38
Total Investment Management Expenses	**12,253**	**12,721**

Notes:
1. Blackrock bonds were disinvested in the previous year.
2. CBRE is the pools provider of property investments and replaced Schroders during the year.
3. Transaction costs include a dilution levy which is payable when the Fund makes new or additional investments.

Included in the Investment management expenses (previous table) for some of the investments, are an element of performance fee, these can be based on the net asset value breaching the watermark (highest valuation of the investment) or the returns exceeding a prescribed target. A negative figure denotes a reduction in the accumulative performance fee in investments that are paid a performance fee when the investments has been realised.

A breakdown of the performance fee element included in the previous table is as below:

	2023-24	2024-25
Investment Management Expenses	**£'000**	**£'000**
JP Morgan	734	442
Partners	895	1,371
Total Investment Management Expenses	**1,629**	**1,813**

Investment Income

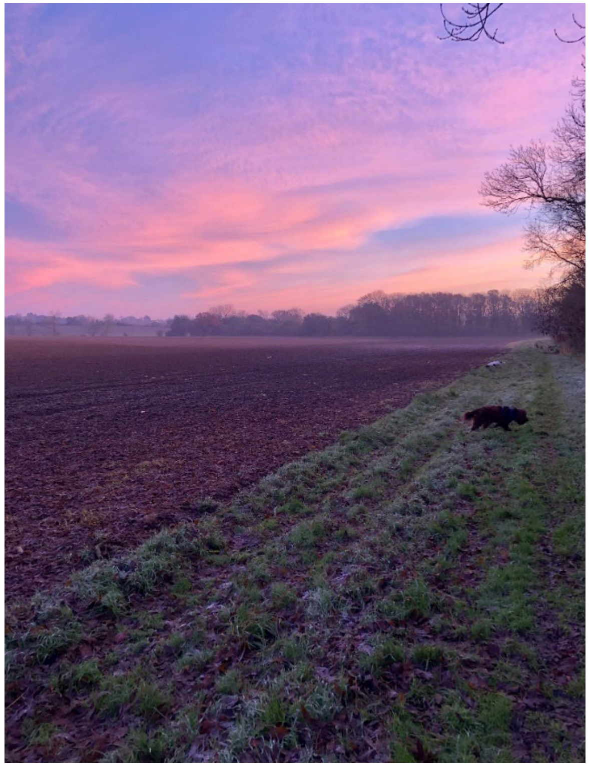
The table below shows the sources of Investment Income earned by the Fund in 2024-25:

	UK	Non-UK	Global
Investment Income	**£'m**	**£'m**	**£'m**
Equities	7.161	-	74.331
Property	12.388		
Alternatives	7.793	9.631	11.354
Cash & Cash Equivalent	1.191	-	-
Other	-	-	-
Total Investment Income	**28.533**	**9.631**	**85.685**

Global holdings are those that include an element of both overseas and UK listed assets.

Alternatives include private equity, illiquid debt, absolute returns, timber and infrastructure.

Other, denotes assets not falling into any other category such as investment vehicles where the underlying investments may comprise of assets of more than one type.



Worlingworth

Fund Performance Report

Investment Powers

Within the Local Government Pension Scheme (Investment and Management of Funds) Regulations 2016 the Government has placed a 5% restriction on the investments of the Suffolk Pension Fund into entities connected with Suffolk County Council. The Pension Fund has no investments in entities connected to Suffolk County Council and is therefore below the 5% statutory limit included in the regulations.

Investment Strategy Statement

The Fund’s investment objectives and asset allocation are incorporated into its Investment Strategy Statement, which is published on the Suffolk Pension Fund website (www.suffolkpensionfund.org).

The Pension Fund Committee has approved a customised asset allocation for the Pension Fund, based on a review of its investment strategy that was carried out with the assistance of its investment advisors, Hymans Robertson LLP and Mark Stevens.

The Fund’s investments are allocated across a range of asset classes. The largest allocation is to equities which also accounts for the majority of the investment risk taken by the Fund.

Asset Allocation

The Suffolk Pension Fund is currently cash flow negative, meaning that benefit payments are in excess of annual contributions. and therefore the Fund uses income from investment and cash surplus from disinvestments to make up the shortfall.

There are significant levels of diversification between different asset classes to reduce overall portfolio risk through combining the performance of each asset class. This helps reduce the volatility effects of the financial markets, whilst maintaining the Fund’s relatively low risk approach.

The Fund has a 73.5% allocation to ‘growth’ assets (equities and alternatives) in order to meet the long-term funding assumptions set out in the 2022 actuarial valuation.

Over the long term, equities are expected to outperform other liquid asset classes, particularly bonds. Allocations to asset classes other than equities and bonds allow the Fund to gain exposure to other forms of risk premium and can reduce the overall volatility of portfolios. These assets are expected to generate returns broadly similar to equities over the long term and so allocations to these can maintain the expected return and assist in the management of market movement.

The Committee recognises Environmental, Social and Governance (ESG) issues can impact on the Fund’s investment returns and is committed to responsible investing so as to develop a sustainable investment approach to protect future Fund performance.

Within the global equities holdings there is an allocation to the Climate Aware Fund and to a Low Carbon Transition Fund both managed by UBS. These Funds help mitigate the risk of climate change and represents a transition to a lower carbon portfolio than other global index tracking funds. The Fund aims to deliver returns broadly in line with the FTSE Developed Index and will increase or decrease exposures to constituents of the index based on their expected contributions towards climate change.

The 26% allocation to bonds is designed to help manage overall levels of funding volatility.

The strategic benchmark and the actual asset allocation of the Fund at March 2025 are shown below along with the maximum investment limits set for each asset class.

Asset Allocation			
	Actual Allocation March 2025	Long-term Allocation	Maximum Limit
	%	%	%
UK Equities	5.5	5.0	15.0
Overseas Equities	40.9	35.5	50.0
Total Equities	**46.5**	**40.5**	**65.0**
Target Return	24.0	22.0	35.0
Investment Grade	3.8	4.0	8.0
Total Bonds	**27.9**	**26.0**	**43.0**
Private equity	3.2	4.0	8.0
Property	9.1	12.0	20.0
Infrastructure	9.7	10.0	15.0
Illiquid Debt	2.8	5.0	8.0
Timber	0.4	2.0	5.0
Total Alternatives	**25.2**	**33.0**	**56.0**
Cash & Cash Equivalents	0.4	0.5	5.0
Total	**100.0**	**100.0**	

Global equities have outperformed the rest of the portfolio, the level is closely monitored and the position is discussed as part as the quarterly investment performance review.

The illiquid debt is awaiting new investment opportunities to attain the strategic allocation.

Investment Management Arrangements

The Fund's investment management arrangements at March 2025 are shown below.

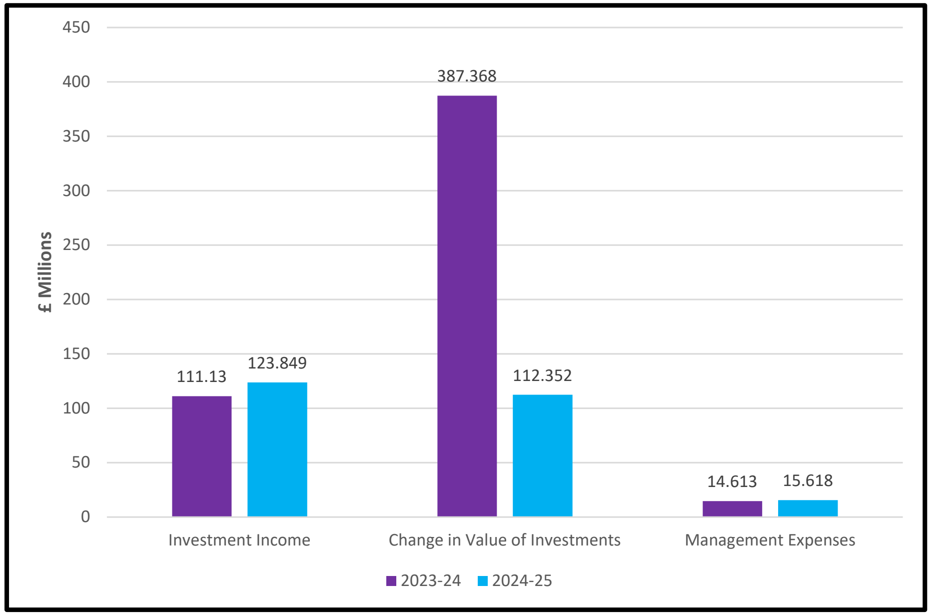
Fund Manager Allocation			
Investment Manager	Asset class	Actual allocation March 2025	Long-term allocation
CBRE	Property	9.1	12.0
J P Morgan	Infrastructure, Timber	6.4	7.0
Kohlberg, Kravis, Roberts (KKR)	Infrastructure	1.5	1.5
M&G Investments	Illiquid Debt and Infrastructure	1.6	3.5
Pantheon	Private equity	3.1	4.0
Partners Group	Infrastructure	3.4	4.0
Stafford Capital Partners	Timber	0.0	1.0
UBS	Equities and Bonds	23.2	21.0
Waystone	Global equities, UK Equities, Global Bonds	51.2	45.5
Wilshire	Private equity	0.1	0.0
Internal Cash	Cash	0.4	0.5
Total		**100.0**	**100.0**

Notes

- Commitments with KKR, Partners, Pantheon, the Debt Solution Fund and Infracapital commitments made to M&G and timber with JP Morgan and Stafford Capital Partners are part funded. These investments only call for capital funding when they have an investment to fund and will continue to increase their holdings in the forthcoming financial year.
- Wilshire, the older commitment to Pantheon, Partners and the Debt Opportunity investment with M&G are in the process of realising the underlying investments and returning cash to the Pension Fund.

Investment Performance

The chart below shows the comparative investment returns between 2023-24 and 2024-25. The change in the value of the Fund's investments includes realised and unrealised gains and losses during the year.



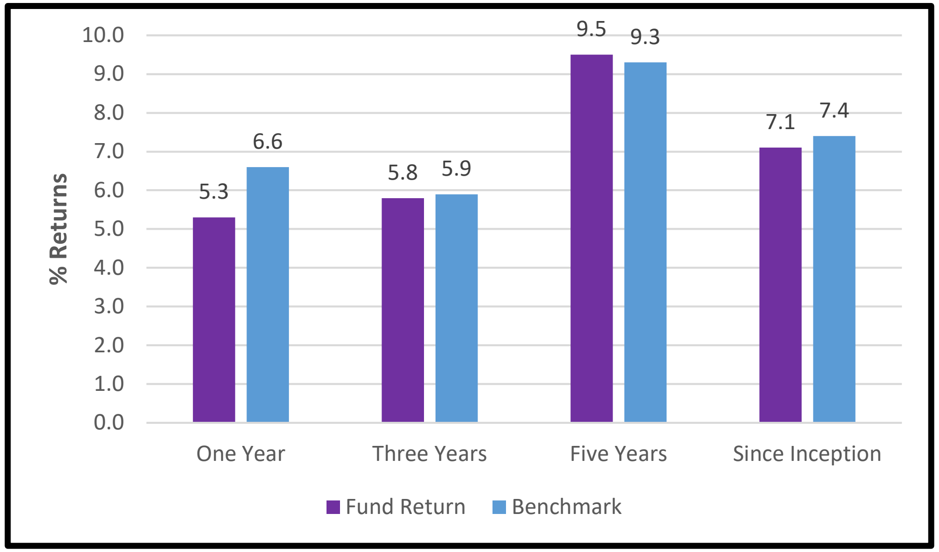
The Fund's total assets has increased from £4,253 million to £4,471 million during 2024-25, representing an investment return of 5.3%.

Fund Investment returns

The Fund's benchmark is based on the weighted average of the market index returns for the markets in which it invests in or a mandate specific absolute return. The Fund underperformed the benchmark by 1.3% over the full year period.

The Fund slightly underperformed the benchmark over the three-year and slightly overperformed the five-year period with a slight underperformance since inception.

The Fund's investment return compared with its benchmark index over one, three, five and ten years and since inception are:



Long-term Investment Performance

The Fund's investment returns over the previous ten years are shown below compared to the Fund's own benchmark. In addition, the Fund's returns are compared with the movement in consumer price inflation as at September for each period.

Long-term performance (year ended 31 March)										
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
	%	%	%	%	%	%	%	%	%	%
Fund return	**0.7**	**19.0**	**4.0**	**5.9**	**-4.5**	**16.8**	**10.2**	**-0.5**	**12.9**	**5.3**
Fund benchmark	1.5	17.9	4.8	7.4	-3.3	18.7	10.3	-0.1	11.6	6.6
Relative return	-0.8	1.1	-0.8	-1.5	-1.2	-1.9	-0.1	-0.4	1.3	-1.3
Consumer Price Inflation	**1.0**	**3.0**	**2.4**	**1.7**	**0.5**	**0.5**	**3.1**	**10.1**	**6.7**	**2.4**

Over the longer term the Fund's investment return is substantially above the increase in consumer price inflation, which is the factor applied as the pension increase in April the following year and as such has a direct impact on the movement of the Fund's pension liabilities.

Gull Wing Bridge, Lowestoft

The table below shows the opening and closing balances and reported performance for each asset class (excluding cash) for 2024-25, alongside the Suffolk benchmark target and the passive index if an appropriate index exists.

Holdings	Opening Value		Closing value		Perf.	Passive Index	Benchmark
	£' m	%	£' m	%	%	%	%
Pooled & Pool Aligned							
UK Equities	349.411	8.2	246.749	5.5	8.3	-3.3	10.5
Overseas Equities	623.406	14.7	795.297	17.9	4.7	6.5	5.4
Global Bonds	990.220	23.4	1,242.291	28.0	8.1	-10.8	7.7
Passive Equities	1,015.946	24.1	1,038.360	23.3	6.5	6.5	5.2
UK Index-linked Bonds	158.593	3.7					
Infrastructure	223.169	5.3	270.110	6.1	7.6		8.0
Property			388.770	8.7			
Timber			15.775	0.4	6.2		8.0
Total Pool Aligned	**3,360.745**	**79.4**	**3,997.352**	**89.9**			
Absolute Return	69.580	1.6					
Illiquid Debt	144.342	3.4	126.354	2,8	7.1		8.0
Infrastructure	162.251	3.8	163.986	3.7	2.4		8.0
Money Market	28.528	0.7	16.166	0.4	5.6		2.4
Private Equity	166.052	3.9	144.289	3.2	-3.3		4.9
Property	306.181	7.2					
Timber	0.041	0.0	0.037	0.0	-8.0		8.0
Total Alternatives	**876.975**	**20.6**	**450.832**	**10.1**			
Total	**4,237.720**	**100.0**	**4,448.184**	**100.0**			

Manager Performance

The table below shows the investment returns by the Fund's investment managers relative to their benchmarks over one, three and five years (where available) and their absolute returns for the year.

The investment objectives of the Fund's investment managers are to outperform relative to their benchmark index, typically the index for the market they are invested in or on an absolute return cash plus basis.

Investment Manager Performance					
Share of Fund 31 Mar 25	Manager	2024-25 Absolute Return	2024-25 Relative Return	3 Year Relative Return	5 Year Relative Return
%		%	%	% p.a.	% p.a.
9.0	CBRE	0.0	0.0	0.0	0.0
1.5	KKR	14.6	6.6	0.0	0.0
6.7	JP Morgan	7.6	-0.4	0.4	-0.8
1.6	M&G	-19.3	-26.4	-11.2	2.5
3.1	Pantheon	-3.0	-7.9	-7.2	-2.4
3.4	Partners Group	7.7	-0.3	1.0	3.7
23.2	UBS	5.5	0.8	1.4	0.8
51.1	Waystone	7.4	-0.3	0.8	-0.7
0.1	Wilshire	-11.5	-16.3	-19.8	-15.6

Scallop, A conversation with the sea, Aldeburgh

Government Reporting Requirements

Government has requested additional information on investments to be included in LGPS Pension Fund's Annual Reports covering pooled assets, levelling up assets, private equity and UK investments.

The Suffolk Pension Fund currently has a 5% allocation to private equity. The last commitments were made in 2014 and were made to global equity funds.

The Fund does not currently have any investments in levelling up.

The Fund's investment in UK Equity and Government Bonds is as below:

Asset Table				
	Pooled	Under Pool Management	Not Pooled	Total
	£'m	£'m	£'m	£'m
Equities	246.749	41.815	-	288.565
Bonds	171.980	-		171.980
Total	**418.730**	**41.815**	**-**	**460.545**

Asset Pooling

- The Suffolk Pension Fund has made a commitment to pool all of its assets into the ACCESS Pool. (Please see section on ACCESS for further information about the Pool). The first sub-fund that Suffolk transferred into was the Newton Global Equity Fund which was available for investment in the first quarter of 2019-20.
- During 2024 – 2025 the Fund transferred its Property holding with Schroders into ACCESS with CBRE.
- JP Morgan infrastructure fund has been appointed as a Pool Aligned asset manager.
- The passive investment funds are held on a pool governance basis under one investment manager as these assets are held in life fund policies, which cannot be held within an authorised contractual scheme which is how the Pool operates.
- The Suffolk Pension Fund has £2.284 billion in sub-funds and £1.713 billion under pooled governance accounting for 90% of the Fund's assets.
- The Suffolk Pension Fund has saved £3.5 million in 2024 - 2025, on investment management fees on assets that have been pooled or under pooled governance.
- The Fund also made a 2% commitment to Timberlands through ACCESS.

Asset Table				
	Pooled	Under Pool Management	Not Pooled	Total
	£'m	£'m	£'m	£'m
Equities	1,042.046	1,038.361		2,080.408
Bonds	1,242.291			1,242.291
Property		388.770		388.770
Private equity			144.289	144.289
Illiquid Debt			126.354	126.353
Infrastructure		270.110	163.986	434.096
Cash & Cash Equivalents			30.725	30.725
Other		15.775	0.036	15.812
Total	**2,284.337**	**1,713.016**	**465.390**	**4,462.743**

Environmental, Social and Governance

The Pension Fund Committee has developed a set of ESG beliefs as part of its responsible investment philosophy which underpins it investment objective – to deliver an investment return consistent with funding plans that does not compromise future generation's ability to meet their own needs.

In addition to the beliefs set up, the Committee identified climate change, pollution and company stewardship as its priorities for responsible investment.

These beliefs and priorities have been incorporated into the investment beliefs and environmental, social and governance considerations set out in the investment strategy statement.

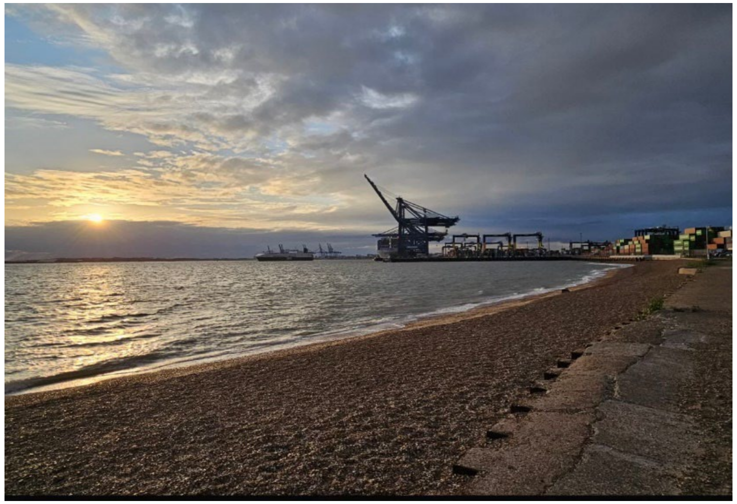
Engagement

The Suffolk Pension Fund is a member of the Local Authorities Pension Fund Forum (LAPFF). The LAPFF was established to develop a collective response to ESG issues through constructive dialogue and filing of shareholder resolutions. There are 85 LGPS (7 ACCESS Pension Funds) covering £425 billion of assets, who are members of the forum and 7 pools (including ACCESS).

