

Suffolk Pension Board

(Quorum 2 – 1 member of each representative group)

Scheme Employer Representatives:

Councillor Richard Smith MVO, representing Suffolk County Council.

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

Thomas Jarrett, representing all other employers in the Fund.

Scheme Member Representatives:

Richard Blackwell, representing Pensioners.

Kay Davidson, representing Active Members.

Peter Frost, representing the Unions.

Date: Tuesday, 29 July 2025

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

Time: 11:00 am

Business to be taken in public:

1. Appointment of Chairman

The Board is invited to appoint a Chairman for the 2025/26 Municipal Year.

2. Appointment of Vice Chairman

The Board is invited to appoint a Vice Chairman for the 2025/26 Municipal Year.

3. Apologies for Absence

To note and record any apologies for absence.

4. 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.

5. Minutes of the Previous Meeting

Pages 7-12

To approve as a correct record, the minutes of the meeting held on 7 March 2025.

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

Pages 13-21

To receive a report on the internal audit of the Pension Fund during 2024/25.

7. Annual Investment Performance Review

Pages 23-70

To receive a report from Northern Trust on the investment performance of the Pension Fund for 2024/25.

8. Pensions Administration Performance

Pages 71-75

To receive a report summarising the compliments, complaints and administration performance of the Fund.

9. Government Pension Review

Pages 77-112

To receive a report on consultation response.

10. Academies Policy

Pages 113-118

To consider the Academies Policy for the Fund.

11. **McCloud Implementation** Pages 119-122
To receive a report on the implementation of the McCloud Legislation.
12. **LGPS Access and Fairness Consultation Response** Pages 123-132
To consider a response to the LGPS Access and Fairness Consultation.
13. **Board Training Programme** Pages 133-143
To consider the Board's training programme for the next 12 months.
14. **Information Bulletin** Pages 145-204
To receive an information bulletin on some recent developments that will be of interest to the Board.
15. **Dates of Future Meetings** *No papers*
To consider and agree the following suggested dates for future meetings:

2025/2026
- Tuesday, 29 July 2025
 - Friday, 17 October 2025
 - Wednesday, 10 December 2025
 - Wednesday, 4 March 2026
- 2026/2027
- Tuesday, 28 July 2026
 - Thursday, 15 October 2026
 - Wednesday, 9 December 2026
 - Wednesday, 3 March 2027
16. **Forward Work Programme** Pages 205-207
To consider whether there are any matters which the Board would wish to have included in its Forward Work Programme.

Business to be taken in private:

17. Exclusion of the Press and Public

The Committee is invited to consider whether the public (including the press) should be excluded from the meeting during consideration of agenda item 18 pursuant to Section 100(A) of the Local Government Act 1972 (as amended) on the grounds that:

- a) they involve the likely disclosure of exempt information as detailed in paragraph 3 (information relating to the financial or business affairs of any particular person, including the authority holding that information) of Parts 1 to 3 of Schedule 12A, as amended, of the Local Government Act 1972 (as amended); and
- b) that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

18. LGPS Fit for the Future – Pooling

Exempt Pages
209-213

To receive a report on the next steps for the Fund as a result of the Government's response to the ACCESS pooling proposal.

Date of next scheduled meeting: Friday, 17 October 2025 at 11:00 am

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Democratic Services, Suffolk County Council, Endeavour House, 8 Russell Road, Ipswich, Suffolk IP1 2BX.

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2. Use the stairs, NOT the lifts.
3. Do not re-enter the building until told it is safe to do so.

Nicola Beach
Chief Executive

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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.

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.

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.

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.

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

Suffolk Pension Board

Report Title:	Internal Audit Work on the Pension Fund 2024/25
Meeting Date:	29 July 2025
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Nicola Beach, Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial (S151) Officer Peter Frost, Head of Internal Audit
Author:	Tatum White, Senior Auditor Tel: 01473 264061 Email: tatum.white@suffolk.gov.uk

Brief summary of the item to be considered

1. This report details 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.

Action recommended

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| <ol style="list-style-type: none"> 2. The Local Pension Board ('The Board') is recommended to take assurance from the work and activities of the Internal Audit Service with a view that processes and controls within the Pensions Team are operating effectively. |
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Reason for recommendation

3. The Board has responsibility for ensuring the Suffolk Pension Fund complies with all legislative requirements and for ensuring that the scheme is being effectively and efficiently governed and managed.

Alternative options

4. None.

Main body of report

Background

5. Historically, Internal Audit assurance reviews related to the Pension Fund ('the Fund') have focused on two key areas: Pension Fund Investments and Pension Administration. In 2024/25 however, the scope of Internal Audit work usually conducted within the Fund has been redesigned to add more coverage and meaningful outputs.
6. Three assurance reviews have been conducted in 2024/25, covering the areas of *Communications*, *Information Handling*, and *IT & Cyber Controls*.
7. **Appendix A** provides a summary for each of these audits.

8. Further assurance is provided by the Internal Audit activity carried out on the wider control framework of Suffolk County Council, within which the Pension Fund is situated. The opinion on these wider systems can be found in the Annual Internal Audit Opinion and Report and Annual Governance Statement, reported to the Audit Committee on 18 June 2025.

