

Suffolk Pension Board

(Quorum 2 – 1 member of each representative group)

Scheme Employer Representatives:

Councillor Gordon Jones, representing Suffolk County Council.

John Chance, representing all Borough, District, Town and Parish Councils.

Thomas Jarrett, representing all other employers in the Fund.

Scheme Member Representatives:

Suzanne Williams, representing the Unions.

David Rowe, representing Active Members.

Eric Prince, representing Pensioners.

Date: Friday, 12 March 2021

Venue: This meeting will be a remote meeting and therefore will not take place in a physical location following guidelines set in Section 78 of the Coronavirus Act 2020.

The live broadcast is available to [watch online](#)

Time: 11:00 am

Business to be taken in public:

1. **Apologies for Absence**
To note and record any apologies for absence.
2. **Declarations of Interest and Dispensations**
To receive any declarations of interests, and the nature of that interest, in respect of any matter to be considered at this meeting.
3. **Minutes of the Previous Meeting** Pages 5-8
To approve as a correct record, the minutes of the meeting held on 11 December 2020.
4. **Pensions Administration Performance** Pages 9-11
To receive a report summarising the compliments, complaints and administration performance of the Fund.
5. **McCloud and Exit Cap Update** Pages 13-15
To receive an update on the McCloud remedy and the Exit Cap changes.
6. **ACCESS Update** Pages 17-19
To receive an update on the ACCESS pool and the progress of pooling assets.
7. **Communications Strategy** Pages 21-28
To receive an update on the Fund's Communications strategy.
8. **Information Bulletin** Pages 29-31
To receive an information bulletin on some recent developments that will be of interest to the Board.
9. **Risk Register** Pages 33-42
To review the Pension Board Risk Register.
10. **Forward Work Programme** Pages 43-45
To consider whether there are any matters which the Board would wish to have included in its Forward Work Programme.

Date of next scheduled meeting: Monday, 19 July 2021 at 2:00 pm

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Nicola Beach
Chief Executive

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Minutes of the Suffolk Pension Board Meeting held remotely on 11 December 2020 at 11:00 am.

Present: Councillor Gordon Jones (Chairman) (representing Suffolk County Council), John Chance (representing all Borough, District, Town and Parish Councils), Eric Prince (representing Pensioners), David Rowe (representing Active Members) and Suzanne Williams (representing the Unions).

Supporting officers present: Rebekah Butcher (Democratic Services Officer), Paul Finbow (Senior Pensions Specialist), Stuart Potter (Pensions Operations Manager) and Sharon Tan (Pensions Technical Specialist).

The meeting was opened by the Democratic Services Officer.

1. Appointment of Chairman and Vice Chairman

On the proposition of David Rowe, seconded by Eric Prince, it was agreed by general affirmation that Councillor Gordon Jones be elected as Chairman for the 2020/21 Municipal Year.

Councillor Gordon Jones assumed the Chair.

On the proposition of Councillor Gordon Jones, seconded by Suzanne Williams, it was agreed by general affirmation that David Rowe be elected as Vice Chairman for the 2020/21 Municipal Year.

2. Apologies for Absence

There were no apologies for absence.

3. Declarations of Interest and Dispensations

Eric Prince and Suzanne Williams declared a non-pecuniary interest by virtue of the fact they were each in receipt of a local government pension.

John Chance and David Rowe declared a non-pecuniary interest by virtue of the fact they were active members of the pension scheme.

Councillor Gordon Jones declared a non-pecuniary interest in Agenda Item 8: Information Bulletin, section 5, by virtue of the fact he was a Non-Executive Director of the Unity Schools Partnership.

4. Minutes of the Previous Meeting

The minutes of the meeting held on 2 October 2020 were confirmed as a correct record and signed by the Chairman.

5. Pensions Administration Performance

The Board received a report at Agenda Item 5 which provided an update on the performance of the Pensions Administration Team.

A Member raised concern that since the Pensioners newsletter was issued online, some Members, whilst they had read the hard copy, had not seen the electronic version. The Pensioner Representative, Eric Prince, asked if it would be possible to send an email reminder to let pensioners know when the newsletter was available. The Senior Pensions Specialist confirmed that this could be possible, or to include it as an attachment to the email.

In relation to the £95K Exit Cap, the Senior Pensions Specialist confirmed that legal advice had been received, but there were some final discussions that needed to take place before it could be published. It was hoped this could be shared with the Board very soon.

A Member also commented that whilst employers were inconvenienced by the £95k Exit Cap, employee's and members were also inconvenienced. The Active Member Representative, David Rowe, said that it was an unsatisfactory situation which was catching a lot of people out, and not just the very high earners. He asked what the Fund was doing about getting the Regulations sorted out as he felt it needed a push to get this resolved. The Senior Pensions Specialist said that it was hoped the Regulations would be put in place towards the end of January/early February, but this was down to the Government's timetable. He explained that at the present time, the £95k Exit Cap regulations took primacy over the LGPS regulations. However, if an employee was below the £95k exit cap, there was no requirement to make reductions to those members and the Pensions Administration Team were working out the strain cost for those cases to enable them to progress. Whilst David Rowe accepted that the pension fund was doing its best, he felt central Government had handled it in an appalling and inefficient way that had caused a lot of work locally and frustration amongst both employers and members. The Chairman echoed David Rowe's concerns and said that he would continue to raise it at the East of England Local Government Association (LGA) meetings.

The Chairman congratulated the Team on its good performance figures and thanked Officers for the excellent work the team continued to do.

Decision: The Board noted the report.

Reason for decision: The Board was interested in being provided with regular updates on the performance of the Pensions Administration Team including updates on statutory requirements and Service Level Agreements.

Alternative options: There were none considered.

Declarations of interest: Eric Prince and Suzanne Williams declared a non-pecuniary interest by virtue of the fact they were each in receipt of a local government pension.

John Chance and David Rowe declared a non-pecuniary interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

6. **Ill Health Retirement Strain Costs**

At Agenda Item 6, the Board received a report which covered the evidence presented to the Pension Fund Committee with which they made the decision to mandate that smaller employers should have Ill Health Liability Insurance in place as standard from 1 April 2021. The report also included the consultation that the Committee had launched to establish the size criteria of the Employers who would be mandated to hold Ill Health Liability Insurance.

Members were assured that this would not increase an employer's contribution payments, as it included a small allowance for Ill Health, which ranged between 0.5% to just over 1% of pay. The Senior Pensions Specialist said that the cost of insurance was 1.65% but that was based on the Fund allowing employers to choose whether to take out the insurance or not, and it was believed that this would reduce if it was mandated for the smaller employers. It was confirmed that the Actuary was happy that this could be charged against the employers' contributions as they were set with insurance premium.

Decision: The Board considered the information provided and agreed with the Committee's decision that smaller employers which had an LGPS payroll of less than £1m should have Ill Health Liability Insurance in place as standard from 1 April 2021.