The forum engages directly with company chairs and boards to affect change at investee companies and challenge regulators to deliver reforms that advance corporate responsibility and responsible investment.

The Fund expects its investment managers to be engaged in social, environmental and ethical considerations insofar as these matters are regarded as impacting on the current and future valuations of individual investments. The Fund believes taking account of such considerations forms part of the investment managers' normal fiduciary duty and expect the investment managers to report the engagement that they have undertaken.

As such, the Fund has a commitment to ensure that companies in which it invests adopts a responsible attitude towards the environment and has high ethical standards. Generally, such companies are expected to behave in a socially responsible manner by taking account of the interests of all stakeholders, which includes how the company will adapt to the effects of climate change.



Cranes, Felixstowe Docks

Voting Policy

The Pension Fund seeks to protect and enhance the value of its shareholdings by promoting good practice in the corporate governance and management of the companies that it invests in which includes the investment managers voting at shareholder meetings.

The equity investments with Blackrock, Newton, Columbia, Longview & Baillie Gifford are held within ACCESS sub-funds and not held in the name of the Suffolk Pension Fund, therefore the ACCESS voting guidelines for inclusion by Waystone in the Investment Management Agreements apply. These are aligned with the Suffolk Pension Fund voting principles.

The voting guidelines set out those matters of importance to the participating ACCESS Pension Funds and promote good corporate governance and management in the companies in which investments are made. In circumstances where investment managers do not adopt the positions set out in these guidelines, they are required to provide a robust explanation of the position adopted.

The general principles followed in the guidelines are: -

- Will vote in favour of proposals at annual and extraordinary general meetings which comply with good practice on corporate governance. The definition of good practice is based on the guidelines in the UK Corporate Governance Code.
- Will vote against proposals which breach the Code and where the company is unable to provide a satisfactory explanation of its policy.
- Will in general abstain on proposals which do not relate to issues contained in the good practice guidance in the Code.

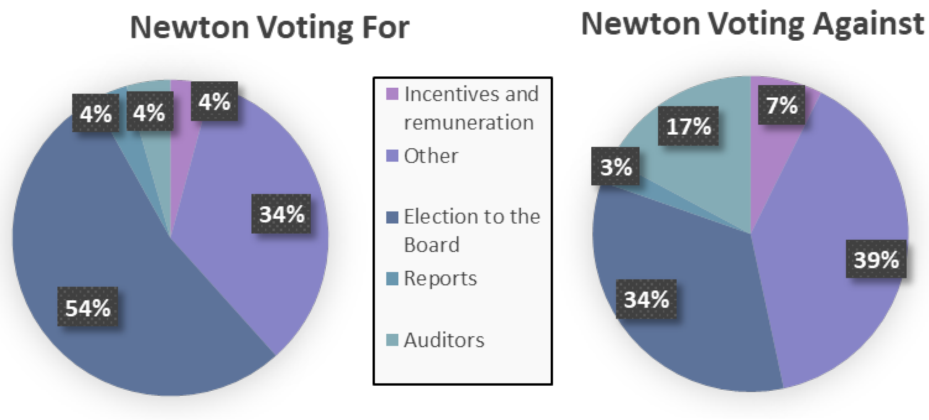
Voting on Newton Sub-fund holdings

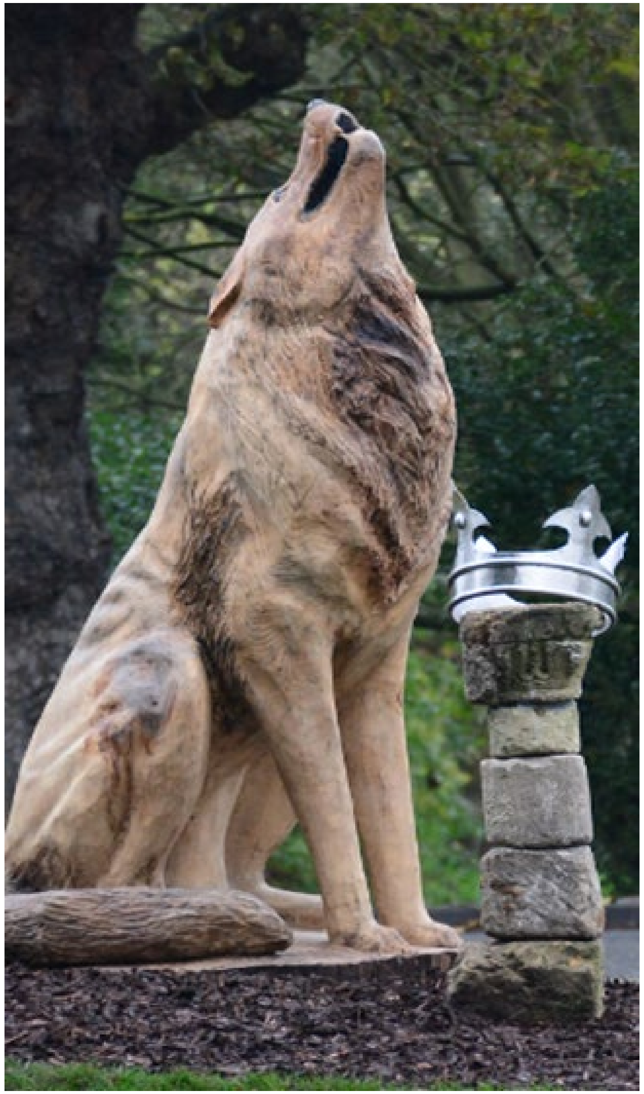
Newton have voted at 58 meetings during the year on 1019 resolutions. 850 (83%) were for the resolution and 163 (16%) were against and 6 (1%) received abstain votes. These were all in line with the ACCESS voting guidelines.

The votes cast can be categorised as follows:

Vote Categorisation	Number of Votes Cast
Election of Directors	516
Incentives and Remuneration	48
Reports	35
Auditors	66
Other	354

The categorisation of the votes cast are set as below:





Wolf and Crown, Bury St. Edmunds

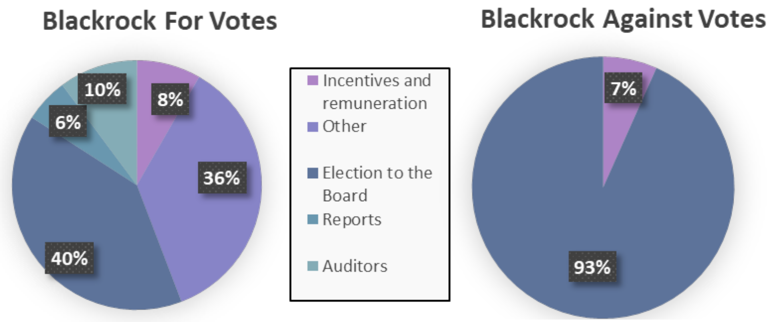
Voting on Blackrock Sub-fund holdings

Blackrock have voted at 84 meetings during the year on 1,407 resolutions. 1,385 (98%) were for the resolution,15 (1%) were against and 7 (1%) received abstain votes.

The votes cast can be categorised as follows:

Vote Categorisation	Number of Votes Cast
Election of Directors	574
Incentives and Remuneration	116
Reports	79
Auditors	141
Other	497

The categorisation of the votes cast are set as below:



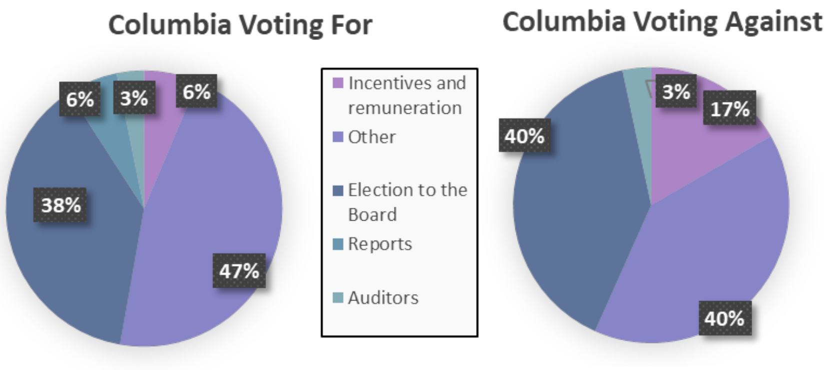
Voting on Columbia Sub-fund holdings

Columbia have voted at 53 meetings during the year on 282 resolutions. 252 (89%) were for the resolution and 30 (11%) were against.

The votes cast can be categorised as follows:

Vote Categorisation	Number of Votes Cast
Election of Directors	108
Incentives and Remuneration	21
Reports	15
Auditors	9
Other	129

The categorisation of the votes cast are set as below:



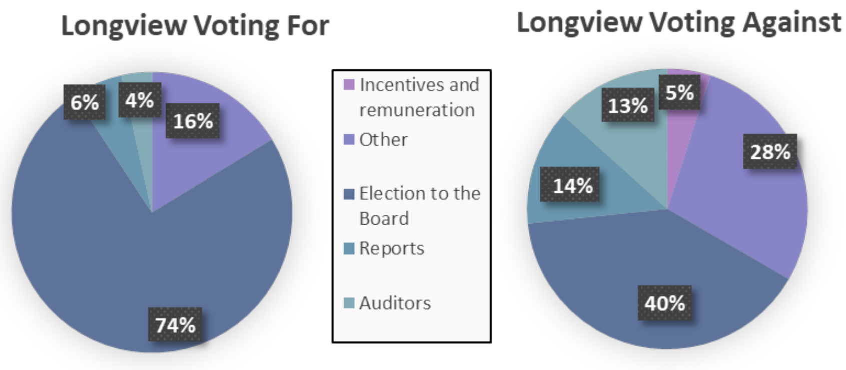
Voting on Longview Sub-fund holdings

Longview have voted at 10 meetings during the year on 154 resolutions. 86 (56%) were for the resolution, 60 (39%) were against and 8 (5%) received abstain votes.

The votes cast can be categorised as follows:

Vote Categorisation	Number of Votes Cast
Election of Directors	95
Incentives and Remuneration	3
Reports	13
Auditors	11
Other	32

The categorisation of the votes cast are set as below:



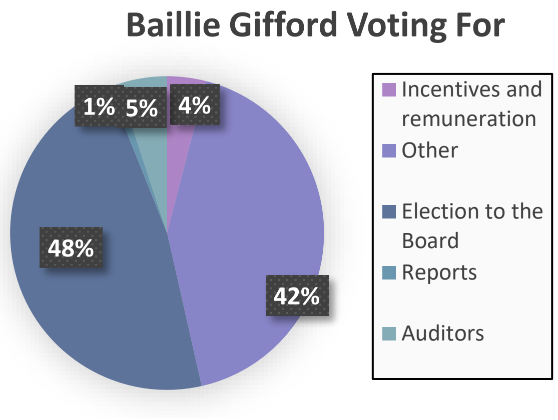
Voting on Baillie Gifford Sub-fund holdings

Baillie Gifford have voted at 12 meetings during the year on 100 resolutions. 99 (99%) were for the resolution and 1(1%) received abstain votes.

The votes cast can be categorised as follows:

Vote Categorisation	Number of Votes Cast
Election of Directors	67
Incentives and Remuneration	3
Reports	6
Auditors	8
Other	35

The categorisation of the votes are set as below:



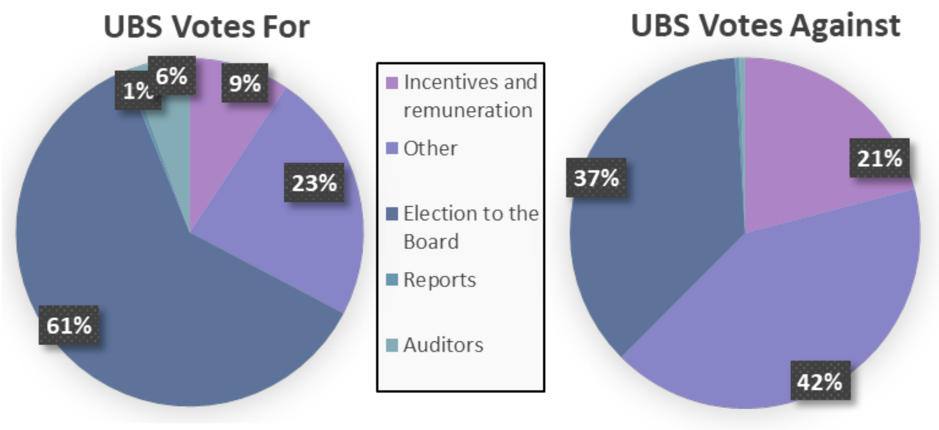
Rendlesham Forest, Near Woodbridge

Voting on UBS index tracking holdings

UBS votes in line with their voting policy for the index tracking investments they make on behalf of the Fund, as they are not able to systematically apply the ACCESS voting guidelines to each proxy vote. They are also unable to compare the ACCESS voting guidelines to each vote and determine any difference in the outcome.

UBS have voted at 3,508 meetings on the Fund's behalf during the year on 43,788 resolutions. 38,911 (89%) were for the resolution and 4,375 (10%) were against and 502 (1%) received abstain votes.

The categorisation of the votes are set as below:



The votes against the proposal can be categorised as follows:

Vote Categorisation	Number of Votes Cast
Election of Directors	1,600
Incentives and Remuneration	916
Reports	19
Auditors	22
Other	1,818

The reasoning for the largest proportion of against votes are:

- Concerns regarding the independence of the proposed candidate or that the nomination committee does not comprise a majority of independent directors.
- Lack of reporting disclosure which results in shareholders not being able to make an informed voting decision.
- Business and related party transactions are not in line with shareholders' interests and/or disclosure is below best market practice.
- Company pay frameworks do not demonstrate long term incentives or performance. The short-term incentives and performance figures do not align with the shareholder's long-term interests.

Administration Report

Pension Administration Team

The Pension Administration team carries out a range of pension benefit calculations and administrative functions:

- Maintaining an accurate database of scheme members, deferred members and pensioners;
- Calculating service credits from incoming transfer values and notifying scheme members accordingly;
- Calculating and paying outgoing transfer values to other pension schemes and providers;
- Calculating and notifying amounts of deferred pension benefits when a member leaves before normal retirement age;
- Calculating and paying pension benefits when a member retires;
- Implementing amending legislation when received, assessing the impact of the changes and communicating the effect to members, deferred members, pensioners and scheme employers;
- Providing estimates of benefits, information on entitlements and implementing pension sharing orders on divorce;
- Paying pensioners monthly;
- Calculating and paying dependent pensions and lump sums when a member, deferred member or pensioner dies.

Summary of Work Undertaken by the Fund in 2024-25

In addition to the day-to-day functions of completing and processing various administration tasks the team seeks to continually improve the functionality of the Pension Fund and the quality of the data required to administer the Pension Fund effectively and to a high standard.

The member self service system has been upgraded to ‘Engage’ which improves the functionality for members when using the Fund’s online services. Engage offers several improvements, including a simplified registration process, more calculators to help members plan for retirement and the opportunity to upload documents securely to their account.

Progress has been made on the i-Connect implementation, with 56% of all employers now sending monthly data. This equates to just over 42% of all active members. Work is continuing in this area with the expectation that further employers will be able to commence using this solution during 2025/2026.

A lot of time has been spent working with specific employers to resolve issues and get the system live with them. Work continues with other employers, and the administration team will continue to support and help ensure successful solutions can be found to challenges faced. Moving employers onto I-connect is beneficial for all parties, reducing administration tasks and keeping records up to date.

A new reporting tool was introduced which enables the management team to extract more information from the administration system and takes less time. This supports management of the team and enables time to be focused on delivering services to members.

The ongoing work to reduce the number of undecided leavers has continued throughout this year. Undecided leavers are members who have paid into the pension scheme for less than two years before they left employment and have not requested a refund or a transfer of their contributions into another pension scheme.

A significant amount of time has been spent processing and clearing undecided leavers and regular updates are provided to both the Pension Fund Committee and the Pension Board. The total number has reduced by 51% since work commenced in 2020. This work will continue in the coming year with the aim of reducing these to just the cases of members who have recently left their employment.

The McCloud legislation and remedy was introduced from 1 October 2023. The members of the Fire Pension scheme were prioritised as there was an earlier deadline for completion. Work will continue for

LGPS members during 2025/26. The team have received external training sessions to help give them a greater understanding how to implement the remedy for the different type of cases.

The administration system has been readied for the work and testing of cases is underway. Members have been kept up to date in the various newsletters issued throughout the year.

The format of the various newsletters which are produced and sent out to Employers, Active and Pensioner members has been re-vamped with a new template which is more visually appealing and has received positive feedback. The Fund continues to see a spike in self-service registrations following newsletter communications.

Action to improve data quality

The Fund continuously reviews and improves the quality of data wherever possible. Common and conditional data scores remain at 96% and 99% respectively which were reported to the Pensions Regulator.

The introduction of the new reporting tool provides more information including reports highlighting where member information can be improved. Records are reviewed and updated using these report outputs.

In the first half of 2025 – 2026 the Fund will be implementing its connection to Government's Pension dashboard to ensure connection by the October 2025 deadline. The new contract for the Pensions Administration System that was put in place in November 2024 included a link to the Pensions Dashboard.

IDRP Complaints

If a member or their representative has a formal complaint against the administration of the Pension fund or wishes to appeal against a decision which has affected them, they can invoke the Pension Fund's Internal Dispute Resolution Procedure (IDRP). There are 3 stages to this process.

The first stage ensures a nominated person from the scheme employer will look at the case with the requirement that this individual has had no previous involvement in the case. The nominated person will review the complaint and notify the person of their decision.

If the person raising the complaint is dissatisfied with the first stage decision, they can apply for a second stage review of the decision, which is undertaken by the person nominated by the Head of Legal Services at Suffolk County Council to hear such disputes. If the person is still dissatisfied, they can take their case to the Pensions Ombudsman for a further review.