Internal Audit Work and Coverage

9. The coverage of the Internal Audit reviews is based on The Pension Regulator's General Code of Practice and a good practice guide created as a joint working group of the Society County Treasurers, the Local Authority Working Group for the Audit of Investment Managers (LAWGAIM), and the [Local Authority] Chief Auditors' Network (CAN). These codes and guides have been tailored by Internal Audit to better suit the evaluation of the operations of the Suffolk Pension Fund.
10. A risk assessment is also conducted prior to the commencement of the work to identify any new risks and changes to rules and regulations. It also ensures that higher risk areas within the Fund are examined, and Internal Audit resources are used effectively.
11. Internal Audit reviews are rated with an opinion on the level of assurance gained as a result of testing and evaluations carried out through the review. The opinions are defined as follows:

Opinion	Definition
Substantial Assurance	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.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Audit Results

Pension Fund: Information Handling

12. This review evaluated the controls existing to effectively handle both physical and digital information throughout the fund.
13. The overall opinion given was **Reasonable Assurance** (February 2025).

Risks

14. This review considered the controls and mitigations that exist to address the following risks:
 - a) The flow of scheme data through the Pension function is not fully mapped or understood, meaning that information risks may not be identified and therefore are not mitigated.
 - b) Failure to identify and rectify errors in scheme records.
 - c) Data is not accurate or complete when required for benefit calculations or at the request of pension members, leading to reputational damage.
 - d) Non-compliance with General Data Protection Regulations, or other relevant legislation, such as the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014, which could lead to information breaches and potential financial loss to the organisation.

Key audit findings & observations

15. The review of Information Handling in the Fund confirmed the existence of sound governance, risk management, and control arrangements.
16. Pension systems were found to be equipped with controls such as exception reports and task workflows to assist in the maintenance of data accuracy. Documented separation of duties was evident.
17. A data quality review by Hyman's gave Suffolk Pension Fund's membership data a green rating, indicating its readiness for triennial valuation in 2025.
18. The Pension Team demonstrated a strong understanding of the risks associated with information handling and regular training is undertaken.
19. Data retention and disposal policies are established and there are ongoing efforts to review and improve processes to ensure compliance with data protection and internal guidelines. Bulk deletion is available in the Pension system to more efficiently manage the disposal of digital information but is not yet in use by the Pension Team. team.
20. At the time of the audit review, the Pension Team had not created a data map to better understand the data flows in and out of the function. While not mandatory, adopting this resource for the Pension Fund is considered best practice and should enhance data-sharing efficiency. For instance, the Team has already considered including data sharing wording in Admission Agreements.
21. At the time of the review, the following was noted with regards to key information-related documentation:
 - a) The Information Asset Register required updating and was subsequently updated before the issue of the final audit report.
 - b) The Data Protection Impact Assessment (DPIA) and Data Processing Schedule for the Actuarial Service contract with Hyman's had not been

reviewed in line with the review schedule. A good practice recommendation has been made to review the DPIA and Data Processing Schedule at least annually and when significant changes in processes occur.

- c) Data sharing agreements held for Tell Us Once and the National Insurance Database were dated 2015/16 and did not take GDPR 2018 legislation into consideration. While these documents are provided by the third parties and *not* Suffolk Pension Fund, it was recommended that efforts were made to obtain updated agreements and action any changes in line with GDPR.
- d) The Breaches Policy available on the Suffolk Pension Fund website was dated June 2019 and did not include up-to-date resources included in The Pension Regulator's (TPR) General Code of Practice. A good practice recommendation has been made to review the policy in line with updated TPR guidance.

Pension Fund: Communications

- 22. This review sought to evaluate the processes and controls within Suffolk Pension Fund's activities to issue effective communications, protect members and stakeholders from false communications, and respond to stakeholder feedback.
- 23. The overall opinion given was **Reasonable Assurance** (February 2025).

Risks

- 24. This review considered the controls and mitigations in place to address several potential risks. The following actions could lead to reputational damage or decreased confidence in the fund, failure to meet fund objectives or missed opportunities, incurring of fines through non-compliance, and/or loss to the fund:
 - a) Poor communications to pension members, stakeholders, or the wider public.
 - b) Non-compliance with LGPS regulations in respect of issue of benefit statements.
 - c) Disputes that are not handled effectively.
 - d) Failure to submit required information or other breaches of the law.
 - e) Inability to spot and avoid pension scams or equip pension members and stakeholders to do so.

Key Audit Findings & Observations

- 25. Regular updates are provided to Pension Fund members, pensioners, and employers through newsletters, and information required by The Pensions Regulator and LGPS were found to have been published on the Fund's website.
- 26. Pension staff have completed training on scams from the Pension Regulator, and guidance on transfer scams is prominently displayed on the Suffolk Pension Fund website.
- 27. It was not clear when communications such as letters to new pension members or benefit calculation letters were last reviewed and aligned to relevant legislation. In addition, Annual Benefit Statement communications have not yet been reviewed in line with latest LGPS guidance. An action was agreed to review this area, updating pensions communications on a priority basis by March 2026.