Reason for decision: The Pension Board in its role as representing the Employers in the Fund was requested to respond to the Pension Fund Committee's consultation on the size criteria for Employers who would be mandated to hold Ill Health Liability Insurance.

Members considered that the mandate set was reasonable and would protect all employers in the Fund.

Alternative options: There were none considered.

Declarations of interest: Eric Prince and Suzanne Williams declared a non-pecuniary interest by virtue of the fact they were each in receipt of a local government pension.

John Chance and David Rowe declared a non-pecuniary interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

7. **ACCESS Update**

At Agenda Item 7, the Board received an update from the Senior Pensions Specialist in relation to the ACCESS pool.

A summary update paper was provided at pages 29-31 of the agenda pack detailing the points considered at the Joint Committee's meeting held on 12 November 2020.

Members also heard that BlackRock and M&G Alpha Opportunities sub-funds that Suffolk would be involved in were close to being launched and it was hoped this would happen in the New Year.

In relation to Environmental Social Governance (ESG), a Member asked how the different views were taken in to account at ACCESS or whether decisions were taken at an individual fund level. The Senior Pensions Specialist confirmed that

when the first sub-fund was created in 2018, there was a requirement to have an ESG statement. So, at the time, the Investment Strategy Statements for all 11 funds were reviewed and the commonalities were developed. However, since then this had developed further within the funds' individual strategy statements and would continue to do so into the future. The Joint Committee would look at this collectively again to see if that commonality had changed. The ESG statement was currently not about divesting from a particular asset or asset class, and whilst it was in the engagement area it was possible for ACCESS' guidelines to be developed and for existing managers to undertake the engagement on the behalf of ACCESS and its 11 funds. However, if any of the 11 funds get to the point where it was divesting from a certain area of the market, it would become more complicated.

Decision: The Board noted the update.

Reason for decision: The Board was interested in being kept up to date with the progress of the ACCESS pool.

Alternative options: There were none considered.

Declarations of interest: Eric Prince and Suzanne Williams declared a non-pecuniary interest by virtue of the fact they were each in receipt of a local government pension.

John Chance and David Rowe declared a non-pecuniary interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

8. Information Bulletin

The Board noted the Information Bulletin at Agenda Item 8.

9. Forward Work Programme

The Board received a copy of its Forward Work Programme at Agenda Item 9.

Decision: The Board approved its Forward Work Programme as published with the inclusion of the following items:

- a) To keep a watching brief over the McCloud case and the £95k Exit Cap and to receive a regular update at the Board's future meetings.
- b) The Board also agreed to schedule a review of the Policies for the Suffolk Pension Fund at a future meeting.

Reason for decision: The Forward Work Programme was the responsibility of the Board under its Terms of Reference.

The meeting closed at 12:10 pm.

Chairman

Suffolk Pension Board

Report Title:	Pensions Administration Performance
Meeting Date:	12 March 2021
Lead Councillor(s):	Councillor Gordon Jones
Director:	Chris Bally, Deputy Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151)
Author:	Stuart Potter, Pensions Operations Manager Telephone: 01473 260296 Email: stuart.potter@suffolk.gov.uk

Brief summary of report

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

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

Administration

5. This report covers staff performance and team achievements since the previous Board meeting on 11 December 2020.
6. The Service Level Agreements for our 'key' processes for November 2020 and January 2021 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 **68** percentage completed in SLA **97%**
 - b) Estimates are issued to members or employers within 10 working days of receipt of all information – Total cases **105**, percentage completed in SLA **98%**

- c) Retiring employees are notified of their options within 5 working days of receipt of all information – Total cases **461**, 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 **291**, percentage completed in SLA **100%**
 - e) Notification of survivor benefits will be issued within 10 working days of receipt of all information – Total cases **49**, percentage completed in SLA **98%**
 - 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 **83** percentage completed in SLA **94%**
7. In addition to the business-as-usual work, the backlog team have continued to work through a significant number of undecided leaver cases during this reporting period, clearing around 500 further undecided leavers. The team have made a good start in tackling this project, and subject to the work needed for McCloud, with the new additional staff working on them we hope to keep the momentum going throughout 2021.
 8. Further work has been undertaken on the McCloud project. Please see separate paper on this.
 9. The exit cap regulations have now been discontinued. Please see the separate paper for further details on this.
 10. We are currently in the middle of our annual internal audit. Regular meetings are being held with auditors and the Board will be updated in a future Board meeting.
 11. The annual Public Service Governance & Administration Survey 2020 for the Pension Regulator was completed and submitted by the deadline set.
 12. Further work has been completed in relation to I-connect, and we are almost ready to sign the contract. It is planned that we will be introduce this system to some employers during March 2021. This system will enable employers to send monthly returns of data, rather than annual returns, and means the data we hold will be more accurate and up to date.
 13. During this period there have been 6 compliments. 3 of these compliments were from members thanking us for detailed information and helping them obtain the information they needed. A further two of the compliments received were in relation to us going out of way to find solutions for customers in different situations. Firstly, in helping a member find a way to provide a copy of a certificate to us we received this feedback 'I cannot thank both you and your manager enough for getting creative, you are both so very kind and considerate and it is sadly not something we see enough of these days'. In the second of these cases, we helped a couple who were dealing with the death of their son and received this feedback. 'At the end of the day you didn't have to do anything, but you went out of your way to help and it's much appreciated'.
 14. The final compliment was feedback specifically for a member of the team who helped an individual in depth. The feedback received stated 'I wanted to say how helpful (name) has been. I'm sure that what I discovered is what is expected from your department however this has not been my experience in all calls that I have

made today so far. They understood why I was calling, was professional but also friendly and upbeat. In these difficult times it was refreshing and reassuring to speak with them.'

15. During this period there have been two complaints received. The first of these complaints was in relation to a member who wanted to have their deferred benefits into payment, however the team member who handled the initial call did not note the memo on the record which explained this wasn't possible unless she left her job. The member was contacted again by a Senior Officer to explain the situation and resolved the complaint. The staff member was reminded to take care when checking records before taking action.
16. The second complaint was from a member who was getting frustrated at delays, so he e-mailed us, and the formal complaints team, to explain this. We were awaiting information from two separate employers; however, we had not updated the member as quickly as they would like. A Senior Officer picked this case up, responded to the member and gave assurances, and the member has now been provided with the information they needed. The complaint was resolved by this initial action and was not logged as a formal complaint.
17. During this reporting period one of the previous IDRPs Stage 1 complaints progressed to Stage 2. This was in relation to a member who was due to be paying Additional Pension Contributions however these had ceased due to a Payroll error and had not been spotted by the member. The Stage 2 complaint upheld the original decision and recognised administrative errors in the ceasing of these deductions, however, did not uphold the remainder of the complaint as there was no financial loss. The member can now take the case to the Pensions Ombudsman if they wish within 3 years.
18. This report will be ongoing in all future Board meetings and will be developed in accordance with the requirements of the Board.

