

Minutes of the Suffolk Pension Board Meeting held on Tuesday 23 July 2024 at 11:00 am in the Rose Mead Room, Endeavour House, Ipswich.

Present: Councillor Richard Smith MVO (Chairman) (representing Suffolk County Council), Pauline Bacon (representing the Unions), Richard Blackwell (representing Pensioners), Ian Blofield (representing all Borough, District, Town and Parish Councils), and Kay Davidson (representing Active Members).

Also present: Scott Douglas, Northern Trust (Agenda Item 6, attended remotely) and Tatum White, Senior Auditor (Agenda Item 5).

Supporting officers present: Rebekah Butcher (Democratic Services Officer), Stuart Potter (Pensions Operations Manager – attended remotely), Sharon Tan (Lead Accountant, Pensions), and Tracey Woods (Head of Pensions).

The meeting was opened by the Democratic Services Officer.

1. Appointment of Chairman and Vice Chair

On the proposition of Richard Blackwell, seconded by Kay Davidson, it was agreed by general affirmation that Councillor Richard Smith MVO be elected as Chairman for the forthcoming year 2024/25.

Councillor Smith assumed the Chair.

On the proposition of Councillor Richard Smith MVO, seconded by Richard Blackwell, it was agreed by general affirmation that Pauline Bacon be elected as Vice Chair for the forthcoming year 2024/25.

2. Apologies for Absence

Apologies for absence were received from Thomas Jarrett (representing all other employers in the Fund).

3. Declarations of Interest and Dispensations

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

Pauline Bacon, Ian Blofield, and Kay Davidson declared an interest by virtue of the fact they were active members of the pension scheme.

4. Minutes of the Previous Meeting

The minutes of the meeting held on 20 March 2024 were confirmed as a correct record and signed by the Chairman.

Councillor Richard Smith MVO expressed his heartfelt tribute to the former Head of Pensions, Paul Finbow, with whom he had the privilege of working for many years, noting that Paul would be greatly missed.

Councillor Smith also warmly welcomed Tracey Woods as the new Head of Pensions, wishing her success in her new role.

5. Internal Audit Work on the Pension Fund 2023/24

At Agenda Item 5, the Board received a report which detailed the internal audit work performed in the 2023/24 financial year relating to Suffolk Pension Fund, and the audit opinions on the control environment resulting from that work.

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:

- a) took assurance from the work and activities of the Internal Audit Service with a view that processes and controls within the Pensions Team were operating effectively.
- b) requested a report in July 2025 to provide an update on the successful resolution of the issues with Oracle Fusion data quality.

Reason for decision: The Board had responsibility for assisting the Suffolk Pension Fund comply with all legislative requirements and for ensuring that the scheme was being effectively and efficiently governed and managed.

A member raised ongoing frustrations with data quality issues in the Oracle Fusion system, particularly how those issues were impacting the Pensions Team. They expressed concern over the continued problems, especially the incomplete data, and questioned whether additional pressure could be applied to resolve the situation. They also highlighted that the Pensions Team was struggling due to system limitations, which hindered their ability to work effectively. The Head of Pensions explained that weekly meetings were being held to address the issues, and some progress had been made, though challenges remained. The process improvements were expected to be completed by the end of the financial year. The Chairman acknowledged the frustrations and suggested revisiting the issue at the Board's first opportunity in July 2025, emphasising the need for assurance that the problems would indeed be resolved by then.

A member also raised a concern that the statement about Altair expiring on 31 October 2024 could be worrying unless there was a plan to replace it. The Head of Pensions advised that the procurement process for a replacement was ongoing and promised to provide an update once a decision was made.

A member expressed concerns about pension fund members dropping out due to HR or payroll errors, stressing the importance of following up when contributions suddenly stopped to prevent risks to members. The Pension Operations Manager acknowledged the issue and explained that while they currently checked annually for such cases, the upcoming iConnect system would provide monthly data, enabling quicker detection and follow-up. The member appreciated this improvement but emphasised the need for continuity for scheme members moving between local authorities and sought assurance that those

cases would be monitored closely. The Pensions Operations Manager agreed to work with the Head of Pensions to tighten processes and ensure accurate administration.

A member also enquired about the progress on addressing the backlog. The Head of Pensions informed members that the backlog was still ongoing and would continue for some time, especially with the influx of new leavers at the end of the financial year. She explained that dealing with undecided leavers had been integrated into day-to-day activities, rather than being addressed only when time allowed. Additionally, as part of preparing for the pension dashboard, the team was focusing on improving data quality, particularly contact information, since it was harder to reach undecided leavers the longer they remained undecided. Members were assured that progress was being made, and efforts would continue.

Alternative options: There were none considered.