28. Formal complaints are handled through the Internal Dispute Resolution Procedure (IDRP). The IDRP decision makers utilise the Fund's IDRP Employees' Guide when reviewing a formal complaint, but the Guide included some out-of-date information. Although some information in the guide was updated during the audit review, a more comprehensive review is being carried out with a target completed date of the end of August 2025.
29. A review of the Fund's website against international standards *Web Content Accessibility Guidelines* was conducted internally in 2024 to improve its layout, and work continues to review and update website layout and contents. However, accessibility guidance has since been updated and so a good practice recommendation was made in the report that the website contents are reviewed in line with the latest guidelines.

Other relevant information

30. Suffolk Pension Fund's Communication Strategy outlines its communications with key stakeholders. At the time of the audit, it was reported that a review was scheduled for June 2025, following the implementation of a new Member Self-Service system, Engage, and that this would be a good opportunity for the Fund to consider potential increased engagement with Members through Engage. Since that report, the updated Communication Strategy was presented to Suffolk Pension Fund committee June 23rd, 2025, and Internal Audit have been informed that the Engage rollout is now complete with around 10,000 members signed up, and newsletters are being reviewed to make them more user-friendly.
31. The LGPS Communications Working Group shares knowledge on communications issues, and Suffolk Pension Fund could benefit from reviewing their minutes which include engagement, LGPS promotion, accessibility, and the McCloud remedy.

Pension Fund: IT & Cyber Controls

32. The purpose of this review was to evaluate the effectiveness of IT and cyber controls operating in Suffolk pension function.
33. The overall opinion given was **Reasonable Assurance** (April 2025).

Risk

34. This review considered the controls and mitigations in place to address several potential risks. Where IT systems and related service providers are not effectively managed, the following could occur:
 - a) Pension systems do not comply with the requirements of the LGPS, or opportunities for improvement are missed.
 - b) System changes are not effectively made and could interrupt data or day-to-day operations, impacting on the service provided to pension members.
 - c) Pension data is at risk of loss if appropriate physical and environmental controls are not embedded, or continuity of service is not known.
 - d) Staff are not appropriately trained in cyber risks related to their roles so leave systems open to abuse or use them in such a way that cyber risk is increased.

Key audit findings & observations

35. The pension IT systems, managed by Heywood, were found to be fit for purpose and meet the legal requirements of the LGPS. The contract is managed through regular contract management meetings, adherence to SLAs, and updates to reflect legislative changes.
36. Physical controls, such as passwords and access rights, align with organisational guidance and business needs. Access rights were managed effectively, and compensating controls were identified that facilitate a separation of duties.
37. User Acceptance Testing (UAT) is effectively conducted for system changes and upgrades. Communication with staff regarding changes is effective. The audit found that there are sufficient resources with the necessary skills to carry out, test, and apply system changes.
38. Comprehensive backup and recovery processes are in place. Heywood's disaster recovery tests have been reported as successful, ensuring Altair services remain functional in the event of a data centre failure.
39. Pension staff have completed mandatory training related to cyber risks. Cyber risks are consistently addressed at both committee and senior management levels and are recorded on the Service's Risk Register.
40. Awareness of the processes to follow in the event of a data breach was found to be lacking, as demonstrated by an isolated incident in January 2025. Action was taken to prevent such incidents occurring again and staff have been reminded of their responsibilities.
41. The Finance Business Continuity Plan, which includes Pension activities, was last reviewed on 31/10/2024 but is incomplete. An action was agreed to finalise the plan by the end of September 2025.

Conclusion

42. The results of Internal Audit work carried out on the Suffolk Pension Fund during 2024/25 show that the Pensions Team has continued to maintain high standards of control over a range of activities.
43. Where an audit identifies that there is scope to improve the internal control environment or the delivery of services, actions with appropriate (realistic) timescales are agreed with service managers following the completion of the audit. While Internal Audit tracks the implementation of outstanding actions, it is management's responsibility to ensure that the relevant controls are in place. All high and medium risk audit actions are followed up and tested, where necessary, at a time deemed appropriate by the Internal Audit Service.

Sources of further information

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

Agenda Item 6, Appendix A

INTERNAL AUDIT

INFO 014 Pension Fund - Information Handling

INFO 014 - Pension Fund - Information Handling - February 2025

This piece of work has been conducted in conformance with the Global Internal Audit Standards in the UK Public Sector



Audit Objective

To determine that controls exist to ensure the effective handing of information through the Pension Fund.

Overall assurance opinion	Assurance definition	Number of actions	
	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	Priority	Number
		High	0
		Medium	1
		Low	4
		Total	5

Areas covered	Assurance level
Data Mapping	Reasonable assurance
Financial Transactions	Substantial assurance
Information Governance	Reasonable assurance
Data Monitoring	Substantial assurance

Key Findings and Risks Detailed findings and agreed actions for implementation can be found in the action plan.	
	Altair has inbuilt controls including exception reports, mandatory fields and task workflows to help maintain data accuracy. Processes such as task checklists and workflows ensure documented separation of duties and task lists ensure efficient workload management.
	Data retention and disposal policies are in place, with ongoing efforts to review and improve processes to ensure compliance with data protection and internal guidelines. The Pension Team will shortly be transferring files to SharePoint. Once automatic bulk deletion is operational in Altair, it will ensure further compliance with retention and disposal schedules.
	The Pension Team is considering implementing data sharing wording in Admission Agreements. A best practice recommendation has been made for the creation of a Data Map. This map would identify the flows of information in and out of the fund, serving as a valuable resource for managing data sharing.
	Some documents needed updating, including the Information Asset Register. The Information Asset Register has now been updated, and the medium action raised has been closed.