Contribution payments

19. 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 2020/21 quarter 2 and 3:

	Quarter 2			Quarter 3		
	Employer	Contributions		Employer	Contributions	
	%	£'m	%	%	£'m	%
On Time	90%	30.155	99.6	91%	32.149	98.6
Up to 1 week late	2%	0.029	0.1	3%	0.381	1.2
Over 1 week late	8%	0.100	0.3	6%	0.080	0.2
Total		30.282			32.610	

Sources of further information

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

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Suffolk Pension Board

Report Title:	McCloud and Exit Cap Update
Meeting Date:	12 March 2021
Lead Councillor(s):	Councillor Gordon Jones
Director:	Chris Bally, Deputy Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151)
Author:	Stuart Potter, Pensions Operations Manager Telephone: 01473 260296 Email: stuart.potter@suffolk.gov.uk

Brief summary of report

1. This report provides the Pension Board with an update on the work associated with the McCloud ruling and the Exit Payments Regulations.

Action recommended

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| 2. To consider the information provided and determine any further action. |
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Reason for recommendation

3. To provide the board with an update on the work required for the McCloud remedy, our actions so far and information on the exit payments regulations cap.

Alternative options

4. There are no alternative options.

Main body of report

Administration

5. The McCloud ruling, by the Court of Appeal in December 2018, found that younger members of the Judges and Firefighters Pensions schemes had been discriminated against because protections for older members had not been applied to them. Following this, the Government confirmed there would be changes to all main schemes, including the Local Government Pension Scheme.
6. For the LGPS, members who were within 10 years of their normal pension age on 1 April 2012 were provided with an underpin protection. This meant when a protected member takes their pension a calculation is completed to compare the benefits between the previous final salary scheme and the current care scheme, and the higher amount is paid.
7. As a result of the McCloud case, the government needs to ensure younger members of the scheme are provided with a protection equal to that provided to older members in order to remove the discrimination. A consultation was issued

with respect to this. These changes are intended to apply to anyone who was in service on 31 March 2012 and also had service after 31 March 2014 when the scheme changed. Anyone who left the scheme before 1 April 2014 will only have built up changes in the final salary scheme so is not affected by these changes.

8. While a response has been issued to the consultation in respect of unfunded public service pension schemes, we are still awaiting a response in relation to the LGPS as this was consulted on separately. MHCLG (Ministry of Housing, Communities and Local Government) are expected to issue a statement in relation to the consultation on changes to the underpin in the very near future.
9. While we are still awaiting guidance, we have taken all the proactive steps possible to ensure we are prepared and ready to implement this significant piece of work.
10. These steps include identifying the expected volumes of work linked to these changes. Remedy work will be required on some Pensioner members, Deferred members, members who are deceased, leavers (who potentially have transferred out), interfund transfers and Amalgamations/Concleaves. In total we are expecting around 3,000 pieces of work at this stage.
11. We have agreed that we will manage the work in existing teams, rather than create a new team. This is primarily because the calculation work is what the team do in their day-to-day job, albeit using different sets of figures to do this. It is likely we will have specific staff focussing purely on these cases.
12. However, in order to ensure we have enough staff to cover business as usual, a request was put in, with the Pension Fund Committee's authorisation, to recruit 3 fixed term staff members during the next 12 months. These posts are now being advertised and we will look to confirm appointments and agree start dates as soon as it is possible to do so following the recruitment exercise.
13. A list of our requirements, and affected scheme members, have been issued to employers asking them to return their data by 31 March 2021. We have received a handful of these back to date, but we would not expect to receive the majority of these until after the March payrolls have been run.
14. At the next Board meeting we will update you further with any updates and progress.
15. Moving onto the exit cap, as you are aware from previous updates, this was introduced in legislation from 4 November 2020 and meant that where the total exit cost for an employee was £95k or over there would be implications for the member in terms of making up this cost.
16. Following a lot of amendments to processes, and communications to employers to explain the impact of these changes (no longer possible to pay fully unreduced pension where the cap was breached in redundancy/efficiency situations), the government withdrew these regulations.
17. On 12 February 2021, these regulations were disapplied meaning we reverted back to our original position. This was immediately communicated to employers so they were aware of the change. As we did not need to make a payment to anyone in this period who had been impacted by the change, we had no remedial work to do.

18. It should be noted however that there were planned reforms for exit pay, which could affect exit payments where the £95k cap has not been exceeded. Draft regulations were issued however it is now not completely clear if these will still come into force.
19. The underlying message is that Government still want to tackle the issue and HM Treasury's guidance states they will 'bring forward proposals to tackle unjustified exit payments.' We will continue to update the Board in future meetings.

Sources of further information

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

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SUMMARY UPDATE (Part I)
ACCESS Joint Committee (JC):
13 January 2021



All eleven ACCESS Authorities were represented. The key matters considered are described below.

Part I Item	Details
Business plan & budget	<p>The Committee received an updated on the 2020/21 Business Plan.</p> <p>This included work undertaken to review the size and scope of the ASU, which commenced with an initial discussion paper which was the basis of individual discussions with officers at each Authority, followed by a second discussion paper and collective dialogue at OWG and finally by s151 Officers. The common themes of this dialogue were:</p> <ul style="list-style-type: none"> • recognition of the increased pressure on Authorities; • acceptance that the ability to increase Technical Lead capacity was unlikely; • recognition of the increased workload implication of the business plan to the ASU; and • support for an expanded ASU. <p>As a consequence, it was proposed that two new ASU posts be created: a Client Manager and an additional ACCESS Support Officer at an expected cost of £160k p.a. The proposal, supported by the s151 Officers, was incorporated within the proposed 2021/22 budget.</p> <p>A forecast 2020/21 spend of £0.969m against a budget of £1.078m was noted.</p> <p>The proposed 2021/22 Business Plan and budget was considered. The Business Plan continues many current themes including active asset migration from Authorities into the ACS, the commencement of pooling illiquid assets along with the developments in the areas of governance, communications and Responsible Investment. To support this, a budget of £1.247m (including the £160k in respect of additional ASU staff) was recommended by the s151 Officers.</p> <p>The individual contribution by each Authority in respect of the 2021/22 budget is £113k.</p> <p>The Committee :</p> <ul style="list-style-type: none"> • noted the updates in respect of 2020/21's business plan and budget; • recommended the 2021/22 Business Plan to the ACCESS Authorities; • and • accepted the recommendation of the s151 Officers from ACCESS Authorities to determine the 2021/22 budget totalling £1.247m to support the proposed business plan.