During 2024 – 2025 there were four new IDRP cases. Three of these cases went to stage 1, with the other going onto stage 2:

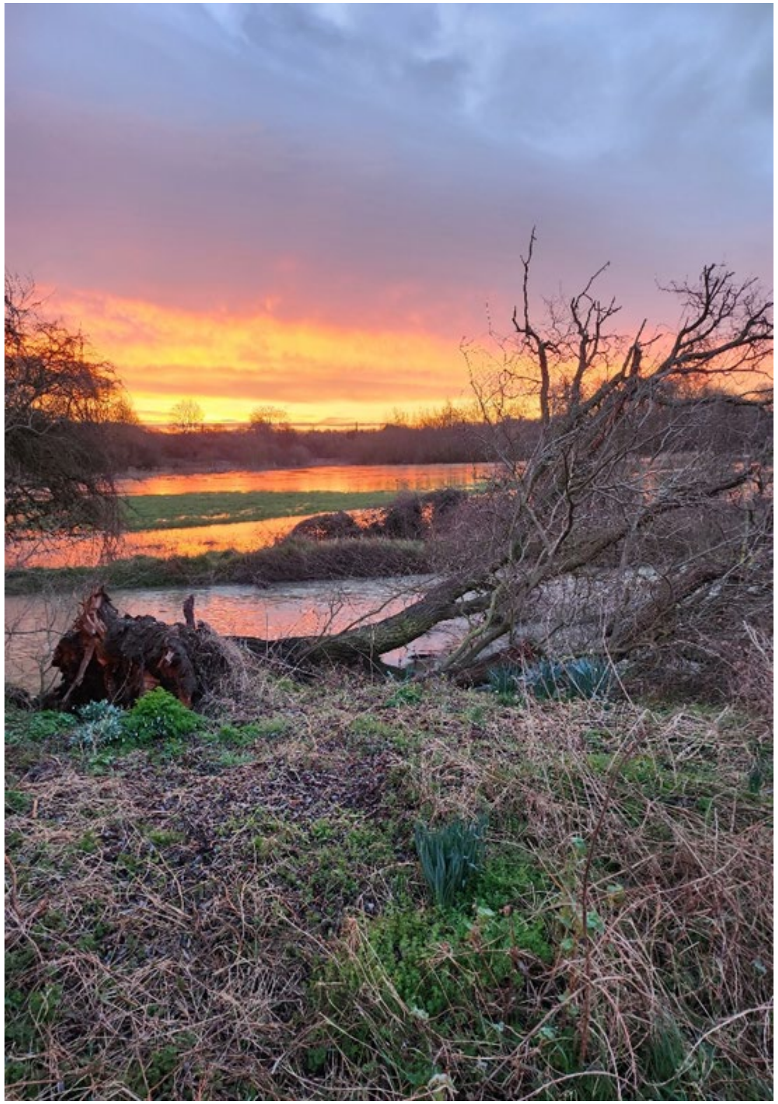
Case 1 - related to an historic employer action which resulted in the member not being awarded their deferred benefits on the grounds of ill health. The stage 1 decision upheld the members complaint and the employer corrected the matter.

Case 2 - was from a member unhappy their AVC payment had not been paid by the AVC provider as due when they retired. The Pensions Team were in agreement with the members point of view in accordance with the Pension regulations and the stage 1 response upheld the members complaint.

This response was also shared with the AVC provider before the member then raised this as a stage 2 dispute. However, the AVC provider then resolved the matter by paying the monies due and then this stage 2 dispute was withdrawn.

Case 3 - dispute was from a member complaining they were not given any options when they transferred their pension out of the scheme over 20 years ago. The complaint was not upheld based on their being no evidence of inappropriate information being provided by the Pensions team, and there was no obligation to do anything different to what was provided.

Case 4 - was a member asking for reimbursement for lost interest and annuity payments in relation to delays experienced in receiving their AVC payment. The stage 1 response did not uphold the members complaint. This dispute then moved to stage 2 which again did not uphold the complaint.



Bramford Meadows

Key Performance Indicators

The administration team monitors its performance based on the key indicators in the tables below and overleaf. This information has been downloaded from the Heywood Altair pension administration system which records all tasks required to be completed.

Ref	Casework KPI	Total number of case	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	5	559	563	99	522	99
A2	New dependent member benefits	5	253	256	99	203	98
A3	Deferred member retirements	42	902	913	97	836	95
A4	Active member retirements	37	608	620	96	575	94
A5	Deferred benefits	826	2,479	2,654	80	2,987	75
A6	Transfers in (including interfunds in, club transfers)	57	434	439	99	414	98
A7	Transfers out (including interfunds out, club transfers)	19	297	299	95	256	93

Ref	Casework KPI	Total number of cases open as at 31 March (starting 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
A8	Refunds	0	866	862	99	835	100
A9	Divorce quotations issued	9	194	187	97	154	94
A10	Actual divorce cases	0	2	2	100	4	100
A11	Member estimates requested either by scheme member or employer	11	343	353	99	258	96
A12	New joiner notifications	0	4,850	4,850	100	3,914	100
A13	Aggregation cases	112	2,456	2,505	98	1,535	61
A14	Optants out after 3 months membership*	N/A	N/A	N/A	N/A	N/A	N/A

* These figures are included in 8 above. We don't capture opt out while in employment separately

Time taken to process casework

Ref	Casework KPI	Cases commenced in Year	Cases completed during the Year	Percentage Completed in Year
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	99	99
B2	Communication issued confirming the amount of dependents pension	10 days	99	99
B3	Communication issued to deferred member with pension and lump sum options (quotation)	5 days	99	99
B4	Communication issued to active member with pension and lump sum options (quotation)	5 days	99	100
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	10 days	99	99
B6	Communication issued to active member with confirmation of pension and lump sum (actual)	10 days	99	98
B7	Payment of lump sum (both actives and deferreds)	10 days	99	99

Ref	Casework KPI	Cases commenced in Year	Cases completed during the Year	Percentage Completed in Year
B8	Communication issued with deferred benefit options	30 days	71	66
B9	Communication issued to scheme member with completion of transfer in	10 days	75	62
B10	Communication issued to scheme member with completion of transfer out	10 days	78	79
B11	Payment of refund	10 days	92	97
B12	Divorce quotation	10 days	92	100
B13	Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	10 days	100	100
B14	Communication issued to new starters**	At point of commencing employment	N/A	N/A
B15	Member estimates requested by scheme member and employer	10 days	92	95

Communications and Engagement

Ref	Engagement with online portals	Percentage as at 31 March
C1	% of active members registered	20%
C2	% of deferred members registered	14%
C3	% of pensioner and survivor members	22%
C4	% of total of all scheme members registered for self service	19%
C5	Number of registered users by age	
	18-30	343
	31-40	814
	41-50	1,581
	51-60	4,278
	61-70	4,253
	71-80	1,103
	81+	145

Ref	Cases completed during the Year	Percentage Completed in Year
C6	% of registered users that have logged onto the system in the last 12 months	100%
	Communication	
C7	Total number of telephone calls received in year	8,134
C8	Total number of e-mail and online channel queries received	35,193
C9	Number of scheme members events held in year (total in person and online)	1
C10	Number of employer engagement events held in year (in person and online)	1
C11	Number of active members who received a one to one (in person and online)	500
C12	Number of times a communication (i.e. newsletter) issued to:	
	-Active members	3
	-Deferred members	1
	-Pensioners	2

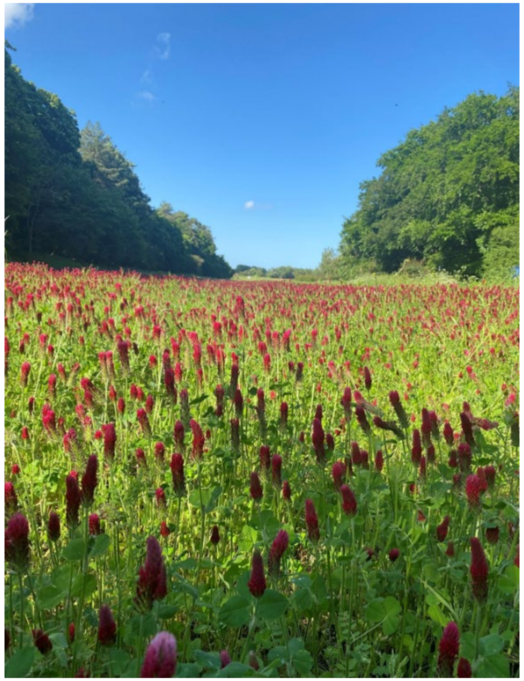
Administration Resources and Data Quality

Ref	Resources	Data
D1	Total number of all administration staff (FTE)	29.02
D2	Average Service length of all administration staff	11.75 years
D3	Staff vacancy rate %	10%
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	1:2571
D5	Ratio of administration staff (excluding management) to total number of scheme members	1:2726
	Annual Benefit Statements	
E1	Percentage of annual benefit statements issued as at 31 August	100%
	Short commentary if less than 100%	N/A
	Data category	
E3	Common data score	96%
E4	Scheme specific data score	99%
E5	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	3%
E6	Percentage of active, deferred and pensioner members with an email address held on file	48%
	Employer performance	
E7	Percentage of employers set up to make monthly data submissions	56%
E8	Percentage of employers who submitted monthly data on time during the reporting year	57%

Employers in the Fund

There are 344 active employers in the Fund and 69 employers who do not have active members but have deferred pension members and/or pensioners.

	Active	Inactive	Total
Scheduled Bodies	247	2	**249**
Resolution Bodies	46	7	**53**
Admitted Bodies	51	60	**111**
Total	**344**	**69**	**413**


Crimson Clover Fields, Snape

A list of the active employers in the Fund on 31 March 2025 are as follows:

Scheduled Bodies

Scheduled bodies are local authorities, district and borough councils and other similar bodies such as colleges, academies and free schools, whose staff are automatically entitled to be members of the Fund.

Local Authority

Babergh District Council	Mid Suffolk District Council
East Suffolk Council	Suffolk County Council
Ipswich Borough Council	West Suffolk Council

Other

Association of Inshore Fisheries and Conservation Authorities (AIFCA)	Police & Crime Commissioner
Chief Constable of Suffolk	East Suffolk Services

Colleges

East Coast College	Suffolk New College
Lowestoft 6th Form College	University Campus Suffolk Ltd

Academies

Debenham Academy	The Ashley School Academy
Forest Academy	Thomas Mills High School
St Mary's C of E Academy	Olive Academy Trust

Academy Transformation Trust
Beck Row Primary
Great Heath Academy
Mildenhall College Academy
Westbourne Academy

Active Learning Trust
Albert Pye Primary
Chantry Academy
Grove Park
Gusford
Hillside
Pakefield
Red Oak
Reydon
Sidegate
Westwood Primary

All Saints School Trust
All Saints (Laxfield)
Charsfield CoE Primary
Dennington CoE Primary
Fressingfield CEP
Great Welnetham Primary
Thorndon Primary
Cockfield Primary
Ickworth Park Primary
Hardwick Primary
Occold Primary
St Peter & St Paul
Stradbroke CEP
Wortham Primary
Benhall St Mary's
Sexton's Manor

Anglian Learning
Howard Primary
Clare Community Primary
The Pines Primary
Stour Valley Community School

ASSET Education
Bungay Primary
Castle Hill Infants School
Castle Hill Junior School
Cliff Lane Primary
Egdar Sewter
Holton St Peter
Ilketshall
Ringshall Primary
Shotley Primary
St Helens Primary
Stutton C of E Primary
The Oaks Primary
Whitton Primary
Wenhaston

Children's Endeavour Trust
Abbot’s Hall Community Prim
Bosmere Community Primary
Freeman Community Primary
Chilton Community Primary
Combs Ford Primary
Broke Hall
Springfield Junior
Whitehouse Infants School

Clarion Academy Trust
Pakefield High School

Diocese of Ely
St Christophers CE Primary

Diocese of Norwich Education
Kessingland C of E Primary

East Anglian Schools Trust
Aldeburgh Primary
Bungay High School
Castle EAST
Easton Primary
Farlingaye High School
Holbrook Academy
Kesgrave High School
Leiston Primary
Saxmundham Primary
Wickham Market Primary

Eastern Education Group Trust
Abbeygate Sixth Form College
Chalk Hill Academy
Exning Primary School
Stone Lodge Academy
Suffolk One
Sunrise Academy
The Priory School
West Suffolk College

Eastern Multi Academy Trust
The Glade Community Primary

Eko Trust
Rushmere Hall Primary
Ravenswood Primary School

Evolution Academy Trust
Coldfair Green Primary
Elm Tree Community Primary
Poplars Community Primary
The Dell Primary School

Elveden Schools Trust
Elveden C of E Primary
St Edmundsbury CEVA

Hartismere Family of Schools
Benjamin Britten High School
Hartismere School
Somerleyton Primary
Woods Loke Primary

Inspiration Trust
East Point Academy

Kingfisher Schools Trust
Alde Valley Academy
Roman Hill Primary
Stowmarket High School
Sir John Lehman High School
Snape Primary

Ormiston Academies Trust
Ormiston Denes Academy
Ormiston Endeavour Academy
Ormiston Sudbury Academy
Stoke High School
Thomas Wolsey Academy

Our Lady of Walsingham
St Albans Catholic High School
St Felix-Haverhill
St Louis Catholic Academy
St Mary's Catholic Primary
St Pancras Primary
St Benedicts Catholic School

Orwell Multi Academy Trust
Brooklands Primary
Grange Community Primary
Halifax Primary
Grace Cook Primary
Handford Hall Primary
Springfield Infant School
Willows Primary

Oxlip Learning Partnership
Bacton Community Primary
Britannia Primary School
Cedars Park Primary
Copleston High School
Mendlesham Primary
Rose Hill Primary
Stowupland High School

Paradigm Trust
Ipswich Academy
Murrayfield Primary
Pipers Vale Primary
Woodbridge Road Academy

Penrose Learning Trust
Claydon High School
Claydon Primary
Dale Hall Primary School
East Bergholt High School
Hadleigh High School

Raedwald Trust
Alderwood PRU
First Base Bury St Edmunds
First Base Ipswich PRU
The Albany Centre PRU
Parkside Pupil Referral Unit
St Christophers PRU
Westbridge Pupil Referral Unit

REAch2 Multi Academy Trust
Beccles Primary
Gunton Primary
Martlesham Primary
Northfield St Nicholas Primary
Phoenix St Peter/Meadow Prim
Sprites Primary
St Margarets Primary
The Limes

Sapienta Trust
Beccles High School
Felix Primary School
Ixworth High School
Seckford Educational Trust
Stradbroke High School

St Johns the Baptist MATrust
St Benet's Catholic (Beccles)
St Edmund's Catholic (Bungay)
St Mary's Catholic (Lowestoft)

St Edmundsbury and Ipswich Diocesan Trust

All Saints CEVAP School
Bedfield Primary
Bramfield C of E Primary
Brampton C of E Primary
Chelmondiston C of E Primary
Elmsett Primary
Eyke
Hartest C of E Primary
Hintlesham & Chattisham
Long Melford C of E Primary
Mellis
Morland Primary
Nacton C of E Primary
Ringsfield C of E Primary
Sproughton CEVC Primary
St Marys Hadleigh
St Marys Woodbridge
St Matthews CEVAP
Stoke by Nayland C of E Prim
Tudor Primary
Wetheringsett C of E Primary

Thedwastre Education Trust

Great Barton CE Primary
Rattlesden CE Primary
Thurston CE Primary
Woolpit Primary

The Tilian Partnership

Bardwell CEVC Primary
Crawford's CEVC Primary
Gislingham CEVC Primary
Ixworth CEVCP
Kersey Primary
Old Newton CEVC Primary
Orford Primary
Palgrave CEVC Primary
Rougham CEVCP
Wilby Primary

The Consortium Multi Academy Trust

Barnby & North Cove
Helmingham Primary
Henley Primary
Mendham
Middleton Primary
Rendlesham Primary
Riverwalk
St Edmunds Primary-Hoxne
Southwold Primary
Warren School
Yoxford Primary

Unity Schools Partnership

Abbotts Green
Burton End Academy
IES Breckland Free School
Castle Manor Academy
Clements Primary School
County Upper
Coupals
Felixstowe Academy
Glemsford
Houldsworth Valley
Horringer Court
Kedington Primary Academy
Langer Primary
Laureate Primary
Tollgate
Newmarket Academy
Place Farm Academy
Samuel Ward Academy
Sir Bobby Robson School
Sybil Andrews
St Peter Hall
Thomas Gainsborough
The Bridge School
The Churchill Free School
West Row Academy
Wells Hall Primary
Westfield Academy
Wickhambrook
Woodhall (Sudbury)

Resolution Bodies

Resolution bodies are bodies, usually town and parish councils who are entitled to be members but have a choice so therefore need to formally pass a resolution designating staff to be eligible to join the Fund.

Barningham Parish Council
Beccles Town Council
Botesdale Parish Council
Boxford Parish Council
Bramford Parish Council
Bury St Edmunds Town Council
Carlton Colville Town Council
Claydon & Whitton Parish Council
Coney Weston Parish Council
Felixstowe Town Council
Framlingham Town Council
Glemsford Parish Council
Great Cornard Parish Council
Great Livermere Parish Council
Great Waldingfield Council
Hadleigh Town Council
Halesworth Town Council
Haverhill Town Council
Hollesley Parish Council
IPSERV Employers Ltd
Kesgrave Town Council
Kessingland Parish Council
Lakenheath Parish Council
Leavenheath Parish Council
Leiston cum Sizewell Town Council
Long Melford Parish Council
Lowestoft Town Council
Market Weston Parish Council
Martlesham Parish Council
Melton Parish Council
Mildenhall Parish Council
Nayland and Wissington Parish Council
Onehouse Parish Council
Oulton Broad Parish Council
Pinewood Parish Council
Red Lodge PC
Redgrave Parish Council
Rendlesham Parish Council
Rickinghall Parish Council
Saxmundham Town Council
Southwold TC
Stowmarket Town Council
Stradbroke Parish Council
Sudbury Town Council
The Saxhams Parish Council
Thurston Parish Council
Troston Parish Council
Ufford Parish Council
Verse
Vertas
Woodbridge Town Council
Woolpit Parish Council
Worlingham Parish Council

Admitted Bodies

Admitted bodies are voluntary and charitable organisations or private contractors undertaking a local authority function.