Audit Scope
In relation to The Pension Regulator's Single Code of Practice, the following areas were reviewed concerning Information Handling:
Data Mapping: Evaluating the extent to which the scheme data collected and processed by the Fund is understood, along with the associated risks.
Financial Information: Assessing the systems in place to ensure financial transactions are processed promptly and accurately, with appropriate authorisation. This includes the receipt and investment of contributions, transfers, and benefit payments.
Information Governance: Understanding and communicating information governance risks to those responsible for Fund activities, and ensuring processes exist to mitigate these risks.
Data Monitoring and Improvement: Ensuring data is properly monitored and reconciled to maintain its completeness and accuracy.
Audit Contact

Supplementary Information	Council ambitions covered
Monthly and annual exercises are conducted to maintain data accuracy. A recent data quality review by Hymans gave the Suffolk Pension Fund's membership data a green rating, indicating it is fit for the triennial valuation in 2025. The Pension Team has a strong understanding of information risks and receives regular training. The Pension Fund Committee and Pension Board are kept informed through regular KPI reports. The audit highlighted areas for documentation updates, which are addressed in the action plan.	Strengthening our local economy Providing value for money for our residents

Agenda Item 6, Appendix A

INTERNAL AUDIT

GOV/028 Pension Administration: Communications

GOV/028 - Pension Administration: Communications - February 2025

This piece of work has been conducted in compliance with the Global Internal Audit Standards in the UK Public Sector



Audit Objective

To evaluate Suffolk Pension Fund's communication processes and controls against The Pensions Regulator Code and other legislation requirements.

Overall assurance opinion	Assurance definition	Number of actions	
	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	Priority	Number
		High	0
		Medium	2
		Low	3
		Total	5

Areas covered	Assurance level
Information to Members	Reasonable Assurance
Benefit Statements	Reasonable Assurance
Public Information	Substantial Assurance
Dispute Resolution	Reasonable Assurance
Reporting to the Pension Regulator	Reasonable Assurance

Key Findings and Risks Detailed findings and agreed actions for implementation can be found in the action plan.

	Regular newsletters provide updates for members, pensioners and employers, and information required by The Pensions Regulator and LGPS has been published on the Fund's website.
	Staff have completed training on scams from the Pension Regulator, and guidance on transfer scams is prominently displayed on the SPF website.
	A review of the Fund's website was undertaken in 2024 to improve its layout, and work continues to review and update website layout and contents. Accessibility Guidance has been updated and so the website contents need to be reviewed in line with the latest guidelines.
	Formal complaints are handled through the Internal Dispute Resolution Procedure (IDRP). The IDRP decision makers utilise the Fund's IDRP Employees' Guide when reviewing a formal complaint, but the Guide included some out of date information.
	It is not clear when communications such as letters to new pension members or benefit calculation letters were last reviewed and aligned to relevant legislation. In addition, Annual Benefit Statement communications have not yet been reviewed in line with latest LGPS guidance.

Audit Scope

In line with The Pensions Regulator's General (Single) Code of Practice, the following areas were reviewed:

- There are effective communications with members and stakeholders - there is a Communication Strategy; communications are accessible; feedback on communications is acted on; pension staff and members are made aware of the risks of pension scams;
- Benefit Statements contain the required information, and processes are in place to ensure annual benefit statements are issued as required;
- The required information is published and available to the public;
- Dispute Resolution processes adhere to The Pensions Regulator and LGPS requirements;
- Reporting to The Pensions Regulator undertaken as required, and procedures are in place for reporting breaches.

Audit Contact

Supplementary Information

Suffolk Pension Fund's (SPF) Communication Strategy outlines its communications with key stakeholders. A review is scheduled for June 2025, following the implementation of a new Member Self-Service system, Engage. This is a good opportunity for SPF to consider potential increased engagement with Members, through Engage. The LGPS Communications Working Group shares knowledge on communications issues, and SPF could benefit from reviewing their minutes which include engagement, LGPS promotion, accessibility, and the McCloud remedy.

Council ambitions covered



Providing value for money for our residents

ICT/023 Pension Fund: IT and Cyber Controls - April 2025

This piece of work has been conducted in compliance with the Global Internal Audit Standards in the UK Public Sector



Audit Objective

To evaluate the effectiveness of IT and cyber controls operating in Suffolk's pension function.