Agenda Item 6

Part II Item	Details
Illiquid assets	<p>The JC received a report updating on the development of pooled illiquid asset investment solutions.</p> <p>It was highlighted that the proposed solutions do not require existing illiquid assets to be either re-housed or sold with proceeds then re-invested. The solutions are primarily geared towards new strategic allocations that Authorities may wish to make, but will also enable new investments to maintain existing allocations where deemed appropriate in line with their own strategic asset allocation decisions and requirements.</p> <p>The background and process of engagement with ACCESS Authorities was highlighted, and Sam Gervaise-Jones from advisers bfinance outlined the potential solutions for private equity, private debt, infrastructure and real estate. It was appreciated that the process will commence with the procurement of an Implementation Adviser.</p> <p>The Committee agreed:</p> <ul style="list-style-type: none"> • the proposed pooling structures for real estate, private equity, private debt and infrastructure; and • the procurement, via the National LGPS frameworks, of a consultant to support the implementation of the proposed illiquid asset pooling structures and manager/fund/allocator procurements as required.
Environmental, Social & Governance / Responsible Investment	<p>The JC received a report on the procurement of an ESG / RI advisor. This highlighted that, following evaluation of the bids received and interviews held on 7 January, the firm with the highest score was Minerva.</p> <p>The proposal to appoint Minerva to undertake a review of the pool's ESG/RI guidelines and to recommend appropriate reporting arrangements, was agreed.</p>
Investment Performance report	<p>The Committee noted the Investment Performance report as at 30 September 2020. The total pooled assets of all ACCESS Authorities was £25.471bn, an increase of £0.482bn from the June 2020 quarter. Indicative numbers as 31 December were stated as £31.119m (reflecting recent sub-fund launches).</p> <p>Information on investment performance, stock-lending and voting was provided along with carbon measurement and benchmarking. Details of engagement on the LGF ACCESS Absolute Return sub-fund were also included.</p> <p>Report noted.</p>
Sub-fund implementation	<p>The JC received a report outlining progress on sub-fund implementation. It was highlighted that a total of seven sub-fund launches had taken place in November and December 2020, two of which were Global equities (Acadian) and UK equities (Majedie). This activity added over £5bn to assets within the ACS and represented a significant step forward.</p> <p>Report noted.</p>

Agenda Item 6

<p>Contract Management</p>	<p>The JC received a report covering a number of aspects of Contract and Supplier Relationship management including:</p> <ul style="list-style-type: none"> • levels of insurance provision; • the Virtual Investor Day on 17 December 2020; • fee details; and • the “Temperature Check” undertaken in September 2020. <p>The Committee were also updated on the first Internal Audit report undertaken on the work of the ASU which had attained Good Assurance.</p> <p>Report noted.</p>
<p>Risk Register</p>	<p>The Committee received a report on the Pool’s Risk Register. Whilst current rating of the Risk 5 (Brexit) is Amber, it was noted that this had been rated Red during December when the likelihood of a “No Deal” outcome increased. The implications for financial markets of the United Kingdom’s withdrawal from the European Union continue to be monitored.</p> <p>Report noted.</p>
<p>Link Presentation</p>	<p>Karl Midl, Richard Thornton and James Zealander from Link Fund Solutions gave a presentation which included an overview of Operator Services provided along with an update on sub-funds, initiatives and risks. The recent Temperature Check and Virtual Investor Day were covered, and it was highlighted that dialogue on insurance will continue.</p> <p>Presentation noted.</p>
<p>Scheduled Business as Usual (BAU) evaluation</p>	<p>The Committee received an update on the Scheduled BAU evaluation following the workshop held on 12 November.</p> <p>Report noted, and next steps agreed.</p>
<p>Next meeting date</p>	<p>8 March 2021 – Virtual meeting</p>

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Suffolk Pension Board

Report Title:	Communications Strategy
Meeting Date:	12 March 2021
Lead Councillor(s):	Councillor Gordon Jones
Director:	Chris Bally, Deputy Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151)
Author:	Paul Finbow, Head of Pensions Telephone: 01473 265288, Email: paul.finbow@suffolk.gov.uk

Brief summary of report

1. The Pension Fund Committee recently reviewed and approved a revised Communications Strategy for the Fund.

Action recommended

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| 2. The Board is asked to note the revised Communication Strategy. |
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Reason for recommendation

3. The Fund must maintain and publish an up-to-date Communication Strategy, to set out the expectations and performance standards expected of Suffolk County Council in its role as administering authority and the employers who participate in the Fund.
4. The Pension Board in its role as representing both Scheme members and Employers in the Fund is interested in the Fund's Communications.

Alternative options

5. There are no alternative options.

Main body of report

6. At its meeting on 25 February 2021 the Pension Fund Committee reviewed the Communications Strategy for the Fund.
7. In order to facilitate this, the Committee participated in a communications training session, run as a workshop, by Ryan De'Ath, Communications Manager at Suffolk County Council. This was undertaken in September 2020. Two Board members attended this session.
8. The Committee identified areas of communications that could be improved:
 - a) Proactive news releases – should be used to communicate to the stakeholders of the Fund any important developments within the Fund.

- b) Use of graphics and design tools – graphics should be used as visual representation to support the text in the documents and to meet the needs of audiences who process information in different ways.
 - c) Pension Fund website – the website provider is currently updating the format. The Pension Fund Officers have been invited to give feedback on the initial images of the new format and details of the new content.
9. A complete review has been carried out on the Fund’s communications strategy, researching what other LGPS Pension Funds produce, and taking into account the Committee’s desire to enhance the aesthetics and readability of the document.
10. The Communication Strategy can be found in **Appendix 1**. Set out in this document are the key communication priorities and the mechanisms and format which will be used to meet those communication needs.

Conclusion

11. The Board is asked to note the Communications Strategy.

Sources of further information

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

Suffolk Pension Fund Communication Strategy

The Suffolk Pension Fund liaises with over 300 employers and around 69,000 scheme members in relation to the Local Government Pension Scheme (LGPS). The delivery of the administration of the scheme involves communicating with the many stakeholders and the Fund needs to be proactive in providing and delivering clear and timely communications.

This strategy sets out how the Suffolk Pension Fund communicates and how the Fund measures whether its communications are successful.

Strategy

Vision

Everyone with any interest in the Fund should have readily available access to all the information that they require.

Objectives

- To improve understanding of the Pension Scheme and the Fund's activities.
- To promote the benefits of the Scheme and increase membership of the LGPS
- To enable members of the Scheme to make informed decisions.
- To reassure stakeholders.

Principles

Format

All communications will:

- Have a clear purpose
- Have a clear message
- Be well written and presented
- Make an impact



Content

All content will be relevant and delivered on a timely basis.

Delivery

When deciding how to communicate, the Fund takes into consideration the audience, aiming to use the most appropriate means of communication for the recipients of the information.

- Will make the use of the most efficient and effective delivery media for each communication
- Will make all communications available in another language upon request.
- Commitment to increasing digital access and delivery.

Development Priorities

The Pension Fund is committed to using technology to enhance services, improve accessibility and broaden inclusion and has made it a priority to increase and improve digital delivery of its communications.

