

Minutes of the Suffolk Pension Board Meeting held on Friday, 7 March 2025 at 2:30 pm 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).

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

35. Apologies for Absence

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

36. 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.

37. Minutes of the Previous Meeting

The minutes of the meeting held on 4 December 2024 were confirmed as a correct record and signed by the Chairman.

38. Pensions Administration Performance

The Board received a report at Agenda Item 4 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.

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.

The Chairman thanked Kay Davidson for her article in the Active Members biannual newsletter.

A member questioned the reduction in Service Level Agreement percentages. The Pensions Operations Manager explained that this was due to minor delays in receiving necessary information, which was obtained and addressed the following day.

A member asked whether the undecided leavers' work was being handled by the general pensions team or additional temporary staff. The Pensions Operations Manager confirmed that some fixed-term staff were still working on it alongside business-as-usual tasks.

Members were pleased with the improved timeliness of contribution payments receipts. A verbal update confirmed that a new employer to the Fund had initially resisted paying the contribution payments on time, stating they would only meet the statutory deadlines. However, they were advised that failing to meet the deadlines specified within the Administration Policy would result in interest charges.

Members were content with the information and statistics provided.

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.

39. Government Pension Review

At Agenda Item 5, the Board received a report which provided an update on the response to the Pensions Investment Review consultation. The report was introduced by Tracey Woods (Head of Pensions) and members had the opportunity to ask questions.

Decision: The Board noted the Suffolk Pension Fund response to LGPS: Fit to the Future consultation.

The Board also agreed that Kay Davidson and Richard Blackwell would attend the ACCESS Joint Committee meeting as observers on Monday, 24 March 2025 and would report back at the next meeting of the Suffolk Pension Board.

Reason for decision: To keep the Board informed about the progress of the Pensions Investment Review and the Suffolk Pension Fund response to it.

Government published the interim report of its Pensions Investment review which set out proposals it consulted on to deliver scale and consolidation of the LGPS.

The final report would be published once the consultation responses had been considered and this report would then form the basis of the Pension Bill being laid before Parliament in due course.

A member enquired about the coverage of risks associated with the establishment of an investment management company. The Head of Pensions advised that legal and advisor costs had already been incurred for analysing options. Alpha FMC, a company experienced in pool setups, was leading the

process towards a Financial Conduct Authority (FCA) submission, expected in October. She added that the FCA had personnel ready to review submissions, with approval anticipated by March 2026 if submitted in October 2025. Members also heard that the setup costs included employing key executives and ongoing running costs. Contracts could be signed without the need for immediate staffing, providing flexibility, and existing contracts with Northern Trust and Waystone would transfer to the new company, contingent on government approval.

Pension Board members from the eleven partner funds within ACCESS were granted the opportunity to observe Joint Committee meetings annually. Suffolk's designated observation period occurred in March each year. The members advised they would participate virtually.

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.

40. Pension Board Risk Register

At Agenda Item 6, the Board received a report which set out the Risk Register for the Pension Board and how the risk control measures had been implemented against the risks. The Risk Register was reviewed twice-yearly by the Board.

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

Decision: The Board reviewed and approved the Pension Board Risk Register as published.

Reason for decision: Risk management was 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.

The effective management of risk was also an area covered within the CIPFA Knowledge and Skills framework which recognised the importance of having an understanding of the risks that could have an impact on the Pension Fund and what steps could be taken to mitigate such risks.

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.

41. ACCESS Pool update

At Agenda Item 5, the Board received a verbal update from Tracey Woods, Head of Pensions, on the recent developments within the ACCESS pool.

Members were informed that recent work had primarily focused on the submission to Government, with the expectation that the budget and business plan for the year would be approved at the March meeting. A key priority for the year ahead would be the establishment of the investment management company.

As part of this process, a review of the number of sub-funds was being undertaken. Members were advised the pool currently had 35 sub-funds, a number which the Government, particularly the Treasury, had raised concerns about in relation to potential cost savings. While a sub-fund review had always been planned, securing consensus had been challenging. However, the transition to an investment management company would require a reduction in the number of sub-funds. By conducting the review in advance, funds would have the opportunity to influence the final structure. It was noted that discussions at the recent Joint Committee meeting on this matter had been more straightforward than in previous meetings.

Members were further advised that some sub-funds had only one investor, although this was not the case for Suffolk. Consideration would be given to rationalising the number of global equity funds, amongst others, to ensure the investment pool offered the most suitable range of investments.

It was confirmed that this work would progress over the next year alongside the establishment of the investment management company. No new investment products were expected to be introduced, as recent developments in this area had now been completed.

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.

In response to a question from a member, the Board was advised that 90% of the Suffolk Pension Fund was expected to be invested in the ACCESS pool by the end of the financial year. The main barrier to full participation had been the availability of suitable investment products within the pool. However, with products now in place, illiquid debt and private equity would be taken to the Suffolk Pension Fund Committee for consideration in March. It was noted that legacy assets, such as long-term investment commitments, would take several years to fully transition into the pool.

Members discussed previous investments, including timber, which had now been transferred into the pool. It was confirmed that Suffolk had consistently prioritised investing within the pool as new opportunities became available. Regarding property investments, members were advised that the new CBRE investment spanned various asset types, including commercial warehouses and housing, reflecting current market demand.

On the issue of pooling participation across funds, members were advised that while Suffolk had made significant progress, some funds remained below 70% invested in ACCESS. However, overall, most funds were making progress, with

some adopting a similar approach to Suffolk by waiting for appropriate investment products before transitioning.

It was noted that Government policy remained in favour of pooling, and while some funds had been slower to transition, it was expected that participation would continue to increase. Members were reminded that when pooling was introduced, the Government had the power to mandate participation if necessary. There was ongoing uncertainty about how much feedback from consultations would influence final policies, particularly regarding whether pools should provide investment advice. The distinction between statutory legislation and regulatory guidance was highlighted as an important factor in determining the potential for legal challenge.

Regarding the sub-fund review, members were advised that a consultant was expected to be appointed to conduct the review, likely the same firm that carried out a similar review in 2018. The review would assess strategic asset allocation and the potential for multi-manager funds, but transition costs remained a key consideration. The final recommendations would be passed to the Chief Executive of the new ACCESS investment management company for further action.

Members reflected on the original rationale for pooling, noting that economies of scale should lead to cost reductions. It was acknowledged that while pooling should generate savings, the process of combining assets within short timeframes could be costly.

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.

42. Information Bulletin

The Board noted the Information Bulletin at Agenda Item 8.

43. 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.

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

A member raised concerns about potential funding issues for the Pensions Dashboard. The Head of Pensions confirmed the statutory go-live date of October 2025 remained unchanged, with work set to begin in May via Altair. Members acknowledged the need to monitor developments.

A member raised concerns about the gender pension gap, noting factors like part-time work and 50/50 scheme withdrawals. They also highlighted the need to

address a disability pension gap. The Head of Pensions acknowledged data limitations with regards to disability but noted the value in age-based analysis and considering necessary advice to employers of the Fund. The Chairman also noted that Suffolk County Council was reviewing its Gender Pay Gap report, available to read on the Council's website.

The meeting closed at 3:27 pm.

Chairman