Overall assurance opinion	Assurance definition	Number of actions	
	<p>There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.</p>	Priority	Number
		High	0
		Medium	1
		Low	0
		Total	1

Areas covered	Assurance level
System Management	Substantial Assurance
System Changes	Substantial Assurance
Business Continuity	Reasonable Assurance
Cyber Controls	Substantial Assurance

Key Findings and Risks	
	The pension IT systems, managed by Heywood, are fit for purpose and meet the legal requirements of the LGPS. The contract is managed through regular contract management meetings, adherence to SLAs, and updates to reflect legislative changes.
	Physical controls, such as passwords and access rights, align with organisational guidance and business needs. Access rights are managed effectively, and compensating controls exist to ensure separation of duties, including the Risk Escalation Procedure.
	User Acceptance Testing (UAT) is effectively conducted for system changes and upgrades. Communication with staff regarding changes is effective. The audit found that there are sufficient resources with the necessary skills to carry out, test, and apply system changes.
	Comprehensive backup and recovery processes are in place, with regular backups performed and no issues reported. Heywood's disaster recovery tests have been successful, ensuring Altair services remain functional in the event of a data centre failure.
	Pension staff have completed mandatory training related to cyber risks. Cyber risks are consistently addressed at both committee and senior management levels and are recorded in the Service's Risk Register.
	Awareness of the processes to follow in the event of a data breach was found to be lacking, as demonstrated by an isolated incident in January 2025. Action was taken to prevent such incidents occurring again and staff have been reminded of their responsibilities.
	The Finance Business Continuity plan, which includes Pension activities, was last reviewed 31/10/2024 but is incomplete and has not yet been published on the intranet or shared with the wider pension team.

Audit Scope
<p>In line with The Pensions Regulator's General (Single) Code of Practice, the following areas were reviewed:</p> <ul style="list-style-type: none"> • System Management: Evaluating the extent to which the service provider contract is effectively managed to ensure that pension systems remain fit for purpose and meet the scheme's needs and legal requirements. • System Changes: Evaluating the extent to which processes exist to effectively upgrade and improve systems while continuing to protect standing data. • Business Continuity: Evaluating the extent to which the pension function can continue to provide an effective pension service in the event of an emergency. • Cyber Controls: Evaluating the extent to which the function has identified and understood relevant cyber risks and implemented the controls necessary to mitigate these risks, or seeks assurance from the service provider that they have done so.
Audit Contact
Council ambitions covered
<div>Providing value for money for our residents</div>

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Suffolk Pension Board

Report Title:	Annual Investment Performance Review
Meeting Date:	29 July 2025
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Nicola Beach, Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151)
Author:	Tracey Woods, Head of Pensions Tel. 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of the item to be considered

1. This report provides a summary of the performance of the Suffolk Pension Fund for 2024-25 and performance benchmarking against other local authority Pension Funds.

Action recommended

- | |
|--|
| 2. The Board is asked to note the performance of the Fund. |
|--|

Reason for recommendation

3. The Pension Board represents stakeholders in the Fund.

Alternative options

4. There are no alternative options.

Main body of report

Background

5. The performance of the Pension Fund has been analysed by Northern Trust and measured against market index returns and the Fund's benchmark. The performance analysis is attached as **Appendix 1**.
6. The annual return of 5.3%, was behind the Fund's specific benchmark by 1.3%, with the three years return of 5.8% p.a. slightly behind by 0.1%.
7. The Pension Fund also subscribes to the Local Authority Pension Performance Analytics service offered by Pensions & Investment Research Consultants (PIRC). Attached as **Appendix 2**, the Suffolk Fund's performance can be evaluated against the overall performance of 61 Local Authority Funds whose data is collected by PIRC.

8. Compared with other local authority funds, although the Fund has a lower weighting to equities and higher weighting to Bonds it still resulted in a higher return than the average return of 3.4% calculated by PIRC.

Sources of further information

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



Local Authority Fund Statistics

2024/25

01/07/2025

UNIVERSE OVERVIEW

	1 Year	3 Yrs (% p.a.)	5 Yrs (% p.a.)	10 Yrs (% p.a.)	20 Yrs (% p.a.)	30 Yrs (% p.a.)
Universe average	3.4	3.6	8.3	6.7	7.3	7.5
Range of Results						
Top Quartile	4.1	4.4	9.0	7.0	7.5	7.5
Median	3.5	3.6	8.2	6.5	7.2	7.4
Bottom Quartile	2.7	2.4	7.5	6.0	6.8	7.1
Total Equity	3.8	6.5	12.6	8.6	8.8	8.4
Global	3.5	6.7	13.1	9.7	9.4	
UK	8.2	6.1	11.4	5.9	6.8	
Emerging	5.6	2.4	7.3	5.2	8.0	
Total Bonds	1.4	-1.7	0.3	1.9	4.3	5.5
UK Govt	-3.4	-8.2	-7.2			
UK Corp	3.2	-0.6	0.8			
UK IL	-10.2	-15.4	-9.1			
Global Bonds	3.6	0.4	1.1			
Absolute Return Bonds	6.4	3.6	4.7			
Multi Asset Credit	6.5	4.0	5.9			
Private Debt	6.2	5.8	5.7			
Private Equity	2.8	2.5	11.5	12.1	10.9	
Infrastructure	3.7	6.4	6.2	8.0		
Hedge Funds	7.0	6.3	6.1	5.2		
Diversified Growth	3.2	1.8	3.3	3.1		
Property	3.4	-2.9	1.7	4.1	4.4	6.7

At the end of March 2025 the Universe was comprised of 62 funds with a combined value of £275 bn.

GMPF Designated Fund is included in the Universe but excluded from the League tables.

Lambeth and Isle of Wight were unable to supply final data in order to be included.