Abbeycroft Leisure
Anglia Community Leisure
Aspens – All Saints School Trust
Aspens – Asset
Aspens – Evolution Trust
Aspens – Glade Academy
Aspens – Kessingland
Aspens – Sapientia – Felix School
Aspens – St Eds & Ipswich DMAT
Aspens – St Marys (Lowestoft)
Aspens – St Matthews SEIDMAT
Aspens – The Ashley
Aspens – Thedwastre (Thurston Primary)
Aspens – Tilian
Aspens – Sapientia - Ixworth & Beccles
Atalian Servest - WS College
Atlas FM – E.A.T. Glade Primary
Atlas FM – SCC Westgate Primary
Atlas FM – Thedwastre Woolpit
Atlas FM – Tilian Palgrave
Beccles Fenland Charity Trust
Bidvest Noonan – Penrose Learning Trust
Care Quality Commission
Care UK
Caterlink – ALT
Caterlink – Copleston
Caterlink – Felixstowe
Caterlink – Gorseland
Caterlink – Penrose Learning Trust
Caterlink – St Albans
Caterlink – U.S.P
Caterlink – Inspiration Trust
Caterlink – Kesgrave
Caterlink – Ormiston Denes
Churchill – Penrose Learning Trust
Churchill Contract Services
Churchill CS – Kesgrave High School
Churchill CS – Hadleigh
Compass – All Saints Schools Trust
Compass – ATT
Compass – EAT
Compass – Kessingland
Compass – Ormiston Sudbury
Compass – Orwell
Compass – Paradigm
Compass – Thedwastre
Concertus
Countrywide Grounds Maintenance – Unity Schools
Crystal FM – Clarion Pakefield
Deben – Ravenswood
Ecoserv Group – TILIAN Palgrave
Ecoserv Group – Westgate Primary School
Ecoserv Group – Woolpit
Edwards & Blake – Alde Valley
Edwards & Blake – Aldeburgh
Edwards & Blake – ASSET
Edwards & Blake – Kyson
Edwards & Blake – Ormiston Denes
Edwards & Blake – Roman Hill
Edwards & Blake – Saxmundham

Edwards & Blake – Trimley St Mary
Edwards and Blake – Leiston
Elior Ltd-Chantry Academy
European Electronique
Everyone Active - Waterlane & Waveney
Flagship Housing Group
Greenace – Paradigm
Hadleigh Market Feoffment Charity
Housing 21
Impact FGL – ALT The Pines
Kier MG Ltd
Kindred – Alde Valley
Kindred – East Coast College
Kindred – Penrose Learning Trust
Landguard and Felixstowe Conservation Trust
Leading Lives
Lunchtime Co – All Saints Lawshall
Lunchtime Co – Birchwood
Lunchtime Co – C.E.T.
Lunchtime Co – EAST
Lunchtime Co – Hartismere
Lunchtime Co – Paradigm Trust
Lunchtime Co – Sebert Wood
Lunchtime Co – St Alban's OLOW
Lunchtime Co – St Felix OLOW
Lunchtime Co – Wood Ley Primary School
MadiganGill – Raedwald Trust
Milestone Infrastructure Limited
Norland Managed Services
Orwell Housing
Osiris IT - Evolution Trust (Poplars)
Papworth Trust
Phoenix Travel Ltd
Places for People
Realise Futures
Reef Cleaning Services – Penrose LT
SALC (Suffolk Association of Local Councils)
Seckford Foundation
South Suffolk Leisure – Sudbury
South Suffolk Leisure – Holbrook
Sports and Leisure Management Ltd
Suffolk Libraries IPS
Tascor – Suffolk Police
The Havebury Housing Partnership
The Pantry – Evolution Trust
The Partnership in Care Ltd
The Stevenson Centre
Thorpe Woodlands A.C.T
VHS Cleaning – Stour Valley Trust
VHS Cleaning Services Ltd – Anglian Learning - Howard
Willow Property Management – Consortium Trust

Independent Auditor's Report to the Members of Suffolk County Council

Opinion on the Pension Fund financial statements
We have audited the Pension Fund ("the Fund") financial statements for the year ended 31 March 2025 under the Local Audit and Accountability Act 2014 (as amended). The pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion the pension fund financial statements:
- give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2025 and the amount and disposition at that date of the assets and liabilities as at 31 March 2025; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Council as administering authority for the Pension Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the [Chief Financial Officer]'s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the authority's ability to continue as a going concern for a period of twelve months from when the Fund's financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the authority's ability to continue as a going concern.

Other information
The other information comprises the information included in the Statement of Accounts 2024/25 [set out on pages], other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information contained within the Statement of Accounts 2024/25.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- We issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- We make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- We make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- We issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended); or
- We make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended).

We have nothing to report in these respects.

Responsibility of the Chief Financial Officer

As explained more fully in the Statement of the Chief Financial Officer's Responsibilities set out on page 68, the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts, which includes the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. The Chief Financial Officer is also responsible for such internal control as the [Chief Financial Officer] determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administering Authority either intends to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with Chief Financial Officer.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are the Local Government Pension Scheme Regulations 2013 (as amended), and The Public Service Pensions Act 2013

.

We understood how the Fund is complying with those frameworks by making enquiries of the management. We corroborated this through our reading of the Pension Board minutes, through enquiry of employees to confirm Pension policies, and through the inspection of employee handbooks and other information.

Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of the management for their awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of minutes.

We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Fund has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any identified significant transactions that were unusual or outside the normal course of business. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

The Fund is required to comply with The Local Government Pensions Scheme regulations, other legislation relevant to the governance and administration of the Local Government Pension Scheme and requirements imposed by the Pension Regulator in relation to the Local Government Pension Scheme. As such, we have considered the experience and expertise of the engagement team including the use of specialists where appropriate, to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Fund with these regulations as part of our audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

David Riglar
September 2025
(*for and on behalf of Ernst & Young LLP, Appointed Auditor)*

Sunset Levington, River Orwell

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 dependants.
- use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimise cash contributions from employers in the long term).
- where appropriate, ensure stable employer 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 75% 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 £3,756 million, were sufficient to meet 107% 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 £235 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.

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	3.7%
Salary increase assumption	3.7%
Benefit increase assumption (CPI)	2.7%

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:

	Males	Females
Current Pensioners	22.0 years	24.6 years
Future Pensioners*	22.7 years	26.2 years

*Aged 45 at 2022 Valuation

Copies of the 2022 valuation report and Funding Strategy Statement are available on the Suffolk Pension Fund website (www.suffolkpensionfund.org)

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 stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025. The Funding Strategy Statement will also be reviewed at that time and a revised version will come into effect from 1 April 2026.

Craig Alexander FFA
For and on behalf of Hymans Robertson LLP
16 May 2025

HYMANS ROBERTSON

Together, building better futures since 1921


Blakeney, Norfolk
ACCESS
Effective • Collective • Investment
ACCESS ANNUAL REPORT 2024/25

Foreword

At the first meeting after the end of 2024/25, and in accordance with the ACCESS Inter-Authority Agreement, elections were held for the positions of Chairman and Vice-Chairman of the ACCESS Joint Committee. I am honoured to have been elected as Chairman and delighted that one of our longstanding Members, Cllr Gerard Fox from the East Sussex Pension Fund, is now the Vice-Chairman.

Of course, this Annual Report covers a year of activity in which my predecessor, Cllr Mark Kemp-Gee (Hampshire), was Chairman. In more than five years in the role, during which time I was Vice-Chairman, he led the Committee through the expansion of our pool's listed and non-listed asset offerings, the implications of the COVID pandemic and more recently the Government consultation on LGPS: Fit for the future. I would therefore like to place on record the thanks and appreciation of the Joint Committee for all of Cllr Kemp-Gee's leadership and work. We are all also grateful that Cllr Kemp-Gee will continue to represent Hampshire on the Committee and know that we will benefit from his experience and insight in the coming months.

The pooling landscape that first started to take shape in 2016 did not specify a particular model. The pool structure ACCESS chose to create continued the market sourced approach our Authorities have always adopted, and although some other pools took different pathways, we were not alone in the model adopted. 2024/25 has been dominated by the Government's Pension Review and the implications for LGPS pools. Following last September's Call for Evidence, the Consultation entitled LGPS: Fit for the future was launched after Chancellor's November Mansion House speech. This developed original Government thinking and consolidated the notion of "one model" for all pools. Against a March 2026 deadline for pools to be built around an FCA regulated investment management company, options included merger and, for those with models such as ACCESS, building an FCA company.

In order to comply with the expectations of LGPS Fit for the future ACCESS launched Project Castle initiating an intense period of dialogue, engagement and analysis.

The result was a detailed assessment of options culminating in a 60-page, 18,000 word submission to Ministers in late February, setting out the rationale for why the most effective course of action for our pool was to build our own FCA investment management company. As will be widely known, shortly after the end of 2024/25, in early April, we were extremely disappointed when Ministers indicated that they had chosen not to support ACCESS's proposal. At the time of writing the Joint Committee, ACCESS Authorities and the ACCESS Support Unit continue to work through the implications of that decision.

In closing I would like to thank my fellow ten Joint Committee members, each representing their respective Authorities, along with the Officers who support them, and the ACCESS Support Unit (ASU)

Cllr Susan Barker
Chairman of the ACCESS Joint Committee
Chairman of the Hampshire Pension Fund Panel & Board

Introduction

It is important to highlight that there were many activities and workstreams which came to fruition during the year which included the following achievements and successes:
• further expansions to product offerings, particularly within the non-listed space, meant that pooled assets rose to £49bn, representing 74% of all AUM across the 11 ACCESS Authorities;
• the re-appointment of Waystone as ACS operator following a detailed procurement process;
• the conclusion of the Governance Review;
• independent cost analysis by Clearglass indicated that ACCESS had saved £49m (18bps) in investment management fees and risen to the 7th percentile in the data universe curated by Dr Chris Sier; and
• in collaboration with our responsible investment advisor PIRC, ACCESS was successful in gaining formal recognition as a signatory to the UK Stewardship Code for the first time.

Of course, 2024/25 will be remembered for a new Government returning to a familiar agenda in its Pensions Review. A Call for Evidence and the LGPS: Fit for the future consultation were punctuated with Ministerial engagement and quick turnaround information requests from Civil Servants.

In previous years' consultations ACCESS had highlighted the fact that, at the outset, a defined pooling model was not specified. However, in the Autumn of 2024 it was clear that the direction of travel had been set, and our Project Castle objective has always been about how to implement LGPS: Fit for the future's expectations whilst preserving value and avoiding unnecessary cost. Kevin McDonald Director, ACCESS Support Unit In meeting this challenge head on, we explored merger with colleagues from both Border to Coast and Local Pension Partnership, and, in partnership with Alpha FMC as well as our longstanding advisers, researched the basis of building our own FCA investment management company.

Together with Administering Authorities we analysed the evidence, assessed the assumptions and considered the options against a range of criteria. We used data from independent and third-party sources and challenged ourselves not to underestimate the extent of the work any option entailed. Each had merit, however, overall, it made the most sense for ACCESS to build. The strapline to our proposal to Government was "Ready for change".

It was therefore with a profound sense of disappointment that shortly after our year-end date, we learned that Ministers had chosen not to support the approach adopted by the 11 ACCESS Authorities. Although the Government's ambition of reducing the number of LGPS investments pools from 8 to 6 is now clear, at the time of writing there remains a significant number of questions for which we do not yet have answers.

It is apparent that the LGPS will need to embark on yet further change, but this is a sector with a strong track record in collaboration and achievement. I am confident that with an evidence-based approach, properly advised, practitioners can plan effectively in sight of known risks. To make a success of the next chapter in LGPS pooling, what is paramount is that the sector is not burdened with am imposed rush to conclude but rather afforded the space to implement. I would like to thank my ASU colleagues, the technical leads and the officers of the Authorities for their enthusiasm, support and hard work in what continue to be exceptional circumstances.

Kevin McDonald
Director, ACCESS Support Unit

At a glance

Assets

£12.5bn passively managed with UBS

+

£2.1bn in infrastructure

+

£3.7bn in Real Estate

+

£30.4bn actively managed in ACS sub-funds (= c.93% of listed assets pooled)

=

£49.3 bn (74%) of assets within Pooled arrangement

People and employers

3,500 employers

1.2m scheme members

Performance

+11. 8% investment return on active listed assets annualised over 5 years

+11.2% benchmark on active listed assets annualised over 5 years

+0.6% outperformance on active listed assets annualised over 5 years

Costs & savings since inception

£165.133m gross savings

£41.862m costs

£123.271m net savings

Background

ACCESS (A Collaboration of Central, Eastern and Southern Shires) is made up of eleven Local Government Pension Schemes (LGPS) Administering Authorities: Cambridgeshire County Council; East Sussex County Council; Essex County Council; Hampshire County Council; Hertfordshire County Council; Isle of Wight Council; Kent County Council; Norfolk County Council; Northamptonshire County Council (West Northamptonshire from 1 April 2021); Suffolk County Council and West Sussex County Council.

Strategic oversight and scrutiny responsibilities remain with the Administering Authorities as does all decision making on their individual Funds asset allocation and the timing of transfers of assets from each Fund into the arrangements developed by the ACCESS Pool.

The Joint Committee (JC) has been appointed by the eleven Administering Authorities under s102 of the Local Government Act 1972, to exercise specific functions in relation to the pooling of LGPS assets. The Section 151 Officers of ACCESS Authorities provide advice to the Joint Committee which is further supported by the Officer Working Group (OWG) and the ACCESS Support Unit (ASU).

Re-appointed in early 2025, Waystone, provide the pooled operator service, overseeing an Authorised Contractual scheme for the sole use of ACCESS Authorities. UBS act as the ACCESS Authorities' investment manager for passive assets. JP Morgan and IFM were approved in 2024 to provide open ended infrastructure investments to the Pool. Aviva were appointed in 2024 to provide long lease real estate investments and CBRE have been appointed to provide UK and Global Property investments. JP Morgan and Stafford Capital were appointed during 2025 to provide investment in Timberland along with Arcmont and Golub for Private Debt investment.

Progress on Pooling

ACCESS submitted its pooling proposal to Government in July 2016 with detailed plans for establishing and moving assets into the pool. Included in the proposal was an indicative timeline of when assets will be pooled, and ACCESS has continued to make excellent progress against the principal milestone of having **£30.6 billion** assets pooled and estimated savings of **£21.0 million** by March 2027 exceeding the assets pooled by **£18.7 billion** and the savings by **£14 million**. As at 31 March 2025, **74%** of assets have been pooled:

Pooled Investments	£ Billions
Global Equity Funds	16.539
UK Equity Funds	1.583
Fixed Income	10.133
Diversified Growth	0.935
Emerging Markets	1.221
Passive Investments	12.513
Infrastructure	2.128
Real Estate	3.721
Timberlands	0.562
Total Pooled Investments	**49.335**

Expected v Actual Costs and Savings

The table below summarises the financial position for 2024/25 along with the cumulative position since the commencement of ACCESS activity in early 2016.

A budget for ongoing operational costs is set by the Joint Committee and is financed equally by each of the eleven Authorities. 2024/25 saw a slight overspend, primarily due to higher than anticipated costs of external advice and additional work required in response to the Governments Fit for the Future consultation and new pooling requirements.

	2024-2025		2016-2025	
	Actual In Year £' Million	Budget In Year £ 'Million	Actual Cumulative to date £' Million	Budget Cumulative to date £' Million
Set Up Costs	-	-	1.824	1.400
Transition Costs	-	-	3.338	6.907
Ongoing Operational Costs	1.617	1.314	8.517	10.568
Operator & Depositary Costs	5.791	6.082	28.183	32.791
Total Costs	7.408	7.396	41.862	51.666
Pool Fee Savings	35.394	21.400	165.133	106.850
Net Savings Realised	27.986	14.004	123.271	55.184

Operator and depositary fees are payable by each Authority in relation to assets invested within the Authorised Contractual Scheme established by Waystone as pool operator.

The 2024/25 fee savings have been calculated using the CIPFA price variance methodology and based on the average asset values over the year. This approach highlights the combined level of investment fee savings, across all ACCESS Authorities stemming from reduced charges.

In summary, since inception ACCESS has demonstrated excellent value for money, maintaining expenditure broadly in line with the MHCLG submission whilst delivering an enhanced level of savings ahead of the timeline contained in the original proposal.

Hampshire

Environmental, Social and Governance (ESG) and Responsible Investment (RI)

The ACCESS Authorities believe in making long term sustainable investments whilst integrating environmental and social risk considerations, promoting good governance and stewardship.

Whilst the participating authorities have an overriding fiduciary and public law duty to act in the best long-term interests of their LGPS stakeholders to achieve the best possible financial returns, with an appropriate level of risk they also recognise the importance of committing to responsible investment alongside financial factors in the investment decision making process.

ACCESS is committed to expanding its ESG and responsible investment oversight, reviewing its own ESG/RI guidelines to reflect both the requirements of the Authorities and the expectations associated with this fundamental aspect of institutional investment.

It has been a year of continual development, with ACCESS submitting and being approved as a signatory to the UK Stewardship code and publishing its first responsible investment and stewardship report.

The ACCESS pool has a set of voting guidelines which seeks to protect and enhance the value of its shareholdings by promoting good practice in the corporate governance and management of those companies.

The voting guidelines sets out the principles of good corporate governance and the means by which ACCESS will seek to exercise its influence on companies. During the year ACCESS voted at **2,439** meetings on **37,473** resolutions and UBS voted at **10,848** meetings on **126,989** resolutions on ACCESS investments held with them.

Cllr Susan Barker
Chairman of the ACCESS Joint Committee
Chairman of the Essex Pension Fund Strategy Board

Digswell Viaduct - Hertfordshire

Statement of Responsibilities for the Pension Fund Accounts

The Council's Responsibilities

The Council is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, during 2023-24 that officer was the Chief Financial Officer;
- to manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets; and
- to approve the statement of accounts

Certification

I confirm that these Accounts were approved by the Audit Committee at its meeting on 27 November 2025 on behalf of Suffolk County Council and have been authorised for issue.

Councillor J Spicer
Chairman
November 2025

The Responsibilities of the Chief Financial Officer (Section 151 Officer)

The Chief Financial Officer is responsible for the preparation of the Council's Statements of Accounts including those of the Pension Fund. In order to comply with the Code of Practice on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), these statements must present a true and fair view of the financial position of the Pension Fund at 31 March 2025, and the income and expenditure (spending) for the year to that date.

In preparing this Statement of Accounts, the Chief Financial Officer has:

- chosen suitable accounting policies and applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- followed the Code of Practice on Local Authority Accounting.

The Chief Financial Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps to prevent and detect fraud and other irregularities.

Certification

I certify that this statement of accounts has been prepared in accordance with proper accounting practices and presents a true and fair view of the Pension Fund at 31 March 2025 and its income and expenditure for the year to that date.

Louise Aynsley

Chief Financial Officer (Section 151 Officer)

Fund Account

2023 - 2024 £ million	Fund Account	Notes	2024 - 2025 £ million
	Dealings with members, employers and others directly involved in the scheme		
	Contributions and benefits		
	Contributions receivable:		
	From employers		
103.626	Normal	10	108.520
0.049	Additional	10	0.039
1.064	Other	10	2.766
	From members		
31.263	Normal	10	33.295
	Transfers In		
10.827	Individual transfers in from other schemes		11.933
-	Group transfers in from other schemes		0.000
	Benefits payable:		
-105.625	Pensions	10	-116.134
-19.331	Commutations of pensions and lump sum retirement benefits	10	-23.474
-2.128	Lump sum death benefits	10	-2.711
	Payments to and on account of leavers:		
-0.511	Refunds of Contributions		-0.549
0.000	Exit Credit	10	-2.399
-9.112	Individual transfers out to other schemes		-13.871
-0.083	Group Transfers out to other Schemes		0.000
10.039	**Net additions (withdrawals) from dealings with members**		**-2.585**
-14.613	Management Expenses	11	-15.618
-4.574	**Net additions (withdrawals) including management expenses**		**-18.203**
	Returns on investments		
	Investment income		
11.840	Income from Pooled Investment Vehicles - Property		12.388
1.294	Income from Pooled Investment Vehicles - Private Equity		1.365
97.085	Income from Other Pooled Investment Vehicles		108.905
0.911	Interest on Cash Deposits		1.191
0.000	Other		0.000
387.368	Change in market value of investments		112.352
498.498	**Net returns on investments**		**236.201**
493.924	Net increase, or (decrease), in the fund during the year		217.998
3,758.873	Opening net assets of the scheme		4,252.797
4,252.797	**Closing net assets of the scheme**		**4,470.795**

St Edmundsbury Cathedral

Net Asset Statement

2023 - 2024 £ million	Net Asset Statement	Notes	2024 - 2025 £ million
	Investment Assets		
	Pooled Investment Vehicles		
972.817	Equities	13,14	1,042.046
990.220	Fixed Income	13,14	1,242.291
1,174.540	Index Tracking	13,14	1,038.361
306.180	Property Unit Trust	13,14	388.770
793.963	Other Managed Funds	13,14	736.716
4,237.720	**Total Pooled Investment Vehicles**		**4,448.184**
	Other Investment Balance		
3.570	Cash [held for investment]	13	22.981
3.570	**Total Other Investment Balance**		**22.981**
	Investment Liabilites		
0.000	Purchases awaiting settlement	13	-8.422
0.000	**Total Investment Liabilities**		**-8.422**
4,241.290	**Total Investments**		**4,462.743**
	Current Assets		
12.033	Debtors	22	13.250
7.308	Cash Deposits	19d	3.598
0.000	Cash at Bank	19d	0.042
19.341	**Total Current Assets**		**16.890**
	Current Liabilities		
-1.319	Cash at Bank	19d	0.000
-6.515	Creditors	23	-8.838
-7.834	**Total Current Liabilities**		**-8.838**
11.507	**Net Current Assets**		**8.052**
4,252.797	**Net Assets**		**4,470.795**

Protestant Martyrs Memorial, Bury St Edmunds

Notes to the Accounts

1. Description of the Fund

The Suffolk Pension Fund is administered by Suffolk County Council. It is a contributory defined benefit scheme established by the Superannuation Act 1972 and governed by the Public Service Pensions Act 2013.