General communication

The Fund has a public facing website (www.suffolkpensionfund.org), and a member self service facility (www.pensions.suffolk.gov.uk)

These electronic means of communicating, along with email, are complemented by paper-based communication where appropriate.

Media used

Internet, e-mail, post, telephone, one-to-one meetings.

Key Deliverables

Information about the Scheme

The main point of reference for members to find out about the key aspects of the Scheme is the 'Guide to the LGPS.' This is supported by a range of Employee Guides that go into more detail on topics such as increasing benefits and making nominations. These guides are available to download off the website.

Annual Benefit Statement

An annual benefit statement is produced summarising members personal information, pensionable pay and estimation of current and future value of the member's benefit.

Retirement packs

The retirement packs contain useful information and forms for members retiring from the scheme, including a nomination form, bank account change form, a statement of pension benefits and tax office details.

Pension helpline

There is a dedicated helpline for scheme members. This service can point members to information on all aspects of scheme membership and benefits for all active, deferred and pensioner members.

Lines are open from
9.00am to 5.00pm Monday to Thursday.
9.00am to 4.30pm Friday
Tel: 03456 053000

In addition, queries can be sent to the helpdesk email box pensions@suffolk.gov.uk



Active Members

There are close to 22,000 members currently contributing to the scheme. They span a wide range of ages, occupations and salaries and their communication needs are addressed using a mixture of generic and targeted approaches.

Key messages

- Their pension is a valuable benefit.
- There are other benefits as well as their pension with membership belonging to the Scheme.
- Careful consideration should be given before leaving or transferring benefits.
- They should understand how the Scheme works and the changes that are made to it.
- Is their pension benefit going to be enough – if not they can save some more.
- They need to keep their details up to date.

Deferred Members

There are around 30,000 members who are not currently contributing to the scheme but whose pension is being looked after until it becomes payable.

They include members who have moved to an employer who does not participate in the scheme and others who remain with a scheme employer but have stopped contributing themselves.

Key Messages

- Their pension is secure.
- Their pension is keeping pace with inflation.
- We will inform them if they are affected by scheme changes.
- Careful consideration should be given before transferring benefits
- They need to keep their details up to date.

Pensioner Members

The Funds pays a pension to around 17,000 members, this includes retired members, and spouses, eligible partners and children of deceased members.

Key Messages

- Their pension is secure.
- Their pension is keeping pace with inflation.
- We will inform them if they are affected by scheme changes.
- They need to keep their details up to date.



Promotion of the Scheme to Prospective Members and their Scheme Employers

The Pensions Team do not have direct access to prospective members, and so work in partnership with the scheme employers in the Fund to meet these objectives.

Key messages

- The pension scheme is a valuable benefit.
- There are other benefits as well as their pension with membership belonging to the Scheme.
- Don't miss out – you might regret it.

Communication with Scheme Employers

There are over 300 employers with the Pension Scheme. The Fund works with employers to promote and to improve their understanding of the Local Government Pension Scheme and to safeguard members' interests.

Key Messages

- Members' pension is their most valuable benefit after their pay.
- Employers need to be aware of their role and responsibilities in administering the scheme, as well as the Pension Fund's.
- They need to understand how the scheme works.
- The Suffolk Pension Fund is open, transparent and accountable about how they manage the scheme and the Fund.



Other Interested Parties

There is a wide range of other parties apart from members and employers who have a less direct but still legitimate interest in the Fund. These include council tax payers, suppliers and potential suppliers, and investment counterparties.

Key Messages

- The Suffolk Pension Fund is open, transparent and accountable about how they manage the scheme and the Fund.

Explanation of communications

Brief scheme guide – This provides a brief overview of the LGPS scheme and highlights the options that are open to new contributing members.

Scheme booklet - This provides a relatively detailed overview of the LGPS, including who can join, how much it costs, the retirement and death benefits and how to increase the value of benefits.

Newsletters - A biannual newsletter for pensioners which provides information about their pension, payments and an update from the Pension Board pensioner representative.

Pension Fund Annual Report and Accounts – Details of the value of the Pension Fund during the financial year, income and expenditure as well as other related details, for example, the current employing authorities and scheme membership numbers.

Annual Benefit Statements – For active members these include the current value of benefits as well as the projected benefits as at their earliest retirement date and at normal pension age. The associated death benefits are also shown as well as details of any individuals the member has nominated to receive the lump sum death grant. In relation to deferred members, the benefit statement includes the current value of the deferred benefits and the earliest payment date of the benefits as well as the associated death benefits.

Factsheets – Leaflets that provide some detail in relation to specific topics, such as topping up pension rights, transfer values in and out of the scheme, death benefits and for pensioners, annual pension increases.

Website – The website will provide scheme specific information, forms that can be printed or downloaded, access to documents (such as newsletters, policies and the accounts), frequently asked questions and answers, links to related sites and contact information etc.

Member Self Service – A self-service system for members, which allows them to access their pension data at any time to view and update certain information, obtain documents and run various calculations in respect of their future predicted pension benefits. Pensioner members can also view their payslips and P60's.

Face to face briefing sessions – These are sessions available on request for small groups of members. For example, where an employer is going through restructuring, it may be beneficial for the employees to understand the impact any pay reduction may have on their pension rights.

Overview of the LGPS leaflet - A short leaflet that summarises the costs of joining the LGPS and the benefits of doing so.

Briefing sessions – A talk providing an overview of the benefits of joining the LGPS.

Employers' Guide - A detailed guide that provides guidance on the employer responsibilities, including the forms and other necessary communications the employer is responsible for with the Pension Team and scheme members.

Employer Newsletters – A technical briefing newsletter which includes recent changes to the scheme, the way the Pension Team is run and other relevant information to keep employers fully up to date.

Annual employer meeting – A formal seminar style event with speakers covering topical LGPS issues.

Employers' focus groups – Workgroup style sessions to debate current issues within the LGPS.

Adviser meeting – Gives employers the opportunity to discuss their involvement in the scheme with advisers.

Press releases – provide statements setting out the Fund's opinion of matters they have raised (e.g. Fund valuation results).

Pension Fund Valuation Reports – a report issued every three years setting out the estimated assets and liabilities of the Fund as a whole, as well as setting out individual employer contribution rates for a three-year period commencing one year from the valuation date.

Suffolk Pension Board, 12 March 2021

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 Board as well as information that a service considers should be made known to the Board.