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

Pauline Bacon, Ian Blofield, and Kay Davidson declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

6. Investment Performance

At Agenda Item 6, the Board received a report which provided a summary of the performance of the Suffolk Pension Fund for 2023-24 and performance benchmarking against other local authority pension funds.

The Chairman welcomed Scott Douglas, Northern Trust, to the meeting, who joined remotely (via MS Teams). He presented the report and members had the opportunity to ask questions.

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

Reason for decision: The Board received an annual update on the investment performance of the Fund.

Members were informed that the Pension Fund Committee was pleased with the report, reflecting another strong year for the Suffolk Pension Fund.

The Board found the report highly informative and expressed confidence in Northern Trust's analysis, recognising its significant value to the Pension Fund Committee. The Board was particularly pleased that the data provided the Committee with early warnings of problem areas and identified what needed to be addressed.

A member also commented that they were pleased to see that the 'green' investments in UBS Climate Aware and Low Carbon funds were performing well, contributing to the achievement of Environmental, Social and Governance (ESG) targets.

Alternative options: There were none considered.

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Pauline Bacon, Ian Blofield, and Kay Davidson declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

7. Pensions Administration Performance

The Board received a report at Agenda Item 7 which provided an update on the performance of the Pensions Administration Team. The report also included details of compliments and complaints received by the Administration team and details 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 had the opportunity to ask questions.

Members noted an update to the report at paragraph 13; the Pensions Operations Manager advised that having run a report on 23 July, the total backlog of undecided leavers totalled just below 8,500 (down from 8,650 recorded in the report).

Decision: The Board:

- a) noted the report.
- b) requested continued reporting of the percentage of employers on the iConnect system.

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.

A member noted that only 40% of employers in the Fund were on iConnect and asked about a timeline to reach 100%, highlighting challenges until that goal was met. The Pensions Operations Manager acknowledged the delays, primarily due to the Suffolk County Council report, and mentioned they were exploring different approaches, aiming to complete the process within the next couple of years. He noted that completing the iConnect integration would ease operations and benefit members. Another member added that Suffolk, the largest employer, would significantly increase the percentage when onboarded. It was agreed to continue reporting those numbers at each board meeting.

A member enquired about the minimum number of undecided leaver cases that could be expected, considering the limited room for action due to lost contact with members. The Pensions Operations Manager acknowledged the question and estimated that the number could be reduced to around 2,000-3,000. He mentioned that achieving a lower number would require a good tracing agency and the upcoming pensions dashboard, which would allow individuals to log in and see if they had a pension, would hopefully prompt those previously uncontacted to get in touch. Members noted the importance of monitoring those figures and acknowledged that zero was not an achievable target.

The Board was satisfied with how management had handled the complaints the team had received.

Alternative options: There were none considered.

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Dispensations: There were none granted.

8. **Additional Voluntary Contribution Provider Review**

The Board received a report at Agenda Item 8 which provided an update on the implementation of the Legal and General Additional Voluntary Contribution (AVC) scheme for the Suffolk Pension Fund.

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

Decision: The Board:

- a) noted the progress of the implementation of the Legal and General Additional Voluntary Contribution scheme provision.
- b) requested an Information Bulletin item on 16 October 2024 regarding the successful transfer of assets to the new provider.
- c) requested the new scheme be promoted to members of the Fund.

Reason for decision: The Pension Board represented active members in the Local Government Pension Scheme (LGPS).

Members were informed that the final stage of the implementation, involving the transfer of scheme members' assets to Legal and General, was initially scheduled for completion on 15 July 2024 but had been delayed to early August 2024. This delay resulted from a miscommunication regarding an unmonitored email address at Standard Life. Standard Life acknowledged their fault in the matter and issued an apology. Members were assured that the asset transfer would be completed soon and requested an update at its next meeting to confirm it had been successfully completed.

The Board was also informed that some questions had been raised by scheme members who had not received their welcome packs to the new AVC scheme, however Officers confirmed this should be completed by the end of August.

Members were also informed that officers planned to promote the scheme to Fund members. One member requested that this be included in Suffolk County Council's internal newsletter, Inside SCC. Additionally, information would be provided in the Active Members newsletter.

Alternative options: There were none considered.

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Pauline Bacon, Ian Blofield, and Kay Davidson declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

9. **ACCESS Pool update**

At Agenda Item 7, the Board received a verbal update from Tracey Woods, Head of Pensions, on the recent developments within the ACCESS pool.

The Board was informed that the ACCESS Joint Committee last met on 10 June 2024, with the primary focus being the Third-Party Review. The Joint Committee decided to move forward with certain elements of the review but concluded that an independent chair was unnecessary. However, they considered the potential addition of non-voting co-opted members to the Joint Committee and evaluated how to best utilise their advisors attending the meetings.

The Joint Committee had also shown interest in expanding the ACCESS Support Unit due to the heavy reliance on member funds for certain responsibilities. This collaboration was expected to reduce duplication amongst member funds.