The Fund is administered in accordance with the following secondary legislation:

• The Local Government Pensions Scheme Regulations 2013 (as amended)

• The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016

• The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended).

The Fund provides retirement benefits for employees who are members of the Local Government Pension Scheme (LGPS).

Organisations participating in the Suffolk County Council Pension Fund include:

• Scheduled bodies - local authorities, district and borough councils and other similar bodies such as academies whose staff are automatically entitled to be members of the Fund

• Admitted bodies - voluntary and charitable bodies or private contractors undertaking a local authority function

• Resolution bodies - town and parish councils who formally pass a resolution designating staff to be eligible to join the LGPS.

There are 344 employer organisations with active members within the Scheme as at 31 March 2025, a decrease of 4 from the previous year total of 348. Teachers, Firefighters and NHS staff have their own pension schemes and are not included in the Fund.

The Fund has the following number of members and pensioners:

31 March 2024		31 March 2025
	Number of Employees in the Scheme	
7,617	County Council	8,282
15,076	Other Employers	15,570
22,693	**Total**	**23,852**
	Number of Pensioners	
10,611	County Council	11,035
9,444	Other Employers	10,086
20,055	**Total**	**21,121**
	Number of Deferred Members	
14,494	County Council	13,730
16,271	Other Employers	15,902
30,765	**Total**	**29,632**

Funding

Benefits are funded by contributions and investment earnings. Employers' contributions are set based on the triennial actuarial funding valuation in March 2022 for the contributions paid in 2024–2025. Employees contributions are paid in line with the LGPS Regulations 2013.

Benefits

Prior to 1 April 2014 pension benefits are based on final pensionable pay and length of service. From 1 April 2014, the scheme became a career average scheme with members accruing benefits based on their current annual pensionable pay at an accrual rate of 1/49th.

2. Events after the Balance Sheet Date

There has been no event between 31 March 2025 and the date when these accounts were authorised for issue that requires any adjustments to these accounts.

On 9 April 2025, the Suffolk Pension Fund was informed by letter from Torsten Bell MP (Minister for Pensions) and Jim McMahon MP (Minister for Local Government) that the ACCESS Asset Pool's proposal in response to the Government's Fit for the Future consultation was not approved and consequently it has been prescribed, that the Suffolk Pension Fund has to join another asset pool.

The Suffolk Pension Fund will be required, by 30 September 2025, to submit an in-principle decision on the LGPS Asset Pool that the Fund will transition to in the future

3. Significant Changes to the Fund

As part of its annual asset allocation review, the Committee at its meeting on 31 March 2024, agreed to diversify its equity holdings within the ACCESS Pool, this resulted in the following asset allocation changes:

* Reduce Newton from 12% to 5%
* Reduce Blackrock from 8% to 5%
* Reduce UBS Group Low Carbon Fund from 7.5% to 7%
* Increase Columbia Threadneedle from 1.0% to 1.5%
* Invest 5% with Baillie Gifford
* Invest 5% with Longview

The Pension Fund Committee made a decision at the same meeting to disinvest the 4% asset allocation to 5-year gilts, held with UBS Group and invest this into a sterling investment grade credit fund operated by Fidelity within the ACCESS Pool.

These asset allocations were implemented during the financial year in three tranches, June, September and November.

The Pension Fund Committee made a decision to formally appoint CBRE as the Fund's property investment manager at its meeting on 3 June 2024 replacing Schroders. CBRE were appointed to provide UK and Global Property by APEX on behalf of the ACCESS Pool.

The Committee allocated 8% to UK Property and 4% to Global Property this is funded from the 10% allocation to Schroders and a reduction of 2% from UBS Group Climate Aware Fund.

The transition of the UK property held with Schroders to CBRE was implemented on 1 October 2024, the global property investments will happen over time as investment opportunities are identified by CBRE.

The Pension Fund Committee made a decision on 29 November 2024 to allocate 2% of the Fund to the Timberlands asset class, 1% to JP Morgan and 1% to Stafford international. These will be invested over time as investment opportunities are identified by the respective investment managers. These will be funded by reducing M&G and Janus Henderson fixed income investments by 1% each.

Suffolk Pension Fund has £4.001 billion invested within the ACCESS Pool, (£3.361 billion, 31 March 2024), which represents 90% of the Fund's investment assets (79%, 31 March 2024)

Orwell Bridge (Sunset)

4. Basis of Preparation of Pension Fund Accounts

The Statement of Accounts summarises the Fund's transactions for the 2024-2025 financial year and its position as at 31 March 2025.

These accounts have been prepared in accordance with the 'Code of Practice on Local Authority Accounting in United Kingdom 2024 - 2025', which is based upon International Financial Reporting Standards (IFRS).

The accounts do not take into account 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 on an International Accounting Standard (IAS 26) basis, is disclosed in Note 21 of these accounts.

5. Going Concern Statement

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024 - 2025 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis.

In carrying out its assessment that this basis is appropriate, made to 31 December 2025, management of the Pension Fund have considered the additional qualitative and quantitative key requirements:

The basis for preparation is supported by legislation for local authorities, and the Code requirements on the basis of the continuation of services.

In line with Regulation 62 of the Local Government Pension Scheme Regulations 2013, the Fund's actuary carried out an interim valuation during 2024 - 2025. The Fund's assets were valued at £4.460 billion, with liabilities of £2.770 billion. This has been calculated based on the membership and financial assumptions set for the valuation exercise carried out as at 31 March 2022.

During the March 2022 valuation exercise, the funding level was 107%. The improved funding position resulted in many Employers paying lower contribution rates from 1 April 2023, which will reduce the income from contributions for the following 3 years. All employers within the fund are paying contributions as per the rates and adjustment certificate.

The Fund is cashflow negative by £3.000 million and forecast to be cashflow negative at £6.000 million for 2025 - 2026, meaning that the benefits amount paid out, exceed contributions received from the employers and members of the scheme. The deficit is met through investment income and the return of capital from mature investments.

The Pension Fund has not utilised any borrowing during the 2024 - 2025 financial year or within the 2025 - 2026 financial year to date.

The Pension Fund has an allocation of 42.5% to equities, 28% to Bonds and 0.5% to cash, which are assets that could be liquidated to pay benefits should the need arise.

On this basis, the Pension Fund have a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period. For this reason, alongside the statutory guidance, the Fund continues to adopt the going concern basis in preparing these financial statements.

Memorial to 94th Bombardment Group, Bury St. Edmunds

6. Summary of Significant Accounting Policies

6.1 Fund Account - Revenue Recognition

Contribution Income

Normal contributions from members and employers are accounted for on an accruals basis at the percentage rate recommended by the actuary in the payroll period to which they relate.

Employers' secondary rate contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary.

Employers' augmentation 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.

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 LGPS Regulations.

Individual transfers in/out of the scheme are accounted for when they have been received/paid, which is when the member's 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.

Group transfers are accounted for in accordance with the terms of the transfer agreement.

Investment Income

Investment income may include withholding tax which is disclosed as a separate item (taxes on income) on the face of the Fund Account. Investment income arising from the underlying investments of Pooled Investment Vehicles is reinvested in the vehicle and reflected in the unit price.

Dividend income is recognised on the date the shares are quoted 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.

Income from cash and other investments are accounted for on an accrual's basis.

Distributions from pooled funds are recognised at the date of issue and any amount not received by the end of the reporting period is disclosed in the Net Asset Statement as a current financial asset.

Movement in the Market Value of Investments

Movement in the net market value of investments is recognised as a realised unrealised, gain or loss, during the year.

Ship from Languard fort, Felixstowe

6.2 Fund Account - Expenditure

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 a current financial liability.

Taxation

The Fund is a registered public service pension scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and is exempt from UK income tax on interest received and capital gains tax on proceeds of investments sold.

Income from overseas investments is subject to withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense.

Management Expenses
All management expenses are accounted for on an accrual's basis.

i) Administration Expenses and Oversight and Governance Expenses

Suffolk County Council staff costs are charged to the Pension Fund based on time spent. Accommodation and other overhead costs have also been apportioned.

ii) Investment Management Expenses

Investment management fees and performance fees are agreed in the respective mandates governing their appointment. These fees are based on the market value of the investments under management and therefore increase or decrease as the value of the investments change.

Transaction costs and custody fees are included in investment management expenses.

6.3 Net Asset Statement

Financial Assets

Financial assets are included in the Net Asset Statement on a fair value basis as at the reporting date. A financial asset is recognised on the date the Fund becomes party to the contractual acquisition of the asset. Any gains or losses arising from changes in the fair value from this date are recognised by the Fund.

The value of investments has been determined as follows:

Market Quoted Investments

Managed Funds are valued using the bid market price on 31 March 2025.

Property
Property is valued using the latest available Net Asset Value (NAV) or where a NAV is not available, assumptions based on the probable realisation value.

Unquoted Pooled Investment Vehicles

Unquoted Securities include pooled investments in Infrastructure, Illiquid Debt, Private Equity and Timberlands. Market quotations are not readily available. The value is based on the Fund's share of the net asset using the latest financial statements received from the respective fund manager and adjusted for capital calls and distributions received from that date to 31 March 2025.

Quoted Pooled Investment Vehicles

Pooled Investment Vehicles are valued at the closing bid price or at the closing single price, as available. The change in market value of accumulation funds includes income which is reinvested in the Fund net of applicable withholding tax.

Foreign Currency Transactions

Investments and cash held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate as at 31 March 2025.

Derivatives

Derivative financial instruments are used to manage exposure to specific risks arising from investment activities and are not held for speculative purposes. Derivative contract assets are valued at bid price and liabilities are valued at offer price. Changes in the fair value are included in the change in market value.

Forward Foreign Exchange Contracts outstanding at the year-end are stated at fair value, which is determined as the loss or gain that would arise if the outstanding contract was required to be settled on 31 March 2025.

Cash and Cash Equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment purposes. Bank balances and cash held by the Pension Fund at 31 March 2025 are therefore cash equivalent sums. For short term investments there are no strict criteria to follow relating to the nature and maturity of these items.

The Pension Fund holds short term investments in Money Market Funds for the purpose of obtaining a gain or return.

Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Pension Fund Accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Pension Fund Accounts are adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the Pension Fund Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Pension Fund Accounts.

Additional Voluntary Contributions

The Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. AVC's are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVC's are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2009/3093) but are disclosed as a note.

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 requirements of IAS 19 and relevant actuarial codes.

As permitted under IAS 26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Asset Statement.

7. Accounting Standards Issued, Not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2024 – 2025 requires the disclosure of information relating to the expected impact of changes that will be required by a new standard that has been introduced but not yet adopted and applies to the adoption of the following disclosures as amended in the 2025 - 2026 code.

IFRS 16 – Leases.

IAS 8 - Definition of accounting estimates.

IAS 1 - Classification of current and non-current liabilities.

IAS 12 - Deferred tax.

IFRS 7/ IAS 7 - Supplier finance arrangements.

The code requires implementation of the above disclosure from 1 April 2024. These changes are not considered to have a material effect on the Pension Fund accounts of 2024 - 2025.

8. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 6, the Pension Fund has to make certain judgements about complex transactions or those involving uncertainty about future events. The main critical judgement that the Pension Fund must consider is the Pension Fund actuarial liability.

The Pension Fund liability is calculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 20 Funding Position. This estimate is subject to significant variances based on changes to the underlying assumptions.

The methodology used in calculating the Pension Fund's liability, in conjunction with the Fund's investment strategy means that the surplus or deficit can vary significantly over short periods of time, whilst the underlying funding strategy is based on a much longer timeline that smooths out the effects of extreme market volatility.

9. Assumptions made about the Future and other Sources of Estimation Uncertainty

The Pension Fund Accounts contain estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that actual outcomes could differ from those estimates and there is a risk that these investments may be under or overstated in the accounts. An analysis of the potential market movement range for these holdings is set out in Note 18e.

The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Actuarial Present Value of Promised Retirement Benefits
Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on Pension Fund assets. A firm of consulting actuaries, Hymans Robertson LLP are engaged to provide the Fund with expert advice about the assumptions to be applied.

Property
Pooled property investment vehicles are valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. Pooled property funds have derived underlying assets that have been valued by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition).

The property investment held with CBRE at 31 March 2025 is £388.770 million.

Private Equity
Private Equity investments are valued at fair value in accordance with IFRS and British Venture Capital Association guidelines. Both Pantheon and Wilshire have established procedures to report fair value on a consistent, transparent and prudent basis. These investments are illiquid and are not publicly listed and as such there is a high degree of estimation involved in the valuation.

The unquoted Private Equity investments at 31 March 2025 are £99.208 million with Pantheon and £3.600 million with Wilshire.

Infrastructure
Infrastructure investments are valued through a fair market value process designed in accordance with IFRS. These investments are not publicly listed and as such there is a high degree of estimation involved in the valuation.

The Infrastructure investments held with Partners, M&G, KKR and JP Morgan at 31 March 2025 are £45.917 million, £52.975 million, £65.094 and £270.110 million respectively.

Illiquid Debt
Illiquid Debt is valued by a valuation agent who will use an independent pricing source to value most loans at market value or a probable realisation valuation method if market quotations are not readily available. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.

Illiquid Debt is held with M&G and includes the Debt Opportunity investments, the Illiquid Credit Opportunity Fund and the Debt Solutions Fund totalling £20.725 million and Multi Asset Credit Fund's held with Partners Group valued at £105.628 million as at 31 March 2025.

Timber
The Timber investment is a limited liability partnership investment in large-scale high-quality timber assets. The fair value is determined on at least an annual basis with a valuation review performed on a quarterly basis to assess whether there is evidence of a significant change in the investment fundamentals that warrant a change in the fair value. The manager may utilise independent valuations to confirm the reasonableness of internally prepared valuations.

Fair values for Timber is based on comparable purchase and sale transactions, or other accepted valuation techniques that include the discounted cash flow and multiple of earnings approach. Separate appraisals for timber are obtained from independent qualified appraisers at least once every three years or more frequently as required.

The Timber investment at 31 March 2025 is £0.037 million with Brookfield and £15.775 million with JP Morgan.

Henry Moore sculpture, Snape Maltings

10. Contributions Received and Benefits Paid during the Year

2023 - 2024				2024 - 2025		
Employers' Contributions	Employees' Contributions	Benefits Paid		Employers' Contributions	Employees' Contributions	Benefits Paid
£ million	£ million	£ million		£ million	£ million	£ million
37.373	12.562	-58.662	Suffolk County Council	39.565	13.200	-63.992
65.533	18.018	-61.096	Other Scheduled and Resolution Bodies	69.877	19.571	-69.907
1.833	0.683	-7.326	Admitted Bodies	1.883	0.524	-8.420
104.739	31.263	-127.084	**Total**	**111.325**	**33.295**	**-142.319**

Employer contributions are the ongoing contributions paid into the scheme by the employers in accordance with the rates and adjustments certificate provided by the actuary, which sets out the contribution rates for all the employers in the Fund.

Employer contributions are made up of two elements:
a) The primary rate which is the level sufficient to cover all new benefits
b) The secondary rate which are the costs associated with sufficiently funding benefits accrued up to the valuation date.

Included within the employer normal contributions of £108.520 million shown in the Fund account, is an amount of £1.660 million which represents the secondary rate paid within the employers' percentage (£1.748 million in 2023 - 2024).

The additional employer contribution identified separately on the Fund account of £0.039 million, (£0.049 million in 2023 - 2024), refers to those employers funding their secondary rate by means of lump sum payments.

Included in the Fund Account is an exit credit amount of £2.399 million for Havebury Housing, who left the scheme, this has been made under Regulation 74,75 and 15 (3) and 64 of the Local Government Pension Scheme (administration) Regulations 2008/2018.

The Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the next three-year period. 2024-2025 was the second year in the three-year period following the 31 March 2022 valuation.

A list of employers and their contribution rates is available on the Suffolk Pension Fund website at www.suffolkpensionfund.org.

11. Management Expenses

2023 - 2024 £ million		2024 - 2025 £ million
12.253	Investment Management Expenses	12.723
1.669	Administration Expenses	2.010
0.692	Oversight and Governance Costs	0.885
14.613		15.618

Management expenses are categorised into investment management expenses, administration expenses and oversight and governance costs in accordance with the CIPFA guidance to Accounting for Local Government Pension Scheme Management Costs.

Administration Expenses includes costs associated with members, pensioners and scheme employers. This would include all activities associated with pension administration - staff costs, IT, membership fees and subscriptions.

Oversight and Governance Costs includes costs incurred in the monitoring of investments, investment advisory services, independent advisors, support to the Pension Fund Committee and Pension Board, costs associated with the production of statutory and non-statutory reporting, legal services, actuarial services, audit services and accountancy services.

External audit fees charged by Ernst & Young for 2024 - 2025 were £0.119 million, (£0.094 million 2023 - 2024). The external fee is subject to change, depending on additional charges which may be made by the external auditors on high-risk areas. £0.015 million has been accrued for additional work.

£0.013 million has been received from the Ministry of Housing, Communities and Local Government to support the implementation of the Redmond Review recommendations, to meet the anticipated rise in fees for the 2024 - 2025 audits driven by new audit requirements.

Investment management expenses include costs that are incurred in association with the management of the Pension Fund assets and financial instruments, whether directly invoiced to the fund or deducted from the fund assets. This includes management fees, performance fees and investment transaction costs as below.