This Information Bulletin covers the following items:

1. [LGPS 2013 Regulations Act](#)
2. [Pensions Investment and Governance Audit](#)
3. [Ill Health Liability Insurance](#)
4. [Increase to Minimum Retirement Age](#)
5. [New Employers](#)

1. LGPS 2013 Act Regulations

- 1.1 In August, the Government issued a partial response to the consultation held on policy proposals to amend the Local Government Pension Scheme 2013 Act regulations.
- 1.2 New regulations came into force on 23 September 2020 providing employers with flexibility on meeting exit payments and administrating authority the flexibility to review employer contributions between valuations:
- 1.3 Government consulted on the appropriate guidance for these new powers and will work with the Scheme Advisory Board and CIPFA to develop guidance, taking account of the consultation responses. [LGPS Regulations 2013 \(lgpsregs.org\)](http://lgpsregs.org). Government aims to publish guidance as soon as possible to help the administering authorities and scheme employers with implementing these powers.
- 1.4 The Pension Fund Committee had scheduled to discuss the implementation of these regulations at its meeting on 25 February 2021 however as the guidance has yet to be issued this has been postponed temporarily until the appropriate information is available for the Committee.

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2. Pensions Investment and Governance Audit

- 2.1 The annual audit review of Pension Fund Investment Management undertaken by the Suffolk County Council internal audit team has recently been completed. The audit evaluated the controls in place to ensure that governance arrangements, systems and procedures are in place and operating effectively.
- 2.2 The overall opinion was one of substantial assurance, meaning there is a sound system of governance, risk management and control exists, with internal controls

operating effectively and being consistently applied to support the achievement of objectives in the area audited. There were no issues raised.

2.3 The report was presented to audit committee at their meeting on 16 March 2021.

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3. Ill Health Liability Insurance

3.1 At its Committee meeting held on 24 November 2020, the Committee approved mandating ill health liability insurance for certain employers and to hold a consultation to establish views on the size criteria.

3.2 The Pension Board agreed with the Pension Fund Committee's actions and the size criteria proposed and responded to the consultation at its meeting on 11 December 2020 (Agenda Item 6 – Ill Health Liability Insurance Consultation).

3.3 A consultation was held with the Employers to establish their views on the size criteria of the Employers who will be mandated to hold ill health liability insurance.

3.4 The consultation was sent round to all employers on 11 December with a deadline of 31 January 2021 to respond. A reminder of the consultation was sent on 19 January 2021. There were 18 responses to the consultation representing 36 employers.

3.5 The Committee took into account the responses to the consultation at its meeting on 25 February 2021 (Agenda Item 8 Ill Health Liability Insurance Options) and have approved mandatory insurance for all Employers with a payroll of less than £1m.

3.6 Work has commenced with Hymans to implement this from 1 April 2021.

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4. Increase in Minimum Retirement Age

4.1 On 11 February 2021, HMT published a consultation on the implementation of increasing the normal minimum pension age. In 2014, the Coalition Government consulted on increasing the normal minimum pension age from 55 to 57 from 6 April 2028 as part of the Freedom and choice in pensions consultation and in line with the increase to the state pension retirement age.

4.2 The consultation re-confirms the Government's commitment to increasing the normal minimum pensions age but will not apply to members of the firefighters', police and armed forces pension schemes.

4.3 The consultation seeks views on:

- the implementation of the rise in normal minimum pension age, and
- protections for pension scheme members of registered pension schemes who have a right under the scheme rules to take benefits before age 57 at the date of the consultation who will be protected from the increase.

4.4 The closing date is 22 April 2021.

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5. New Employers

5.1 There were 3 new employers admitted into the Fund during the third quarter of the year (October to December).

- Places Leisure
- Ecoclean – Westgate
- Caterlink – St Albans

5.2 There were 4 employers who left the Fund:

- Churchill Hadleigh
- Churchill SS Learning
- Sentinel Leisure
- Marina Theatre

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For further information on any of these information items please contact:

Paul Finbow, Head of Pensions

Email: paul.finbow@suffolk.gov.uk Telephone: 01473 265288.

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Suffolk Pension Board

Report Title:	Risk Register
Meeting Date:	12 March 2021
Lead Councillor(s):	Councillor Gordon Jones
Director:	Chris Bally, Deputy Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151)
Author:	Sharon Tan, Technical Pensions Specialist Telephone: 01473 265636 Email: sharon.tan@suffolk.gov.uk

Brief summary of report

1. This report sets out the Risk Register for the Pension Board as approved on 2 October 2020 and how the risk control measures have been implemented against the risks.

Action recommended

- | |
|--|
| <ol style="list-style-type: none"> 2. The Board is asked to review the implementation of the risk control measures. 3. The Board is asked to review and approve the Pension Board Risk Register. |
|--|

Reason for recommendation

4. 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.
5. 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

6. There are no alternative options.

Main body of report

Regulatory Background

7. 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”.

Implementation of Risk Control Measures

8. A summary of how the risk control measures in the risk register have been implemented or reviewed is set out in **Appendix 1**.

Risk Register

9. 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.
10. 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 summary risk register for the Pension Fund Committee is attached as **Appendix 3**. There have been two changes to the Pension Fund Committee risk register in recent months.
12. The addition of:
 - a) SPF03 Failure of the Pension Fund Employers to be able to produce the data required to calculate the impact of the McCloud High Court ruling.
 - b) SPF13 Breach of current data protection legislation
13. The risk register for the Pension Board to approve is attached as **Appendix 4**. As discussed at the Board meeting held on 2 October 2020 one additional risk has been added, to cover the regulatory changes that have been proposed by Government and ensure that these are implemented correctly.
14. 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	Risk Control Measures	Implementation
SPB01	<p>Employer Employers' failure to carry out their responsibilities for paying contributions and providing information required for the administration team to fulfil their responsibilities.</p>	<p>An effective Administration Strategy setting out the employers responsibilities.</p> <p>Monitoring and reporting of the compliance of the employers. Pension Fund officers report on the statutory requirements of the Fund and any breaches that may have occurred.</p> <p>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.</p> <p>Non compliance is addressed.</p>	<p>The Administration strategy is reviewed every three years. It was last approved by the Pension Fund Committee at its meeting on 27 November 2018. A link was sent to all employers. The document is available on the Pension Fund website.</p> <p>The administration report to the Board provides information on the adherence to statutory requirements for both the Fund and employers.</p> <p>Prospective employers (where a government guarantee doesn't apply) are required to secure either a guarantee or a bond to provide security for the pension liabilities of their members. Bonds are reviewed annually to reflect the current employer position. Eligible Employers are not able to access the Suffolk Pension Fund without providing a bond or guarantee.</p> <p>Engagement is the key to ensure compliance and the team will work with employers to help them comply or to help develop processes to further improve the timeliness and quality of data.</p> <p>When appropriate escalation processes are agreed with employers and used to obtain information where this is not received in the agreed timescales.</p>
SPB02	<p>Scheme Members Scheme members are not in receipt of the correct benefit and/or paid on time.</p>	<p>The Pensions Administration team are required to keep up to date with pension benefit regulation and adhere to the stringent procedures required to comply with the benefits regulations.</p> <p>Knowledge and understanding is kept up to date by attending the relevant training courses on offer by professional bodies.</p> <p>Calculations are independently checked and verified.</p> <p>Internal and external audit review the internal control arrangements in place.</p>	<p>Forthcoming Regulatory changes are kept under review through the consultation process. Once the draft regulations are formalised the Fund will effectively plan for implementation seeking technical clarification from the LGA if required. The Altair system is updated and tested by Heywood.</p> <p>Regulation changes are communicated to affected individual members within the statutory 3 months.</p> <p>Attendance at training courses and conferences are encouraged, with the knowledge gained shared amongst the team to ensure the team as a whole is kept up to date. Staff are trained on areas they are not familiar with to improve their knowledge and enable them to support our members better by being able to do more. New administrators have an in-depth training plan to work through which covers each main area of administration to build up their knowledge and develop their skills before they move on to the next area. Additionally new starters are provided with a buddy, process notes and all work is checked thoroughly to ensure there are no risks to the members benefits while they are learning.</p> <p>There are regular team meetings where the specifics of changes to regulations are discussed and refresher training is also carried out.</p> <p>All calculations are peer reviewed by members of the Administration team for accuracy before communications are sent out. There have also been various factor changes which have been loaded into the Altair system.</p> <p>If the Altair pension system is found to be producing incorrect calculations this is raised with the software provider to investigate. The Administration Team are made aware of the issues and where similar cases might arise.</p> <p>Internal audit annually review the internal control arrangements in place for the administration systems and investments, the result are reported to the Board. The Board also receives the external audit report for the Annual Report and Accounts.</p>