The Board was informed that the Joint Committee would continue developing new sub-funds, particularly in the alternative investment space. A recent procurement focused on timber investments, and there were plans to explore options such as social housing. Additionally, there would be a review of the overall number of sub-funds within ACCESS.

Members were reminded that a communication from the Government regarding the future of pooling was expected before the election. However, officers were awaiting the new government's stance on the timing and potential changes to pooling models. Members were also informed that the King's Speech primarily addressed private pensions, but the forthcoming bill might provide further information on pooling.

Members were assured ACCESS would closely monitor the developments and actively engage with central government to highlight the benefits of the ACCESS approach, including cost savings and the number of members in the fund.

Decision: The Board noted the update.

The Chairman also requested to receive a briefing on ACCESS.

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

The Chairman, who recently rejoined the Board after several years, requested an update on all matters related to ACCESS to ensure he was as informed as the other board members.

During the discussion, a member asked a question relating to whether Suffolk was invoiced for the work the Lead Accountant did on the performance reports. The Head of Pensions responded yes.

In relation to investment to UK infrastructure requested by the previous government, the Head of Pensions advised it was the expectation that this would be ongoing with the new government. This was now known as the National Wealth Fund. However, it was still ultimately down to the individual pension funds to make investment decisions.

A member reiterated the Board's concern about being required to invest in UK infrastructure if such investments did not yield comparable returns to other options. The Chairman acknowledged this concern, noting that it might arise as an issue in the future, and emphasised the limited influence local government might have in this matter.

Alternative options: There were none considered.

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Pauline Bacon, Ian Blofield, and Kay Davidson declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

10. Board Training Programme

The Board received a report at Agenda Item 10 which outlined areas of training for Board members to gain the necessary knowledge and understanding to fulfil their Board role.

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

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

- a) Pensions Dashboard.
- b) Single Code of Practice.
- c) Good Governance.
- d) Plan for Net Zero.

The Board also requested:

- e) that any emerging topics should take priority over the above suggestions if deemed appropriate.
- f) to resend a link for the updated version of the Hymans Robertson online training modules.

Reason for decision: To comply with the Pensions Regulators requirements, members of the Pension Board must be able to demonstrate that they had the required knowledge and understanding of Local Government Pension Scheme (LGPS) issues.

A member emphasised the importance of prioritising the plan for net zero and ESG objectives within the Fund and the need for the Committee to give those issues due consideration. The Head of Pensions mentioned that net zero should be discussed at the Committee's November meeting so the timing of that would determine when the training would take place. The Lead Accountant (Pensions) added that the Committee had already set a date for achieving net zero by 2050 or earlier, agreed within the Investment Strategy Statement, and the upcoming November meeting would outline how to deliver and monitor this plan.

Members were informed that progress through the online training modules would be monitored during 2024/25. They were aware that, once the Good Governance recommendations were implemented, the Fund might need to demonstrate the knowledge and understanding of both its committee and board members. This training was designed to address those requirements.

Members also noted that the annual training day would likely be held on 24 October, rather than 22 October as mentioned in the report. A member endorsed the decision to hold the annual training day at Endeavour House, as it was expected to maximise attendance and reduce costs.

Alternative options: There were none considered.

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Pauline Bacon, Ian Blofield, and Kay Davidson declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

11. Information Bulletin

The Board noted the Information Bulletin at Agenda Item 11.

12. Dates of Future Meetings

At Agenda Item 12, the Board considered its dates of future meetings.

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

2024/2025:

- Wednesday, 16 October 2024
- Wednesday, 4 December 2024
- Friday, 7 March 2025

2025/2026:

- Tuesday, 29 July 2025
- Friday, 17 October 2025
- Wednesday, 10 December 2025
- Wednesday, 4 March 2026

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

Reason for decision: The Board had choice over the dates for its future meetings and set the planned dates up to two years in advance.

Alternative options: There were none considered.

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

Pauline Bacon, Ian Blofield, and Kay Davidson declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

13. Forward Work Programme

The Board received a copy of its Forward Work Programme at Agenda Item 13.

Decision: The Board approved its Forward Work Programme as published, and with the inclusion of:

- a) a report in July 2025 to provide an update on the successful resolution of the issues with Oracle Fusion data quality (as noted a minute 5).
- b) an Information Bulletin item on 16 October 2024 regarding the successful transfer of assets to the new provider (as noted at minute 8).

A member also requested that any new changes in government laws or policies be communicated promptly via email to prevent being overwhelmed at the next meeting. They suggested sending links about significant changes as they occurred. The Head of Pensions agreed to this approach. The Chairman added that he would like to review any emails before they were sent.

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

The meeting closed at 12:36 pm.

Chairman

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