2024 - 2025	Management Fees	Performance Fees	Transaction Costs	Total
Assets	**£ million**	**£ million**	**£ million**	**£ million**
Pooled Investments				
Equities	0.236		0.855	1.091
Index Tracking	0.520			0.520
Fixed Income	0.214			0.214
Property	1.258			1.258
Absolute Returns	0.150			0.150
Private Equity	1.421			1.421
Infrastructure	3.215	0.735		3.950
Illiquid Debt	3.003	1.078		4.081
Total Investment Expenses	10.017	1.813	0.855	12.685
Custody	0.038			0.038
Total Investment Management Expenses	10.055	1.813	0.855	12.723

2023 - 2024	Management Fees	Performance Fees	Transaction Costs	Total
Assets	**£ million**	**£ million**	**£ million**	**£ million**
Pooled Investments				
Equities	0.184		0.066	0.250
Index Tracking	0.488			0.488
Fixed Income	0.159		0.432	0.591
Property	1.088			1.088
Absolute Returns	0.291			0.291
Private Equity	1.476	0.000		1.476
Infrastructure	3.689	0.651		4.340
Illiquid Debt	2.724	0.978		3.702
Money Market	-0.013			-0.013
Total Investment Expenses	10.086	1.629	0.498	12.213
Custody	0.040			0.040
Total Investment Management Expenses	10.126	1.629	0.498	12.253

Cranes, Felixstowe Docks

12. Analysis of the Market Value of Investments by Investment Manager

31 March 2024 Market Value £ million	31 March 2024 Percentage of Assets %		31 March 2025 Market Value £ million	31 March 2025 Percentage of Assets %
		Investments managed within the ACCESS Pool		
1,963.037	**46.30%**	Waystone	2,284.336	**51.36%**
1,174.539	**27.72%**	UBS Group	1,038.361	**23.34%**
223.169	**5.27%**	JP Morgan	285.885	**6.43%**
-	**0.00%**	CBRE	392.296	**8.82%**
3,360.745	**79.29%**	**Total within the ACCESS Pool**	**4,000.878**	**89.95%**
		Investments managed outside the ACCESS Pool		
0.041	**0.00%**	Brookfield Asset Management	0.037	**0.00%**
0.026	**0.00%**	Cambridge Research & Innovation Limited	-	**0.00%**
43.985	**1.04%**	Kohlberg, Kravis, Roberts	65.094	**1.46%**
97.458	**2.30%**	M&G Investments	73.700	**1.66%**
13.091	**0.31%**	Northern Trust	12.640	**0.28%**
161.771	**3.82%**	Pantheon Ventures	140.689	**3.16%**
165.149	**3.90%**	Partners Group	151.546	**3.41%**
69.580	**1.64%**	Pyrford International	-	**0.00%**
321.619	**7.60%**	Schroder Property Investment Management	-	**0.00%**
4.255	**0.10%**	Wilshire Associates	3.600	**0.08%**
876.975	**20.71%**	**Total outside the ACCESS Pool**	**447.306**	**10.05%**

Waystone are the Authorised Contractual Scheme operator of the ACCESS Pool. The UBS Group, CBRE and JP Morgan investments are managed within the ACCESS Pool on a pool governance basis.

The Northern Trust holding is the surplus cash invested in money market funds.

The Multi Asset Credit mandates with Partners Group, the Infrastructure mandate with Kohlberg, Kravis, Roberts, the Private Equity mandate with Pantheon Ventures Investments, and the Debt Solutions Fund and Infracapital Fund with M&G have been funded as investment opportunities are identified by the investment managers. These investments are funded from surplus cash and from the Pyrford International mandate.

The Debt Opportunity mandate with M&G, Private Equity with Wilshire and Infrastructure with Partners Group are mature investments that are returning funds as the investments are realised.

The mandates with Cambridge Research & Innovation Limited, Pyrford International and Schroder Property Investment Management were disinvested during the year.

13. Reconciliation of Movements in Investments and Derivatives

	Opening Market Value 31 March 2023 £ million	Purchases £ million	Sales £ million	Change in Market Value £ million	Closing Market Value 31 March 2024 £ million
Quoted					
Pooled Investment Vehicles:					
Equities	827.302	57.112	-60.066	148.469	972.817
Fixed Income	776.447	154.522	0.000	59.251	990.220
Unit linked insurance policies	1,006.746	25.000	-39.949	182.743	1,174.540
Other Managed Funds	215.664	291.217	-382.207	17.478	142.152
Unquoted					
Pooled Investment Vehicles:					
Other Managed Funds	618.757	64.819	-13.184	-18.581	651.811
Property	296.809	24.969	-4.038	-11.560	306.180
Total of Investments	**3,741.725**	**617.639**	**-499.444**	**377.800**	**4,237.720**

	Closing Market Value 31 March 2023 £ million	Movement in Cash Balance £ million	Impairment of Investments £ million	Change in Market Value £ million	Closing Market Value 31 March 2024 £ million
Other Investment Balances:					
Cash Held for Investment	0.709	3.084	-	-0.223	3.570
Net Investments	**0.709**	**3.084**	**-**	**-0.223**	**3.570**

The change in market value of £377.577 million (£377.800 million and -£0.223 million) is £9.791 million different than the change in market value on the Fund Account of £387.368 million. The difference is caused by indirect management fees and transaction costs which are charged against the NAV and not directly to the Fund.

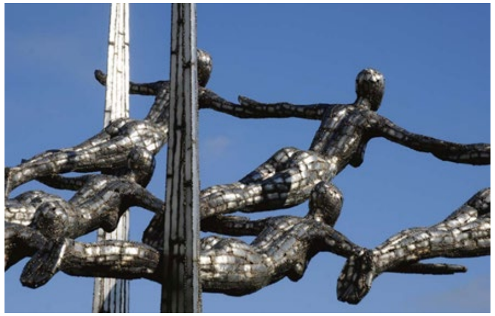
The Pooled Investment Vehicles are managed by fund managers registered in the UK.

	Opening Market Value 01 April 2024 £ million	Purchases £ million	Sales £ million	Change in Market Value £ million	Closing Market Value 31 March 2025 £ million
Quoted					
Pooled Investment Vehicles:					
Equities	972.817	35.913	-	33.316	1,042.046
Fixed Income	990.220	237.805	-	14.266	1,242.291
Index Tracking	1,174.540	-	-197.770	61.591	1,038.361
Other Managed Funds	142.152	377.413	-460.948	-0.970	57.647
Unquoted					
Pooled Investment Vehicles:					
Other Managed Funds	651.811	85.974	-49.559	-9.157	679.069
Property	306.180	398.042	-320.350	4.898	388.770
Total of Investments	**4,237.720**	**1,135.147**	**-1,028.627**	**103.944**	**4,448.184**

	Opening Market Value 01 April 2024 £ million	Movement in Balance £ million	Impairment of Investments £ million	Change in Market Value £ million	Closing Market Value 31 March 2025 £ million
Other Investment Balances:					
Payable for Purchases	-	-8.422	-	-	-8.422
Cash Held for Investment	3.570	19.865	-	-0.454	22.981
Net Investments	**3.570**	**11.443**	**-**	**-0.454**	**14.559**

The change in market value of £103.490 million (£103.944 million and -£0.454 million) is £8.862 million different than the change in market value on the Fund Account of £112.352 million. The difference is predominantly caused by indirect management fees and transaction costs which are charged against the NAV and not directly to the Fund.

The Pooled Investment Vehicles are managed by fund managers registered in the UK.



Formation, Ravenswood Ipswich

14. Analysis of Investments (excluding Cash and Derivatives)

Market Value 31 March 2024 £ million	£ million		Market Value 31 March 2025 £ million	£ million
		Pooled Investment Vehicles - Quoted		
	972.817	Equities		1,042.046
	990.220	Fixed Income		1,242.291
	1,174.540	Index Tracking		1,038.361
		Other Managed Funds		
69.580		Absolute Returns	0.000	
28.528		Money Market Funds	16.166	
44.044		Private Equity	41.481	
142.152		Total Quoted Other Managed Funds	57.647	
		Pooled Investment Vehicles - Unquoted		
		Other Managed Funds		
144.341		Illiquid Debt	126.353	
385.420		Infrastructure	434.096	
122.009		Private Equity	102.808	
0.041		Timberlands	15.812	
651.811		Total Unquoted Other Managed Funds	679.069	
	793.963	Total Other Managed Funds		736.716
	306.180	Property		388.770
	4,237.720	**Total**		**4,448.184**

The table above breaks down the Pooled Investment Vehicles and further analyses the Other Managed Funds. These investments are either quoted (they are traded on an exchange and have a visible market valuation) or unquoted (stocks that are not traded on an exchange and are difficult to value).

15. Holdings Above 5% of the Fund

This is a summary of the individual holdings within the Fund which exceed 5% of the total net assets available to pay benefits as at the balance sheet date.

Market Value 31 March 2024 £ million	Percentage of the Fund 31 March 2024	Asset Type	Manager
657.180	15.49%	Climate Aware	UBS
581.682	13.71%	Global Equity - Newton	Waystone Management UK Ltd
496.417	11.70%	Fixed Income - Janus Henderson	Waystone Management UK Ltd
493.803	11.64%	Fixed Income - M&G	Waystone Management UK Ltd
358.766	8.46%	Low Carbon Transition Fund	UBS
349.411	8.24%	UK Equity - Blackrock	Waystone Management UK Ltd
223.169	5.26%	Infrastructure Investment Fund	JP Morgan

Market Value 31 March 2025 £ million	Percentage of the Fund 31 March 2025	Asset Type	Manager
670.470	15.07%	Climate Aware	UBS
538.804	12.11%	Fixed Income - M&G	Waystone Management UK Ltd
531.507	11.95%	Fixed Income - Janus Henderson	Waystone Management UK Ltd
367.890	8.27%	Low Carbon Transition Fund	UBS
308.671	6.94%	Global Equity - Newton	Waystone Management UK Ltd
270.110	6.07%	Infrastructure Investment Fund	JP Morgan
246.749	5.55%	UK Equity - Blackrock	Waystone Management UK Ltd

16. Analysis of Derivatives

The Pension Fund's investment managers are permitted to use derivatives in the management of their mandates, subject to the restrictions set out in the individual manager's investment management agreement. The investment managers will make use of currency hedging for the purpose of reducing exchange rate risk in the investments held in their mandates.

In order to maintain appropriate diversification and to take advantage of overseas investment returns, the fund invests in a Low Carbon Transition Fund holding with UBS, into the sterling hedged version. The holding as at 31 March 2025 was £367.890 million (£358.766 million 31 March 2024)

17a. Financial Instruments – Classification

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The table below analyses the carrying amounts of financial assets and liabilities by category and Net Asset Statement heading, excluding statutory creditors (prepayments from employers, transfer values, lump sum benefit payments, payroll adjustments) and statutory debtors, (employer and employee contributions, VAT, transfer values and capital cost of retirement).

31 March 2024				31 March 2025		
Designated as Fair Value through Profit & Loss £ million	Assets at Amortised Cost £ million	Financial Liabilities at Amortised Cost £ million		Designated as Fair Value through Profit & Loss £ million	Assets at Amortised Cost £ million	Financial Liabilities at Amortised Cost £ million
			Financial Assets			
972.817			Pooled Investments - Equities	1,042.046		
990.220			Pooled Investments - Fixed Income	1,242.291		
1,174.540			Pooled Investments - Index Tracking	1,038.361		
306.180			Pooled Investments - Property	388.770		
793.963			Pooled Investments - Other Managed Funds	736.716		
	3.570		Other Investment Balances		22.981	
	2.097		Debtors		2.658	
	7.308	-1.319	Cash		3.640	0.000
4,237.720	12.975	-1.319	Total Financial Assets	4,448.184	29.279	0.000
			Financial Liabilities			
			Purchases awaiting settlement			-8.422
		-4.133	Creditors			-2.002
0.000	0.000	-4.133	Total Financial Liabilities	0.000	0.000	-10.424
4,237.720	12.975	-5.452	Total	4,448.184	29.279	-10.424

The debtor figure of £2.658 million above (£2.097 million at 31 March 2024) excludes statutory debtors of £10.592 million (£9.936 million at 31 March 2024).

The creditor figure of £2.002 million above (£4.133 million at 31 March 2024) excludes statutory creditors of £6.836 million (£2.382 million at 31 March 2024).

No financial assets were reclassified during the accounting period.

17b. Net Gains and Losses on Financial Instruments

31 March 2024 £ million	Financial Assets	31 March 2025 £ million
377.800	Fair value through profit and loss	103.944
-0.223	Amortised cost - unrealised gains	-0.454
	Financial Liabilities	
0.000	Fair value through profit and loss	0.000
377.577	**Total**	**103.490**

18a. Fair Value Hierarchy

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1
Financial instruments at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical asset or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Listed investments are shown at bid price. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2
Financial instruments at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Assets classified as level 2 include pooled equity and fixed income investments.

Level 3
Financial instruments at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

These instruments would include unquoted investments such as Property, Private Equity, Infrastructure, Illiquid Debt and Timberlands, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

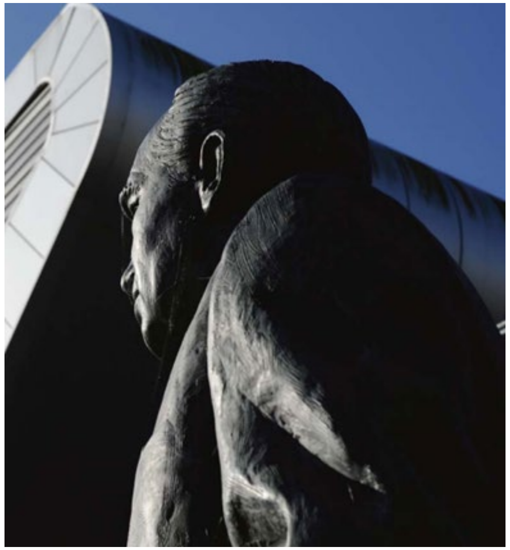
Giles' Grandma, Ipswich

18.b Fair Value - Basis of valuation

The basis of valuation for each class of investment asset is set out below:

Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Market Quoted Equities Money Market Funds Absolute Returns	Level 1	Published bid market price	N/A	N/A
Index Tracking Equity Pooled Funds	Level 2	Valuation technique with quoted prices of a similar asset	Price of recent transactions for identical instrument	Significant change in economic circumstances or time lapse since the transaction took place.
Fixed Income	Level 2	The prices are published reflecting the NAV at each dealing point but are not exchange traded	Price of recent transactions for identical instrument	Significant change in economic circumstances or time lapse since the transaction took place.
Forward Foreign Exchange derivatives	Level 2	Market exchange rates at the year end	Price of recent transactions for identical instrument	Risk of an exchange rate changing between the transaction date and the subsequent settlement date volatility of the exchange rates during the hedge period
Property	Level 3	Assets are priced based on valuations received from the Managers which are determined in accordance with the last known NAV and adjusted for subsequent capital calls and distributions and other relevant information provided by the property fund.	Pricing inputs are unobservable and includes situations where there is little market activity. Estimated rental growth. Covenant strength for existing tenancies. Discount rate. Land/Building valuation surveys.	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices and volumes of sales and purchases
Illiquid Debt	Level 3	The valuation techniques used include comparison to recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option adjusted spread models and, if applicable, enterprise valuation.	These techniques may include a number of assumptions relating to variables such as credit risk and interest rates.	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date, by changes to expected cash flows, earning multiples and discount rates used in the discounted cash flow analysis.
Infrastructure	Level 3	The valuation of the investment assets is determined in accordance with generally accepted valuation principles in compliance with article 5(3) of the Luxembourg law of 15 June 2004 on investment companies in risk capital.	Management's cash flow projections. Estimates of growth expectations and profitability. Profit margin expectations. Adjustments to current prices for similar properties	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date by changes to expected cash flows and fair value adjustments

Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Private Equity	Level 3	The valuation of the investments are carried at fair value as determined in good faith by the General Partner in accordance with the terms of the Partnership Agreement and US GAAP.	Management's cash flow projections Estimates of growth expectations and profitability Profit margin expectations Adjustments to current prices for similar assets valuation techniques	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date, by changes to expected cash flows, earning multiples and discount rates used in the discounted cash flow analysis.
Timberlands	Level 3	Valuation technique is based on accepted valuation techniques that include discounted cash flow and multiple earnings.	Management's cash flow projections Estimates of growth expectations and profitability Profit margin expectations Adjustments to current prices for similar assets valuation techniques	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date, by changes to expected cash flows, earning multiples and discount rates used in the discounted cash flow analysis.



Sir Alf Ramsey, Ipswich

18.c Valuation of Financial Instruments Carried at Fair Value

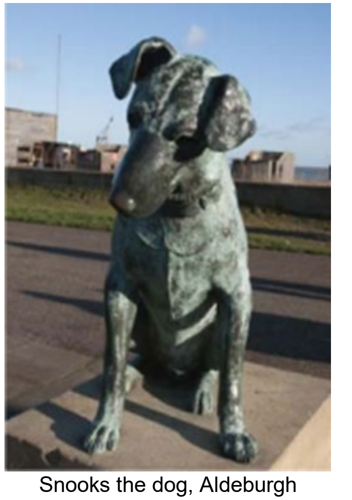
Values at 31 March 2024	Quoted Market Price Level 1 £ million	Using Observable Inputs Level 2 £ million	With Significant Unobservable Inputs Level 3 £ million	Total £ million
Financial Assets				
Fair value through profit and loss	72.571	3,207.158	957.991	4,237.720
Assets at amortised cost	12.975			12.975
Total Financial Assets	**85.546**	**3,207.158**	**957.991**	**4,250.695**
Financial Liabilities				
Fair value through profit and loss				
Financial Liabilites at amortised cost	-5.452			-5.452
Total Financial Liabilities	**-5.452**	**0.000**	**0.000**	**-5.452**
Net Financial Assets	**80.094**	**3,207.158**	**957.991**	**4,245.243**

Values at 31 March 2025	Quoted Market Price Level 1 £ million	Using Observable Inputs Level 2 £ million	With Significant Unobservable Inputs Level 3 £ million	Total £ million
Financial Assets				
Fair value through profit and loss	57.646	3,322.698	1,067.840	4,448.184
Assets at amortised cost	29.279			29.279
Total Financial Assets	**86.925**	**3,322.698**	**1,067.840**	**4,477.464**
Financial Liabilities				
Fair value through profit and loss				
Financial Liabilites at amortised cost	-2.002	-8.422		-10.424
Total Financial Liabilities	**-2.002**	**-8.422**	**0.000**	**-10.424**
Net Financial Assets	**84.923**	**3,314.276**	**1,067.840**	**4,467.039**

18.d Reconciliation of Fair Value measurements within Level 3

Assets	Opening Market Value 01 April 2023 £ million	Purchases £ million	Sales £ million	Realised Gains/(Losses) £ million	Unrealised Gains/(Losses) £ million	Closing Market Value 31 March 2024 £ million
Property	296.809	24.969	-4.038	1.271	-12.831	306.180
Illiquid Debt	106.195	41.773	-5.545	0.022	1.896	144.341
Infrastructure	379.237	19.108	5.307	- 2.249	-15.983	385.420
Private Equity	133.090	3.938	-12.946	9.303	-11.376	122.009
Timberlands	0.235	0.000	0.000	-	-0.194	0.041
Total of Investments	**915.566**	**89.788**	**-17.222**	**8.347**	**-38.488**	**957.991**

Assets	Opening Market Value 01 April 2024 £ million	Purchases £ million	Sales £ million	Realised Gains/(Losses) £ million	Unrealised Gains/(Losses) £ million	Closing Market Value 31 March 2025 £ million
Property	306.180	398.042	-320.350	31.006	-26.108	388.770
Illiquid Debt	144.341	8.924	-24.148	0.012	-2.776	126.353
Infrastructure	385.420	58.097	-6.954	0.527	-2.994	434.096
Private Equity	122.009	2.781	-18.457	11.946	-15.471	102.808
Timberlands	0.041	16.172	0.000	0.000	-0.401	15.812
Total of Investments	**957.991**	**484.016**	**-369.909**	**43.491**	**-47.750**	**1,067.839**


Snooks the dog, Aldeburgh

18.e Sensitivity of assets values at Level 3

An analysis of historical data and expected investment return movements by Hymans Robertson has determined a potential market movement range for the value of the holdings classified as level 3 as below:

	Market Value 31 March 2024 £ million	Valuation Range	Value on Increase £ million	Value on Decrease £ million
Property	306.180	15.6%	353.944	258.416
Illiquid Debt	144.341	7.7%	155.455	133.227
Infrastructure	385.420	13.6%	437.837	333.003
Private Equity	122.009	31.2%	160.076	83.942
Timberlands	0.041	13.6%	0.046	0.035
Total of Investments	**957.991**		**1,107.358**	**808.623**

	Market Value 31 March 2025 £ million	Valuation Range	Value on Increase £ million	Value on Decrease £ million
Property	388.770	15.2%	447.863	329.677
Illiquid Debt	126.353	7.0%	135.197	117.508
Infrastructure	434.096	14.5%	497.040	371.152
Private Equity	102.808	26.6%	130.155	75.461
Timberlands	15.812	14.5%	18.104	13.519
Total of Investments	**1,067.839**		**1,228.359**	**907.318**

19. 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 of benefits payable to members. The aim therefore 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 gains across the whole fund portfolio.