Risk ID	Risk	Risk Control Measures	Implementation
SPB03	<p>Governance Failure to communicate or engage with employers and scheme members.</p>	<p>An effective Communications Strategy so that employers are engaged with the Pension Fund.</p> <p>Regular communications to employers on LGPS matters are provided by Pension Fund officers in the form of newsletters and bi-annual employer meetings.</p> <p>Regular meetings are held by the Pension Board with the papers published within statutory deadlines.</p> <p>A range of communication tools are available to enable effective communication such as newsletters, pension help desk, pensions website.</p> <p>An annual employers meeting is held.</p>	<p>The Communication strategy is reviewed annually. It was last reviewed by the Pension Fund Committee at its meeting on 25 February 2021. The document is available on the Pension Fund website.</p> <p>The Pension Matters newsletter is emailed to employers on a regular basis to keep them updated with the Local Government Pension Scheme, Suffolk Pension Fund developments and highlights up coming deadlines for administration paperwork requirements from themselves.</p> <p>The Pension Board meets regularly and the papers are published on the Pension Fund website. The Board has access to the Pension Fund officers and have the opportunity to seek clarification or request further information.</p> <p>The Pension Fund has a public facing website and a member self service facility. These electronic means of communicating, along with email are complemented by paper based communication where appropriate. The Pensions website is reviewed and kept up to date with useful information and the Pensions Helpdesk is available for members to contact if they need some guidance.</p> <p>The team issue newsletters to Pensioner members of the scheme twice a year on the self-service system unless a paper version has been requested and employers monthly. Information is provided to all active and deferred scheme members annually with the provision of their Annual Benefit statements through the self service system unless another format has been requested. Pensioner members can now also use the self service system to access their payslips and P60's.</p> <p>The Annual employers meeting was held using microsoft teams on 25 September 2020 covering investment performance, progress in the pooling of assets, upcoming developments for Pensions administration and regulations and a presentation by Hymans explaining how the market volatility effects the funding level and some background information on the McCloud ruling.</p>
SPB04	<p>Governance Pension Fund Board members do not have the appropriate skills or knowledge to discharge their responsibility.</p>	<p>The Board has adopted the CIPFA Pensions Knowledge and Skills Framework as the basis for assessing its training and development needs.</p> <p>The Board approves a formal two year 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.</p> <p>New Board members are fully briefed by a Pension Fund officer to enable them to participate in meetings.</p> <p>External advisers are employed to advise the Pension Fund Board as required.</p>	<p>The Board agrees its Training plan annually, linked to the requirements of the Cipfa Pensions Knowledge and Skills framework. The next review is at the March 2021 Board meeting.</p> <p>A training segment is utilised before the start of each Pension Board meeting and the Board also has access to and often attend the Pension Fund Committee's training programme before the start of their meetings. Members of the Pension Board attended the Pension Fund annual training day was held in November 2020 utilising microsoft teams covering ESG.</p> <p>New Board Members always receive an introduction to the scheme and a briefing from officers before attending their first meeting.</p> <p>Advisers attend meetings, at the request of the Board. The performance data providers presented to the Board at its virtual meeting held on 20 July 2020.</p>

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 Pension Fund Risk Register – Monitoring Report

Risk Profile as of 31 December 2020

Theme	Ref	Description	Score
Employer	SPF01	Council fails to commission a cessation valuation for departing Admission Body.	Low (4)
	SPF02	Failure to carry out responsibilities for providing scheme administration data.	Medium (6)
	SPF03	Failure of the Employers to produce the data required to calculate the impact of the McCloud High Court ruling.	Medium (6)
	SPF04	Increase in unfunded early retirements	Low (4)
	SPF05	Failure to communicate or engage with pension fund stakeholders	Low (4)
Actuarial	SPF06	Assumptions used in the triennial valuation are significantly different to the experience	Medium (9)
	SPF07	Fall in risk-free returns on Government bonds, leading to rise in value on liabilities	Medium (9)
	SPF08	Failure of investment strategy to produce the long-term returns required in the investment strategy	High (12)
Governance	SPF09	Committee members have insufficient skills or knowledge to make informed decisions	Medium (6)
	SPF10	Board members have insufficient skills or knowledge to discharge their duties	Low (4)
	SPF11	Pension fund officers have insufficient skills or knowledge to advise the Pension Fund appropriately	Medium (6)
	SPF12	Failure by a provider of Additional Voluntary Contributions to the Pension Fund	Low (4)
	SPF13	Breach of current data protection legislation	Medium (6)
	SPF14	Failure to have adequate systems and processes in place to safeguard data	Low (4)
Investment	SPF15	Failure of investment markets in generating returns	High (12)
	SPF16	Failure in performance by individual investment managers leading to shortfall	Medium (6)
	SPF17	Counterparty default in securities lending programme	Low (4)
	SPF18	Negligence, fraud, or default by individual investment manager leading to shortfall	Medium (6)
	SPF19	Failure of custodian leading to loss of investment or misreporting of position	Medium (6)
	SPF20	Insufficient liquid assets to meet liabilities	Medium (6)
	SPF21	Failure by investment managers to appropriately manage the potential risk of stranded assets	Low (4)

Regulatory	SPF22	Changes to regulations or legislation not being adhered to	Medium (6)
	SPF23	Failure of the Pension Fund to be able to undertake the work required to remedy the McCloud High Court ruling.	Medium (6)
	SPF24	Progress in pooling the assets of the Suffolk Pension Fund in the ACCESS pool does not meet Government expectations.	High (12)
Operational	SPF25	Failure of payroll and pensions administration IT systems	Medium (9)
	SPF26	Failure to comply with LGPS pensions benefits regulations	Medium (6)
	SPF27	Staff fraud/theft/negligence	Low (4)
	SPF28	Failure to collect/account for full receipt of contributions and deficit payments	Low (4)
COVID 19	SPF29	Failure of the Pension Fund to carry out its duties during the COVID 19	Medium (6)

Theme	Number of risks in each category			
	V High	High	Medium	Low
Employer	0	0	2	3
Actuarial	0	1	2	0
Governance	0	0	3	3
Investment	0	1	4	2
Regulatory	0	1	3	0
Operational	0	0	2	2
COVID 19	0	0	1	0

Key changes to the Suffolk Pension Fund Risk Register since the last summary report.