TOTAL FUND PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	3.4		3.6		8.3		6.7		7.3		7.5	
Range of Results												
Upper Quartile	4.1		4.4		9.0		7.0		7.5		7.5	
Median	3.5		3.6		8.2		6.5		7.2		7.4	
Lower Quartile	2.7		2.4		7.5		6.0		6.8		7.1	
Avon Pension Fund	-0.6	100	-0.2	100	5.1	98	4.3	98	6.3	94	6.5	96
Barking and Dagenham	5.1	5	4.9	7	9.5	10	7.0	21	6.7	83	7.3	68
Barnet Pension Fund	5.0	9	3.5	54	8.7	34	5.9	79	6.6	87	6.7	94
Berkshire Pension Fund	2.2	85	4.3	32	8.0	54	6.4	55				
Bexley Pension Fund	2.7	75	0.9	97	5.5	95	6.0	76	7.3	49	7.3	60
Brent Pension Fund	3.2	63	3.7	49	8.0	56	6.3	59	5.7	100	6.4	100
Bromley Pension Fund	3.5	49	3.7	42	8.5	44	7.9	4	9.1	2	8.5	2
Cambridgeshire Pension Fund	2.4	80	3.8	39	9.4	14	7.2	16	7.3	42	7.3	52
Camden Pension Fund	3.4	52	3.2	58	9.0	23	6.5	51	6.8	70	7.3	65
Cardiff & Glamorgan Pension Fund	4.2	22	4.6	17	8.8	29	6.2	66	7.4	34	7.4	38
City of London Corporation	2.1	87	3.6	51	8.6	42	6.5	50	7.5	32		
Cornwall Pension Fund	0.9	97	2.2	78	5.5	97	4.6	97				
Cumbria Pension Fund	2.3	81	1.9	92	6.5	90	6.1	73	7.1	51	7.4	48
Devon Pension Fund	3.7	37	4.4	31	9.0	26	6.2	62	6.7	76	7.0	84
Dorset Pension Fund	4.7	12	3.5	53	8.6	36	6.3	57	7.0	57	7.4	40
Dyfed Pension Fund	3.3	56	3.7	46	8.7	32	6.9	31	7.6	21	8.1	4
Ealing Pension Fund	3.2	59	3.7	44	7.6	68	5.8	85	6.9	64	7.4	36
East Riding Pension Fund	4.3	19	4.5	20	7.9	59	6.5	48	7.3	38	7.4	42
East Sussex Pension Fund	1.0	95	2.0	85	7.5	76	6.3	60	7.1	53	7.5	26
Enfield Pension Fund	2.0	88	1.6	95	6.8	88	5.9	81	6.7	77	7.2	72
Flintshire (Clywd)	0.1	98	0.9	98	7.6	70	6.2	67	6.5	89	7.1	82
Gloucestershire Pension Fund	4.4	17	4.4	22	9.0	22	6.6	45	7.3	47	7.5	28
Greater Manchester Pension Fund	4.0	27	4.4	26	9.1	20	6.9	29	7.5	30	7.9	8
Greenwich Pension Fund	4.1	26	3.0	66	7.8	61	5.5	95	6.2	96		
Gwynedd Pension Fund	5.1	7	4.8	10	10.2	5	7.6	7	7.5	28	7.5	24

TOTAL FUND PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	3.4		3.6		8.3		6.7		7.3		7.5	
Range of Results												
Upper Quartile	4.1		4.4		9.0		7.0		7.5		7.5	
Median	3.5		3.6		8.2		6.5		7.2		7.4	
Lower Quartile	2.7		2.4		7.5		6.0		6.8		7.1	
Hackney Pension Fund	3.5	48	2.0	88	7.2	83	5.7	88	6.4	93	7.1	78
Hammersmith and Fulham	3.7	39	3.2	58	8.0	53	6.2	69	8.0	8	7.3	64
Haringey Pension Fund	3.5	51	2.8	71	8.2	49	7.2	14	7.3	36	7.4	50
Harrow Pension Fund	3.1	71	2.8	68	7.5	75	5.7	88	6.7	79	7.1	76
Havering Pension Fund	3.6	42	2.4	75	7.0	85	5.7	90	6.4	91	7.0	86
Hillingdon Pension Fund	4.6	15	3.1	63	7.0	87	5.5	93				
Hounslow Pension Fund	3.6	46	3.7	48	7.9	58	6.0	78	7.6	25	7.5	30
Islington Pension Fund	5.1	3	4.4	29	8.6	41	6.8	38	6.8	70	7.4	46
Kensington and Chelsea	2.2	83	4.8	9	11.0	2	9.2	1	9.2	1	8.7	1
Kent Pension Fund	3.4	50	2.9	69	8.0	57	6.4	53	7.2	50	7.1	79
Kingston upon Thames	3.9	32	4.7	15	9.7	7	7.4	10	7.9	10	7.5	34
Lancashire Pension Fund	3.3	54	4.8	12	7.7	63	7.9	5	7.8	11	7.7	18
Lewisham Pension Fund	3.2	65	3.4	56	7.4	78	6.8	36	6.8	74	7.3	56
Lincolnshire Pension Fund	3.9	34	4.3	36	9.1	19	6.9	28	7.0	62	7.3	54
London Pension Fund Authority	3.1	68	4.4	27	8.5	46	7.1	17				
Merseyside Pension Fund	3.3	58	1.7	93	6.0	93	5.9	83	6.9	68	7.4	44
Merton Pension Fund	4.2	24	2.0	88	7.6	66	6.2	64	7.3	40	7.3	58
Newham Pension Fund	3.9	36	5.0	5	7.7	65	6.8	40	7.3	45	7.1	80
Northamptonshire Pension Fund	3.2	61	3.0	65	8.7	31	6.9	35	7.1	55	7.3	62
Oxfordshire Pension Fund	2.5	78	3.1	61	8.3	48	6.6	43	7.0	59	7.2	74
Powys Pension Fund	3.9	29	2.1	81	6.4	92	6.1	71	6.7	85	6.9	92
Redbridge Pension Fund	3.2	66	2.1	83	7.2	81	5.6	91	6.7	81	7.0	90
Rhondda Cynon Taf Pension Fund	2.0	90	2.2	80	7.5	71	7.2	12	8.0	6	7.7	22
South Yorkshire Pension Authority	2.6	76	2.3	76	7.3	80	6.4	54	7.5	27	7.7	20
Southwark Pension Fund	1.6	93	2.6	73	8.2	51	7.0	24	7.6	23	7.8	12
Strathclyde Pension Fund	3.6	44	3.9	37	8.6	37	7.5	9	7.8	15	7.9	6