This risk is minimised through asset diversification to reduce exposure to market risk and credit risk to an acceptable level. The liquidity risk is managed by ensuring there is sufficient liquidity to meet the fund's forecast cash flows, which forms part of the Pension Fund's overall risk management policy.

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 and are reviewed regularly to reflect changes in activity and market conditions.

The key risks that have been identified are:

A. Credit risk
B. Liquidity risk
C. Market risk
D. Interest Rate Risk
E. Currency Risk
F. Price Risk
G. Custody
H. Investment Management
I. Sensitivity of Funding position to market conditions and investment performance

A. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to another party by failing to meet its obligations.

The Fund is exposed to credit risk in its operational activities through securities lending, forward currency contracts and treasury management activities. Commercial credit risk also arises with those organisations that pay monies over to the Fund (debtors) as part of the administration function, principally contributions from employers and transfers in from other registered pension schemes.

The Fund monitors the monthly receipt of contributions from employers. The Funding Strategy Statement requires safeguards to be in place for all new admission agreements to protect the Fund from an employer default, primarily through a guarantee from a tax-backed scheme employer for any new employer in the Fund. An analysis of debtor balances at 31 March 2025 is provided in Note 22.

The Fund's bank account is held with Lloyds Bank Plc, which is also banker to Suffolk County Council the Administering Authority for the Pension Fund. The bank held a Long-Term rating of 'A+' (strong) with Standard and Poor and with Fitch as at March 2025. The management of this cash held for the purpose of managing the cashflow was carried out by the Council's Treasury Management team in accordance with the cash management strategy approved by the Pension Fund Committee. The Fund has had no occasion of default or uncollectable deposits.

The Fund's cash pending allocation for investment, is held within the custody system in the bank account of the custodian, Northern Trust.

At 31 March 2025, £3.640 million was with Lloyds (£5.989 million at March 2024). Cash deposited with Northern Trust amounted to £39.147 million at 31 March 2025 (£16.982 million at March 2024). Previously the Fund held balances in Schroders money market fund, but this has been disinvested during the year (£15.117 million at March 2024).

B. Liquidity risk

Liquidity risk is the risk that the Fund will have insufficient liquid assets (cash) to meet its investment or benefit obligations as they fall due. The Pension Fund takes steps to ensure it has adequate cash resources to meet its commitments.

The Pension Fund holds sufficient working capital to ensure that it has cash available to meet benefit and transfer payments and cash drawdown requirements in respect of certain investment transactions. Within mandates it is the responsibility of the individual managers to ensure that they have sufficient funds available to meet the transactions they enter into on behalf of the Fund. These responsibilities are detailed within the investment management agreements. At an investment level a large proportion of the Fund's investments are held in instruments that can be realised at short notice if a cash flow need arose. Certain investments, particularly property, unquoted private equity, illiquid debt, timberlands and infrastructure funds are considerably less liquid, but these make up a far smaller proportion of the overall portfolio, £1,067.839 million, 24% (£957.991 million, 23% at March 2024).

Spirits of Lowestoft, Lowestoft

C. Market risk

Market risk is the risk that the fair value of cash flows of a financial instrument will fluctuate due to changes in market sentiment. Market risk reflects interest rate, currency and other price risk.

Market risk is inherent in the investments that the Fund makes. To mitigate market risk the investments are made in a diversified set of asset classes and investment approaches to ensure a risk adjusted balance between categories. The Fund takes formal advice from its independent investment advisers (Hymans Robertson LLP and Mark Stevens), and the portfolio is split between a number of managers and investment strategies with different benchmarks and performance targets. Full details can be found in the investment strategy statement that is available at www.suffolkpensionfund.org. Investment risk and strategy are regularly reviewed by the Pension Fund Committee.

D. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Pension Fund's exposure to interest rate movements from its investments in fixed interest securities and cash and cash equivalents which includes the custodian money market fund and cash held for investment.

The Pension Fund recognises that interest rates can vary and can affect both income to the fund and the value of the net assets. A 100-basis point (BPS) movement in interest rates (equivalent to 1%) is consistent with the level of sensitivity applied as part of the Fund's risk management strategy.

The analysis overleaf, assumes that all other variables remain constant and shows the effect in the year of a +/- 100 BPS change in interest rates on the cash available to pay benefits.

Asset Type	Value as at 31 March 2024 £ million	Change + 100 BP's £ million	Change - 100 BP's £ million
Cash held for Deposit	5.989	0.060	-0.060
Cash and Cash Equivalent	32.099	0.321	-0.321
Total Assets	**38.087**	**0.381**	**-0.381**

Asset Type	Value as at 31 March 2025 £ million	Change + 100 BP's £ million	Change - 100 BP's £ million
Cash held for Deposit	3.640	0.036	-0.036
Cash and Cash Equivalent	39.147	0.391	-0.391
Total Assets	**42.787**	**0.427**	**-0.427**

Wartime Pilot, Ipswich

E. Currency Risk

Currency risk is the extent to which the Pension Fund is exposed to fluctuations in exchange rates and the impact these fluctuations have on the sterling valuation of assets denominated in foreign currency.

The one year expected standard deviation for an individual currency as at 31 March 2025 is 9.1% (as provided by Hymans Robertson). This is based on the assumption that there is no diversification with other assets and that all other variables, in particular interest rates remain constant.

The foreign exchange rate movement exposure to the strengthening or weakening of sterling against the various currencies in which the fund holds investments which are not hedged to sterling are as below:

Asset Type	Value as at 31 March 2024 £ million	Potential Market Movement £ million	Value on Increase £ million	Value on Decrease £ million
Overseas Equities	623.406	57.977	681.382	565.429
Overseas Index Linked Equit	1,015.946	94.483	1,110.430	921.463
Alternative Investments	438.053	40.739	478.792	397.314
Total overseas assets	**2,077.405**	**193.199**	**2,270.604**	**1,884.206**

Asset Type	Value as at 31 March 2025 £ million	Potential Market Movement £ million	Value on Increase £ million	Value on Decrease £ million
Overseas Equities	795.297	72.372	867.669	722.925
Overseas Index Tracking	1,038.361	94.491	1,132.852	943.870
Alternative Investments	584.911	53.227	638.138	531.684
Total overseas assets	**2,418.569**	**220.090**	**2,638.659**	**2,198.479**

F. Price Risk

Price risk is the risk of volatility in the valuation of the assets held by the Fund. The level of volatility will vary by asset class and also over time. The Fund has some diversification in the asset classes in which it invests, which seeks to reduce the correlation of price movements between different asset types, while employing specialist investment managers to best deploy capital in line with the Fund's overall strategy.

An analysis of historical data and expected investment return movements by Hymans Robertson has resulted in a potential market movement price risk index for each asset type. If the market price of the fund's investments increase or decrease in line with the potential market movements then the change in the value of the net assets would be as follows:

Asset Type	Value as at 31 March 2024 £ million	Change %	Value on Increase £ million	Value on Decrease £ million
Equities	972.817	16.72	1,135.472	810.162
Fixed Income	990.220	7.50	1,064.486	915.953
Index Linked	1,174.540	15.40	1,355.418	993.660
Cash & FFX	3.570	0.30	3.581	3.559
Money Markets	28.528	2.00	29.099	27.958
Property	306.180	15.50	353.638	258.722
Alternatives	765.435	15.80	886.373	644.497
Total Assets	**4,241.290**		**4,828.067**	**3,654.511**

Asset Type	Value as at 31 March 2025 £ million	Change %	Value on Increase £ million	Value on Decrease £ million
Equities	1,042.046	18.42	1,233.991	850.101
Fixed Income	1,242.291	6.50	1,323.040	1,161.542
Index Tracking	1,038.361	18.60	1,231.496	845.226
Cash	22.981	0.30	23.050	22.912
Money Markets	16.166	2.00	16.489	15.842
Property	388.770	15.20	447.863	329.677
Alternatives	720.551	15.60	832.957	608.146
Total Assets	**4,471.166**		**5,108.886**	**3,833.446**

G. Custody

The Fund appointed Northern Trust as its global custodian with responsibility for safeguarding the assets of the Fund. Northern Trust is an established custodian bank and were appointed as the Fund's custodian in 2021 following a national framework tendering process. Quarterly reconciliations are performed between the underlying records of the custodian and the appointed investment managers.

H. Investment Management

The Fund has appointed a number of investment managers to manage portions of the Fund. An Investment Management Agreement is in place for each relationship. All appointments meet the requirements set out in the LGPS investment regulations. Managers' report performance on a quarterly basis and this is monitored and reported to Pension Fund Committee. The Fund makes use of a third-party performance measurement service provided by Northern Trust. All managers have regular review meetings and discussions with members of the Pension Fund Committee, officers and the Independent Financial Adviser Mark Stevens.

I. Sensitivity of Funding position to market conditions and investment performance

When preparing the formal valuation, the Actuary takes the assets of the Fund at the market value on the valuation date. Volatility in investment performance as a result of market risk factors can have an immediate effect on the funding level and deficit. This is particularly relevant because the Fund is invested predominantly in riskier (and historically higher return) assets such as equities and equity-like investments (e.g., property trusts). A rise or fall in the level of equity prices can have a direct impact on the financial position of the Fund.

Less obvious is the effect of anticipated investment performance on the Fund's liability to pay future pension benefits. Here the returns available on government bonds (gilts) are important, as the discount rate that is used to place a value on liabilities is the gilt yield at the valuation date plus a margin of 1.8% per annum. Effectively if the gilt yield rises the discount rate will increase and all other things being equal the value placed on liabilities will fall. If the Fund was invested entirely in gilts rather than potentially higher returning assets the discount rate would be lower as no margin for the expected-out performance of the Fund's investments over gilts could be assumed.

Tree Way Marker, Saxmundham

20. Funding Position

In line with Regulation 62 of the Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period.

An actuarial valuation uses economic and demographic assumptions in order to estimate future liabilities of pensions payable. The assumptions are typically based on a mix of statistical studies and experienced judgement. Hymans Robertson LLP provides the Fund's Actuarial appraisal.

The key elements of the funding policy are:

- To take a prudent long-term view to secure the long-term solvency of the Fund, with sufficient funds to pay benefits to members and their dependents.
- Use a balanced investment strategy to minimise long-term cash contributions from employers for long term efficiency.
- To ensure that employer contributions rates are as stable as possible.
- To reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so.
- To use reasonable measures to reduce the risk to other employers and ultimately to the council taxpayer from an employer defaulting on its pension's obligations.

The primary objective of the Fund is to set employer contribution rates that will adequately cover the cost of benefits which will accrue in the future and any costs related to benefits already earned.

Formal Valuation

The last formal three-yearly actuarial valuation was carried out as at 31 March 2022. The valuation report sets out the rates of the employer's contributions for the three years starting 1 April 2023. The valuation was based on:

- Meeting the requirements of the Local Government Pension Regulations.
- 100% funding of future liabilities for service completed to 31 March 2022.
- The 'projected unit method' of actuarial valuation.

Financial Assumptions

Financial assumptions typically try to forecast when benefits will come into payment, what form these will take and how much the benefits will cost the Fund in the future. The financial assumptions included in the valuation are as follows:

- Projected investment returns of 3.7% per year.
- Projected increase in future salaries of 3.7% a year.
- Projected pension increases of 2.7% a year. (CPI)

Funding Position

The actuary uses the market value of the Fund's assets as stated in the audited accounts of March 2022. The actuarial assessment of the value of the fund's assets was £3,756 million as at 31 March 2022 and the liabilities at £3,522 million.

The valuation showed that the Fund's assets covered 107% of its liabilities at the valuation date, and the surplus based on the actuarial valuation was £235 million.

Contribution Rates

The Fund actuary uses a model to project each employer's asset share over a range of future economic scenarios. The contribution rate takes each employer's assets into account as well as the projected benefits due to their members.

Employer contributions are made up of two elements:

- the primary contribution rate – contributions payable to cover all future benefits.
- the secondary contribution rate – costs associated with sufficiently funding benefits accrued up to the valuation date.

The total contribution rate for each employer is then based on:
- the funding target – how much money the Fund aims to hold for each employer.
- the time horizon – the time over which the employer aims to achieve the funding target.
- the likelihood of success – the proportion of modelled scenarios where the funding target is met.

This approach takes into account the maturing profile of the membership when setting employer contribution rates.

The whole fund primary rate (payroll weighted average of the underlying individual employer rates) is 20.0% of pensionable pay for the three years starting 1 April 2023.

The average employee contribution rate is 6.6% of pensionable pay.

The next formal valuation is as at 31 March 2025.

21. Actuarial Present Value of Promised Retirement Benefits

In addition to the triennial funding valuation, the fund's actuary also undertakes a valuation of the Pension Fund liabilities every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year.

In 2015 the Government introduced reforms to public sector pensions, meaning most public sector workers were moved into new pension schemes in 2015 with transitional protections introduced for older members. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to some members of the judicial and fire fighters' schemes, as part of the reforms, amounted to unlawful discrimination on the basis of age discrimination. This ruling does have implications for the Local Government Pension Scheme.

As part of the introduced reforms the LGPS changed from a final salary scheme (a pension based on the members salary when they left) to a career average scheme (a pension which is built up based on what the member earnt each year)

Older members who were closer to retirement were protected from the changes. This means when a protected member takes their pension, the benefits payable under the career average scheme are compared with the benefits that would have been built up, had the final salary scheme continued and they receive the higher amount. This protection is called the underpin.

To remove the McCloud age discrimination, qualifying younger members will now receive the underpin protection too. This change came into force on 1 October 2023. Underpin protection only applies to pension built up in the remedy period, between 1 April 2014 and 31 March 2022. From 1 April 2022, there is no underpin protection. Pension built up after this date is based on the career average scheme only.

The cost to the Suffolk Pension Fund of the McCloud remedy has been built into the valuation and funding position by the Fund's actuary.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined benefit scheme, and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete.

Until this analysis is complete, the Fund is unable to conclude whether there is any impact on the assessed actuarial present value of promised retirement benefits under IAS 26, or if it can be reliably estimated. As a result, The Suffolk Pension Fund does not consider it necessary to make any allowance for the potential impact of the Virgin Media casein the disclosure of the actuarial present value of promised retirement benefits in its financial statements.

International Accounting Standard 26 (IAS 26)

CIPFA's Code of Practice on Local Authority Accounting 2024 - 2025 requires administering authorities of the LGPS funds that prepare pension fund accounts to disclose what IAS 26 refers to as the actuarial present value of promised retirement benefits.

This is similar to the valuation, but the assumptions used are in line with IAS 19 rather than assumptions tailored to the Suffolk Pension Fund and using a discount rate rather than reflecting market rates.

The following assumptions have been used for the IAS 26 calculation:

- Pension increases of 2.75% a year (3.2% 31 March 2022)
- Increases in future salaries of 3.75% a year (4.2% 31 March 2022)
- Discount Rate of 5.80% per year (2.7% 31 March 2022)

The IAS 26 calculation shows that the present value of promised retirement benefits amount to £2.933 billion as at 31 March 2025 (£4.591 billion as at 31 March 2022). This incorporates an approximate allowance for the potential increase in liabilities arising from the impact of the McCloud judgement.

Perceval, Snape Maltings

22. Current Debtors

The current debtors can be analysed as below:

31 March 2024 £ million		31 March 2025 £ million
	Debtors	
7.620	Employers Contributions	8.265
2.185	Employee Contributions	2.270
0.700	Investment Assets	1.621
1.264	Sundry Debtors	0.626
0.263	Asset Pooling	0.468
12.033		**13.250**

23. Current Creditors

The current creditors can be analysed as below:

31 March 2024 £ million		31 March 2025 £ million
	Creditors	
-0.845	Amounts owed to Employers	-4.004
-2.676	Investment Expenses	-0.253
-0.084	Administration and Governance Expenses	-1.698
-0.642	Transfer Values In Adjustment	0.000
-0.731	Lump Sum Benefits	-0.907
-1.537	Sundry creditors	-1.976
-6.515		**-8.838**

24. Additional Voluntary Contributions

Scheme members have the option to make additional voluntary contributions to enhance their pension benefits. In accordance with regulation 4 (1) (b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, additional voluntary contributions have been excluded from the Fund Account and Net Asset Statement. These contributions are held by the providers and therefore do not form part of the Fund's investments.

In the summer of 2023, Hymans were commissioned to conduct a review of the Fund's AVC provision and to test the current market and as a result of this exercise recommended Legal & General provide the AVC provision for the Suffolk Pension Fund. This was approved by the Pension Fund Committee on 28 November 2023 and implemented during this financial year.

Members were given the option to remain with their current provider or to transfer to the Legal & General scheme. Some members who held specific investments, with profits and property, were advised that their investments would remain with their current provider, but they could still start a new investment with Legal & General. Those members who are intending to retire within 2 years were also advised to remain with their current provider.

A total of £0.182 million was paid over to the providers Legal & General, Standard Life and Clerical Medical in 2024 - 2025, (£0.086 million 2023 - 2024).

25. Related Party Transactions

Related party transactions requiring disclosure in accordance with IAS 24 are as follows:

The Suffolk Pension Fund is administered by Suffolk County Council and consequently there is a strong relationship between the Council and the Pension Fund.

Suffolk County Council is the largest single employer of members of the Pension Fund and contributed £39.565 million to the Fund in 2024 - 2025 (£37.373 million in 2023 - 2024). In addition, the council incurred costs of £1.591 million (£1.411 million in 2023 - 2024) in relation to the administration of the Fund, audit, legal and committee services. These have all been reimbursed by the Fund.