- None

Suffolk Pension Board Risk Register

Risk ID	Risk	Impact	Prob	Risk Score	Risk Rating	Risk Control Measures
SPB01	<p>Employer Employers' failure to carry out their responsibilities for paying contributions and providing information required for the administration team to fulfil their responsibilities.</p> <p><u>Consequence</u> Could lead to incorrect information being used to make decisions in regards to the employer and the Pension Fund as a whole.</p> <p>The financial burden would have to be picked up by the rest of the employers in the Pension Fund.</p>	3	2	6	Medium	<p>An effective Administration Strategy setting out the employers responsibilities.</p> <p>An effective Communications Strategy so that employers are engaged with the Pension Fund.</p> <p>Monitoring and reporting of the compliance of the employers.</p> <p>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.</p> <p>Non compliance is addressed.</p>
SPB02	<p>Scheme Members Scheme members are not in receipt of the correct benefit and/or paid on time.</p> <p><u>Consequence</u> Additional administration time required to correct any errors.</p> <p>Reputational risk to the Suffolk Pension Fund and Suffolk County Council.</p>	3	2	6	Medium	<p>The Pensions Administration team are required to keep up to date with pension benefit regulation and adhere to the stringent procedures required to comply with the benefits regulations.</p> <p>Knowledge and understanding is kept up to date by attending the relevant training courses on offer by professional bodies.</p> <p>Calculations are independently checked and verified.</p> <p>Internal and external audit review the internal control arrangements in place.</p>

Risk ID	Risk	Impact	Prob	Risk Score	Risk Rating	Risk Control Measures
SPB03	<p>Governance Failure to communicate or engage with employers and scheme members.</p> <p><u>Consequence</u> Leading to non compliance with legislation and best practice. Inability to determine policy and effective decisions. Damaging to reputation.</p>	3	3	9	Medium	<p>Maintenance and implementation of a communication strategy.</p> <p>Regular communications to employers on LGPS matters are provided by Pension Fund officers in the form of newsletters and bi-annual employer meetings.</p> <p>Regular meetings are held by the Pension Board with the papers published within statutory deadlines.</p> <p>A range of communication tools are available to enable effective communication such as newsletters, pension help desk, pensions website.</p> <p>An annual employers meeting is held.</p>
SPB04	<p>Governance Pension Fund Board members do not have the appropriate skills or knowledge to discharge their responsibility.</p> <p><u>Consequence</u> The Board does not discharge their duties to oversee the governance of the Pension Fund.</p> <p>Reputational risk to the Suffolk Pension Fund.</p>	3	3	9	Medium	<p>The Board has adopted the CIPFA Pensions Knowledge and Skills Framework as the basis for assessing its training and development needs.</p> <p>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.</p> <p>New Board members are fully briefed by a Pension Fund officer to enable them to participate in meetings.</p> <p>External advisers are employed to advise the Pension Fund Board as required.</p>
SPB05	<p>Regulatory Changes to regulations or legislation not being adhered to.</p> <p><u>Consequence</u> Could result in an increase in the cost of the scheme or increased administration time to correct.</p> <p>Reputational risk to the Suffolk Pension Fund.</p>	3	3	9	Medium	<p>The Pension Fund responds to all consultation papers regarding changes to the LGPS issued by the Ministry of Housing, Communities and Local Government (MHCLG).</p> <p>Pension Fund officers attend conferences and seminars to ensure the consequences of legislative changes are understood and implemented.</p> <p>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.</p>

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?
Monday, 19 July 2021	Added 11 December 2020	Complaints, Compliments and Administration Performance	To receive a report on the complaints and compliments received by the Fund.	Written Report
	Added 11 December 2020	Suffolk's progress on Pooling of Assets	To receive an update on the progress of pooling assets.	Presentation
	Added 11 December 2020	Board Training Programme	To consider the Board's Training programme for the next 12 months.	Written Report
	Added 11 December 2020	Administration and management expenses	To receive a report on the administration and management expenses for 2020/21 and the budget for 2021/22.	Written Report
	Added 11 December 2020	Investment Performance	To receive a report on the investment performance of the Fund in 2020/21.	Written Report
	Added 11 December 2020	Recent Developments	To receive an information bulletin covering recent developments that the Board has an interest in.	Written Report
	Added 11 December 2020	Forward Work Programme	To approve the Forward Work Programme for the Suffolk Pension Board.	Written Report
Monday, 27 September 2021	Added 11 December 2020	Complaints, Compliments and Administration Performance	To receive a report on the complaints and compliments received by the Fund.	Written Report
	Added 11 December 2020	Annual Report and Accounts 2020/21	To review the annual report and Accounts of the Pension Fund	Written Report
	Added 11 December 2020	Suffolk's progress on Pooling of Assets	To receive an update on the progress of pooling assets.	Presentation
	Added 11 December 2020	Pension Board Risk Register	To review the Pension Board	Written Report

Meeting date (see Note)	Date added	Subject	Short description	How is it anticipated the Committee will deal with this issue?
			Risk Register.	
	Added 11 December 2020	Recent Developments	To receive an information bulletin covering recent developments that the Board has an interest in.	Written Report
	Added 11 December 2020	Forward Work Programme	To approve the Forward Work Programme for the Suffolk Pension Board.	Written Report
Friday, 10 December 2021	Added 12 March 2021	Complaints, Compliments and Administration Performance	To receive a report on the complaints and compliments received by the Fund.	Written Report
	Added 12 March 2021	Suffolk's progress on Pooling of Assets	To receive an update on the progress of pooling assets.	Presentation
	Added 12 March 2021	Recent Developments	To receive an information bulletin covering recent developments that the Board has an interest in.	Written Report
	Added 12 March 2021	Forward Work Programme	To approve the Forward Work Programme for the Suffolk Pension Board.	Written Report

Note: Additions and amendments to previous Forward Agenda are marked in bold.

If you have any questions or queries, please contact Paul Finbow. Email: paul.finbow@suffolk.gov.uk, Telephone: 01473 265288.

Revised: December 2020

Items for consideration/scheduling:

- A review of the Policies for the Suffolk Pension Fund