TOTAL FUND PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	3.4		3.6		8.3		6.7		7.3		7.5	
Range of Results												
Upper Quartile	4.1		4.4		9.0		7.0		7.5		7.5	
Median	3.5		3.6		8.2		6.5		7.2		7.4	
Lower Quartile	2.7		2.4		7.5		6.0		6.8		7.1	
Suffolk Pension Fund	5.3	1	5.7	1	9.5	12	7.0	23	7.3	43		
Surrey Pension Fund	4.3	20	4.5	19	9.3	15	6.0	74	7.0	60	7.0	88
Sutton Pension Fund	3.7	41	3.8	41	8.6	39						
Swansea Pension Fund	4.6	14	5.6	3	11.5	1	8.1	2	8.1	4	7.8	14
Torfaen (Gwent)Pension Fund	5.2	2	5.7	2	10.3	3	7.1	19	7.7	17	7.5	32
Tower Hamlets Pension Fund	2.7	73	2.8	70	7.5	73	6.7	41	6.9	66	7.2	70
Waltham Forest Pension Fund	1.7	92	2.0	90	4.6	100	3.7	100	6.0	98	6.5	98
West Yorkshire Pension Fund	3.9	31	4.3	34	9.3	17	7.0	26	7.6	19	7.8	10
Westminster Pension Fund	4.9	10	4.7	14	9.6	9	6.9	33				
Wandsworth & Richmond Fund	3.1	70	4.4	24	8.9	27	6.6	47	7.8	13	7.8	16

PERFORMANCE RELATIVE TO BENCHMARK

% p.a.	Fund			BM			Relative		
	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years
Upper Quartile	4.1	4.4	9.0	5.9	5.9	9.7	-1.7	-1.4	-0.7
Median	3.5	3.6	8.2	5.3	5.3	8.9	-1.7	-1.6	-0.6
Lower Quartile	2.7	2.3	7.5	4.7	4.3	8.0	-1.9	-1.9	-0.5
Avon Pension Fund	-0.6	-0.2	5.1	4.8	4.3	9.5	-5.2	-4.4	-4.1
Barking and Dagenham	5.1	4.9	9.5						
Barnet Pension Fund	5.0	3.5	8.7	7.3	6.2	9.7	-2.1	-2.5	-1.0
Berkshire Pension Fund	2.2	4.3	8.0	4.6	6.0	9.7	-2.3	-1.6	-1.5
Bexley Pension Fund	2.7	0.9	5.5	4.0	2.6	7.1	-1.2	-1.6	-1.5
Brent Pension Fund	3.2	3.7	8.0	4.4	4.9	7.8	-1.2	-1.1	0.2
Bromley Pension Fund	3.5	3.7	8.5	4.2	4.8	9.1	-0.7	-1.0	-0.5
Cambridgeshire Pension Fund	2.4	3.8	9.4	5.5	5.3	10.6	-2.9	-1.4	-1.1
Camden Pension Fund	3.4	3.2	9.0						
Cardiff & Glamorgan Pension Fund	4.2	4.6	8.8	6.5	5.3	9.8	-2.1	-0.7	-0.9
City of London Corporation Pension F	2.1	3.6	8.6	5.6	7.8	11.4	-3.4	-3.9	-2.5
Cornwall Pension Fund	0.9	2.2	5.5	6.7	6.4	7.9	-5.5	-4.0	-2.2
Cumbria Pension Fund	2.3	1.9	6.5	3.0	2.6	6.3	-0.7	-0.7	0.2
Devon Pension Fund	3.7	4.4	9.0	5.6	6.2	10.2	-1.8	-1.7	-1.1
Dorset Pension Fund	4.7	3.5	8.6	7.4	5.5	9.5	-2.6	-1.9	-0.8
Dyfed Pension Fund	3.3	3.6	8.7	4.9	4.3	9.5	-1.5	-0.6	-0.7
Ealing Pension Fund	3.2	3.7	7.6	4.8	4.7	8.9	-1.5	-0.9	-1.2
East Riding Pension Fund	4.3	4.5	7.9	5.3	4.0	7.5	-0.9	0.5	0.4
East Sussex Pension Fund	1.0	2.0	7.5	5.4	5.4	9.0	-4.2	-3.2	-1.4
Enfield Pension Fund	2.0	1.6	6.8	4.8	3.2	6.8	-2.6	-1.5	0.0
Flintshire (Clywd)	0.1	0.9	7.6	4.4	3.8	7.6	-4.1	-2.8	0.0
Gloucestershire Pension Fund	4.4	4.4	9.0	5.8	4.8	9.0	-1.3	-0.3	0.0
Greater Manchester Pension Fund	4.0	4.4	9.1	6.1	5.3	8.7	-2.0	-0.9	0.4
Greenwich Pension Fund	4.1	3.0	7.8	6.1	4.4	8.1	-1.9	-1.4	-0.3
Gwynedd Pension Fund	5.1	4.8	10.2	6.9	5.8	10.4	-1.7	-0.9	-0.2