Part of the Pension Fund cash holdings are invested by the Treasury Management operations of Suffolk County Council through the Treasury Management Policy approved by the Pension Fund Committee. During the year ending 31 March 2025, the Fund had an average investment balance of

£10.632 million (£10.391 million in 2023 - 2024) earning interest of £0.544 million (£0.487 million in 2023 - 2024) from these investments.

One member of the Pension Fund Committee and five members of the Pension Fund Board are scheme members within the Pension Fund. All members of the Pension Fund Committee and Board are required to declare their interests at each meeting.

26. Key Management Personnel

No senior officer responsible for the administration of the Pension Fund provides any goods or services to the Fund other than those covered by their contract of employment with the Council.

The key management personnel of the Fund are the S151 Officer, Head of Pensions and Lead Accountant (Pensions). The total remuneration payable to the key management personnel by the Suffolk Pension Fund was £0.193 million in 2024 - 2025 (£0.163 million in 2023 - 2024).

These costs are charged to the Pension Fund as governance and oversight costs, Note 11 and are included in the related parties Note 25.

27. Securities Lending

The Suffolk Pension Fund does not operate securities lending however it is undertaken in the pooled holdings operated by Waystone and the proceeds are reflected in the asset value, earning £0.074 million in 2024 - 2025 (£0.021 million in 2023 - 2024).

Tranmere House, Sutton Hoo

28. Contractual Commitments

In 2003 the Fund made contractual commitments to private equity funds managed by Wilshire and Pantheon. Commitments are made in the underlying currency of the funds ($103.131 million and €41.288 million) and are therefore subject to volatility (risk) arising from exchange rate fluctuation. This volatility will impact both the value of unfunded commitments in sterling terms and the valuation of the funded interest and monies received as distributions. At 31 March 2025 the unfunded commitment (monies to be drawn in future periods) is $6.772 million and €1.626 million. The commitments are paid over the investment timeframe of the underlying partnerships.

In 2011 - 2012 a contractual commitment of €54 million was made to an infrastructure investment (Partners Group Global Infrastructure 2012) managed by Partners Group. As at 31 March 2025 7% of the total commitment has been released, leaving €1.649m outstanding.

In 2015 - 2016 contractual commitments of $149.500 million were made to private equity investments managed by Pantheon. Some draw downs on the commitments have been made and the outstanding amounts to 31 March 2025 are $19.426 million.

In 2016 - 2017 the Pension Fund made additional contractual commitments to M & G, of £60 million in the Greenfield infrastructure fund. The outstanding amount is £1.720 million.

During 2017 - 2018 a contractual commitment was made to an infrastructure investment (Partners Group Global Infrastructure 2015) managed by Partners Group of €55 million, the outstanding amount as at 31 March 2025 is €8.314 million.

During 2020 - 2021 a contractual commitment of £75 million was made to the Mult Asset Credit Fund with Partners Group. The undrawn amount at the end of the year is £4.185 million.

During 2021 - 2022 a contractual commitment of $84 million was made to the Global Infrastructure Fund IV with KKR. $12.545 million remains outstanding.

During 2022 - 2023 a contractual commitment of £75 million was made to the Multi Asset Credit Fund VII with Partners Group. £24.303 million remains outstanding.

During 2024 - 2025 a contractual commitment of $56 million was made in Timber, managed by JP Morgan (Campbell Global Forest and Climate Solutions Fund II). At 31 March 2025 the unfunded commitment is $35.638 million.

During 2024 - 2025 contractual commitments were made in Timber, managed by Stafford. Commitments of $21 million (International Timberland Fund X) and $10 million (Carbon Offset Opportunity Fund) were made. No capital has been paid during the financial year.

Wheat Field, Wyverstone Suffolk

A summary of the commitments is as below:

Asset Class	2024 - 2025		
	Commitment £ million	**Drawn £ million**	**Outstanding £ million**
Private Equity			
Wilshire (2003-2008)	35.946	33.710	2.236
Pantheon (2003-2010)	44.737	40.364	4.373
Pantheon (2015)	115.825	100.775	15.050
Total Private Equity	**196.508**	**174.849**	**21.659**
Infrastructure			
Partners (2012)	45.191	43.810	1.381
Partners (2016)	46.028	39.070	6.958
M&G (2016)	60.000	58.280	1.720
KKR (IV)	65.078	55.359	9.719
Total Infrastructure	**216.297**	**196.519**	**19.778**
Timber			
JP Morgan (II)	43.385	15.775	27.610
Stafford (X)	16.270	0.000	16.270
Stafford (Carbon)	7.747	0.000	7.747
Total Infrastructure	**67.402**	**15.775**	**51.627**
Illiquid Debt			
Multi Asset Credit VI	75.000	70.815	4.185
Multi Asset Credit VII	75.000	50.697	24.303
Total Illiquid Debt	**150.000**	**121.512**	**28.488**

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Suffolk County Council

Agenda Item 8

Suffolk Pension Board

Report Title:	Pension Board Risk Register
Meeting Date:	17 October 2025
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Nicola Beach, Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151)
Author:	Tracey Woods, Head of Pensions Tel. 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of the item to be considered

1. This report sets out the Risk Register for the Pension Board and how the risk control measures have been implemented against the risks.

Action recommended

2. The Board is asked to review and approve the Pension Board Risk Register.

Reason for recommendation

3. Risk management is a key responsibility of those charged with Pension Fund governance with a duty to identify the range of risks that could affect the long-term sustainability of the Fund.

4. The effective management of risk is also an area which is covered within the CIPFA Knowledge and Skills framework which recognises the importance of having an understanding of the risks that could have an impact on the Pension Fund and what steps can be taken to mitigate such risks.

Alternative options

5. The Pension Board can include alternative risks to those set out in the Risk Register.

Main body of report

Regulatory Background

6. The need for effective risk management is reflected throughout guidance and regulation in the Local Government Pension Scheme (LGPS), in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 paragraph 12(2c) and in the CIPFA publication “Managing Risk in the Local Government Pension Scheme” (2019). The Pensions Regulator published regulatory guidance in December 2015 entitled “Integrated Risk Management”.

Risk Register

7. The purpose of the risk register is to reflect best practice in the identification, evaluation and control of risks in order to ensure that key risks are recognised, and then either eliminated or reduced to a manageable level. If neither of these options is possible then means to mitigate the implications of the risks should be established.

8. Risk control measures have been identified for each risk in the risk register, indicating the most effective way of managing the risk and how the measures have been implemented.

9. The Pension Fund Committee received and approved a new risk register at its meeting on 25 September 2024 and receives a summary risk register at its quarterly meetings.

10. The risk register for the Pension Board to approve is attached as **Appendix 1**. The probability and risk impact scores have been scored based on the submissions from the members of the Board using the criteria set out in **Appendix 2**.

11. The risk register and actions taken to mitigate or control the risks are reported to the Board twice a year.

Sources of further information

a) The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (S.I. 2009 No.3093).

b) Managing Risk in Local Government Pensions Funds - CIPFA 2019

c) Integrated Risk Management - Pensions Regulator 2015

Suffolk Pension Board Risk Register

Risk ID	Risk	Impact	Prob	Risk Score	Risk Rating	Risk Control Measures
SPB01	**Employer** Employers' failure to carry out their responsibilities for paying contributions and providing information required for the administration team to fulfil their responsibilities. Consequence Could lead to incorrect information being used to make decisions in regards to the employer and the Pension Fund as a whole. The financial burden would have to be picked up by the rest of the employers in the Pension Fund.	3	1	3	Low	An effective Administration Strategy setting out the employers responsibilities. An effective Communications Strategy so that employers are engaged with the Pension Fund. Monitoring and reporting of the compliance of the employers. Vetting prospective employers in regards to financial security of funding streams. Seeking a funding guarantee or indemnity from the former scheme employer. Review to ensure Bonds are renewed when expiring and reflect current employer position. Non compliance is addressed.
SPB02	**Scheme Members** Scheme members are not in receipt of the correct benefit and/or paid on time. Consequence Additional administration time required to correct any errors. Reputational risk to the Suffolk Pension Fund and Suffolk County Council.	3	1	3	Low	The Pensions Administration team are required to keep up to date with pension benefit regulations and adhere to the stringent procedures required to comply with the benefits regulations. Knowledge and understanding is kept up to date by attending the relevant training courses on offer by professional bodies. Calculations are independently checked and verified. Internal and external audit review the internal control arrangements in place.

Risk ID	Risk	Impact	Prob	Risk Score	Risk Rating	Risk Control Measures
SPB03	**Governance** Failure to communicate or engage with employers and scheme members. Consequence Leading to non compliance with legislation and best practice. Inability to determine policy and effective decisions. Damaging to reputation.	3	2	6	Medium	Maintenance and implementation of a communication strategy. Regular communications to employers on LGPS matters are provided by Pension Fund officers in the form of newsletters and an annual employer meeting. Regular meetings are held by the Pension Board with the papers published within statutory deadlines. A range of communication tools are available to enable effective communication such as newsletters, pension help desk, member self-service and the pensions website.
SPB04	**Governance** Pension Fund Board members do not have the appropriate skills or knowledge to discharge their responsibility. Consequence The Board does not discharge their duties to oversee the governance of the Pension Fund. Reputational risk to the Suffolk Pension Fund.	3	3	9	Medium	The Board has adopted the CIPFA Pensions Knowledge and Skills Framework as the basis for assessing its training and development needs. The Board approves a formal training plan which is designed to cover the Board's responsibilities. This is reviewed annually and updated to include new topics of interest and any additional training requirements identified. The Board members have access to the Hymans online learning academy modules. New Board members are fully briefed by a Pension Fund officer to enable them to participate in meetings. External advisers are employed to advise the Pension Fund Board as required.

Risk ID	Risk	Impact	Prob	Risk Score	Risk Rating	Risk Control Measures
SPB05	**Regulatory** Changes to regulations or legislation not being adhered to. Consequence Could result in an increase in the cost of the scheme or increased administration time to correct. Reputational risk to the Suffolk Pension Fund.	3	3	9	Medium	The Pension Fund responds to all consultation papers regarding changes to the LGPS issued by the Ministry of Housing, Communities and Local Government (MHCLG). Pension Fund officers attend conferences, seminars and training to ensure the consequences of legislative changes are understood and implemented. New legislation is reported to the Pension Fund Committee and Board with regular updates on progress on implementation, the guidance produced, legal advice taken and any issues identified.
SPB06	**Asset Pooling** The ACCESS Pool does not have the governance in place to make appropriate decisions and does not meet the investing authorities needs. Consequence Could result in Government intervening and allocating another Pool for the Fund to invest in. Reputational risk to the Suffolk Pension Fund.	5	3	15	High	The ACCESS Support Unit (ASU) continues to engage with the ACCESS Pension Fund's officers and Joint Committee to make appropriate decisions. The ACCESS Pool continues to engage professional advice to ensure that the exit arrangements of the Pool are understood by all ACCESS members and all costs are fairly apportioned amongst the Funds. These are being developed in consultation with the FCA, third party providers and the new pools. The ACCESS Pool have been in regular dialogue with MHCLG.

Risk ID	Risk	Impact	Prob	Risk Score	Risk Rating	Risk Control Measures
SPB07	**IT Systems** The Pension Fund IT systems do not have appropriate cyber security in place and updates to systems are not appropriately tested before implementation. Consequence Could result in personal data not being secure or correct pension payments not being paid on time. Reputational risk to the Suffolk Pension Fund.	3	2	6	Medium	Heywoods (Pension Data and Pensioner payroll), Northern Trust (Custodian), Suffolk County Council (Payroll and financial ledgers) and Waystone (ACCESS Pool Operator) all have approprate IT Security policies and frameworks in place to identify risk and implement appropriate testing. Heywood system updates are loaded into the test system for the Team to test. If any issues are found then the live launch is delayed until resolved. Heywood updates are reviewed by the Technical Pensions Specialist and communicated to the Pension Fund Officers and the Operations Manager for Pensioner Payroll updates. Work has been undertaken to produce specific reports from Oracle Fusion, reconciliation and further developments to the outputs are ongoing.

Risk rating criteria

1. The impact of each risk has been assessed as:
   - Insignificant (1)
   - Minor (2)
   - Moderate (3)
   - Major (4)
   - Extreme (5)

2. The risk has then been assessed on the probability of the risk occurring.
   - Rare (1)
   - Unlikely (2)
   - Possible (3)
   - Likely (4)
   - Almost certain (5)

3. This has been used to allocate a risk score (multiplication of the score value in brackets above) to each risk which produces one of the risk ratings as follows:
   - Low (1-4)
   - Medium (5-9)
   - High (10-15)
   - Very High (16-25)

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Suffolk County Council

Agenda Item 9

Suffolk Pension Board, 17 October 2025

Information Bulletin

The Information Bulletin is a document that is made available to the public with the published agenda papers. It can include update information requested by the Committee as well as information that a service considers should be made known to the Committee.

This Information Bulletin covers the following items:

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1. Path to Net Zero

1.1 The Committee has expressed a desire to lower the carbon intensity of the Fund and commit to a Net Zero target. A target date of 2050 or earlier has been incorporated into the Investment Strategy statement aligning the portfolio to the Paris Agreement.

1.2 The Pension Fund has published their Path to Net Zero which sets out the strategy and a high-level action plan, which includes timelines, interim targets and how this target can be achieved. This also includes monitoring, to enable the Fund to report progress.

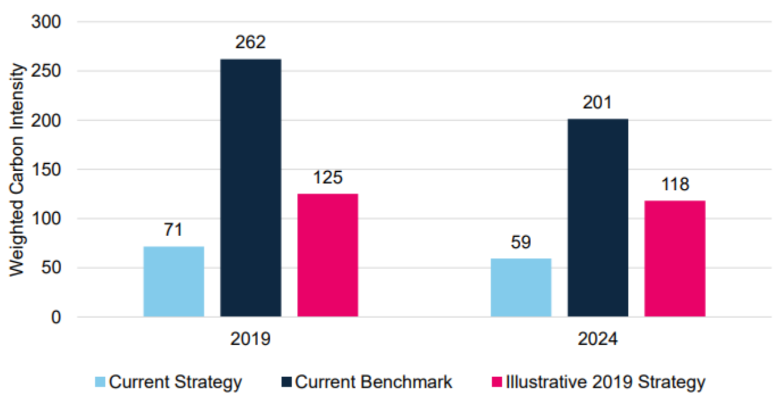
1.3 The first objective was to analyse the level of climate risk within the Fund's investment portfolio. An estimated starting baseline for the portfolio was to be established as at 2019 and an accurate baseline for 2024.

1.4 The Pension Fund Committee received a climate risk report at its meeting on 17 September. This showed that the Fund's holdings have a Weighted Average Carbon Intensity ('WACI') of 59.4 tCO_2e/\$m Sales relative to an equivalent figure of 201.3 tCO_2e/\$m Sales for the combined benchmark. This means that the carbon efficiency of the fund's investments, per $ revenue, is materially higher than that global index.

1.5 The Fund's listed mandates are exposed to lower levels of climate-related 'transition' risk than their market benchmarks, based on most metrics. The lower exposure to emissions at the total Fund level is driven primarily through underweights to higher emitting sectors within several of the Fund's mandates.

1.6 The report included a comparison of the WACI of the current portfolio and benchmark (as at 30 September 2024 and projected back to 2019), relative to an illustrative 2019 strategy. This demonstrates the significant progress already made by the Committee since 2019, towards its Net Zero target. Positive progress has been made due to capital allocation decisions and engagement.

Impact of changes to the equity portfolio since 2019



1.7 Switching towards more climate focused mandates has been the main contributor to the reduction in WACI but engagement actions have also lowered carbon intensity of the underlying positions held. Looking ahead, it is expected that most of the focus will need to be on engagement to further lower WACI.

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2. Annual Employers Meeting

2.1 The Annual Employers meeting is to be held online on 14 October 2025, 10 until noon.

2.2 Cllr Smith will introduce the Agenda, with Cllr Karen Soons covering what the Committee has been focussing on.

2.3 Craig Alexander and Morven Galloway from Hymans Robertson will take the attendees through the valuation results which will assist in putting the Employers valuation results reports (sent out on 9 October 2025) into context.

2.4 Sharon Tan, Stuart Potter and Tracey Woods will cover progress in McCloud and dashboard implementation, the Fund’s performance for 24/25, the new asset investment pool, Academies Policy, Administration Strategy, Communications Strategy, Path to Net Zero Strategy and introduce upcoming new regulations and legislation.

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3. Annual Training Day

3.1 The Annual Training Day will be held on Wednesday 5 November 2025 in person in Endeavour House.

3.2 Members of the new asset pool will be in attendance and will introduce the Pool and how the Fund and the Pool will work with them in the future.

3.3 The afternoon session will be used to start building the Fund’s definition of Local Investment.

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For further information on any of the above items, please contact:

Tracey Woods, Head of Pensions

Email: tracey.woods@suffolk.gov.uk | Telephone: 01473 265639.

Suffolk County Council

Agenda Item 10

Suffolk Pension Board Forward Work Programme

Purpose

The purpose of this forward work programme is to support the Pension Board in promoting and strengthening corporate governance across the Council.

Terms of reference

The terms of reference of the Suffolk Pension Board are:

a) to secure compliance with the Local Government Pension Scheme (LGPS) regulations and any other legislation relating to the governance and administration of the LGPS
b) to secure compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator
c) to secure the effective and efficient governance and administration of the LGPS for the Suffolk Pension Fund
d) in such other matters as the LGPS regulations may specify
e) to provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest

Meeting date (see Note)	Date added	Subject	Short description	How is it anticipated the Committee will deal with this issue?
Tuesday 10 December 2025	Added 29 July 2025	Complaints, Compliments and Administration Performance	To receive a report on the administration performance of the fund, including complaints and compliments.	Written Report
	Added 7 March 2025	Gender Pension Gap Analysis	To receive a report on the Gender Pension Gap	Written Report
	Added 29 July 2025	Government Pension Review	To update on meeting the requirements of the Government Pension Review	Written Report
	Added 7 March 2025	McCloud Update	To receive a report on progress with implementing the McCloud remedy	Written Report
	Added 7 March 2025	Recent Developments	To receive an information bulletin covering recent developments that the Board has an interest in.	Written Report
Wednesday 4 March 2026	Added 17 October 2025	Complaints, Compliments and Administration Performance	To receive a report on the administration performance of the fund, including complaints and compliments.	Written Report
	Added 17 October 2025	Actuarial Valuation Update	To receive a report on the progress made in completing the Actuarial Valuation	Written Report

Meeting date (see Note)	Date added	Subject	Short description	How is it anticipated the Committee will deal with this issue?
	Added 17 October 2025	Government Pension Review	To update on meeting the requirements of the Government Pension Review	Written Report
	Added 17 October 2025	Recent Developments	To receive an information bulletin covering recent developments that the Board has an interest in.	Written Report

Note: Additions and amendments to previous Forward Agenda are marked in bold.

If you have any questions or queries, please contact Tracey Woods. Email: tracey.woods@suffolk.gov.uk, Telephone: 01473 265639.

Revised: October 2025

Items for consideration/scheduling:

- None

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