PERFORMANCE RELATIVE TO BENCHMARK

% p.a.	Fund			BM			Relative		
	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years
Upper Quartile	4.1	4.4	9.0	5.9	5.9	9.7	-1.7	-1.4	-0.7
Median	3.5	3.6	8.2	5.3	5.3	8.9	-1.7	-1.6	-0.6
Lower Quartile	2.7	2.3	7.5	4.7	4.3	8.0	-1.9	-1.9	-0.5
Hackney Pension Fund	3.5	2.0	7.2	5.0	3.3	8.1	-1.5	-1.3	-0.9
Hammersmith and Fulham	3.7	3.2	8.0	3.9	4.6	7.9	-0.2	-1.3	0.1
Haringey Pension Fund	3.5	2.8	8.2	5.2	4.7	8.8	-1.7	-1.9	-0.5
Harrow Pension Fund	3.1	2.8	7.5	5.5	4.3	8.5	-2.3	-1.4	-0.9
Havering Pension Fund	3.6	2.4	7.0	5.8	6.0	8.5	-2.0	-3.4	-1.4
Hillingdon Pension Fund	4.6	3.1	7.0	6.1	3.9	8.0	-1.5	-0.8	-1.0
Hounslow Pension Fund	3.6	3.7	7.9	4.1	3.8	8.2	-0.5	-0.1	-0.2
Islington Pension Fund	5.1	4.4	8.6	5.6	5.2	8.9	-0.5	-0.8	-0.3
Kensington and Chelsea	2.2	4.8	11.0	4.6	7.7	11.8	-2.2	-2.7	-0.7
Kingston upon Thames	3.9	4.7	9.7	5.9	6.9	11.0	-1.9	-2.0	-1.1
Lancashire Pension Fund	3.3	4.8	7.7	5.3	5.9	9.5	-1.9	-1.0	-1.6
Lewisham Pension Fund	3.2	3.4	7.4	4.0	3.8	7.3	-0.8	-0.4	0.1
Lincolnshire Pension Fund	3.9	4.3	9.1	6.1	5.4	9.3	-2.1	-1.1	-0.1
London Pension Fund Authority	3.1	4.4	8.5	5.2	6.0	10.3	-1.9	-1.5	-1.6
Merseyside Pension Fund	3.3	1.7	6.0	4.2	2.5	5.5	-0.9	-0.8	0.5
Merton Pension Fund	4.2	2.0	7.6	6.4	5.4	7.9	-2.1	-3.2	-0.2
Newham Pension Fund	3.9	5.0	7.7	5.5	7.1	7.7	-1.6	-1.9	0.0
Northamptonshire Pension Fund	3.2	3.0	8.7	4.5	3.9	8.9	-1.2	-0.8	-0.1
Oxfordshire Pension Fund	2.5	3.1	8.3	4.9	5.3	9.8	-2.3	-2.1	-1.3
Powys Pension Fund	3.9	2.1	6.4	5.5	4.0	8.3	-1.5	-1.8	-1.8
Redbridge Pension Fund	3.2	2.1	7.2	4.6	4.7	7.9	-1.3	-2.5	-0.6
Rhondda Cynon Taf Pension Fund	2.0	2.2	7.5	4.3	4.8	8.6	-2.3	-2.4	-1.0
South Yorkshire Pension Authority	2.6	2.3	7.3	4.2	2.6	6.5	-1.5	-0.3	0.7
Southwark Pension Fund	1.6	2.6	8.2	5.1	5.8	9.8	-3.3	-3.0	-1.5
Strathclyde Pension Fund	3.6	3.9	8.6	5.0	5.6	9.3	-1.4	-1.6	-0.6
Suffolk Pension Fund	5.3	5.7	9.5	6.6	5.9	9.3	-1.2	-0.2	0.1
Surrey Pension Fund	4.3	4.5	9.3	5.9	6.3	10.2	-1.5	-1.7	-0.8

PERFORMANCE RELATIVE TO BENCHMARK

% p.a.	Fund			BM			Relative		
	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years
Upper Quartile	4.1	4.4	9.0	5.9	5.9	9.7	-1.7	-1.4	-0.7
Median	3.5	3.6	8.2	5.3	5.3	8.9	-1.7	-1.6	-0.6
Lower Quartile	2.7	2.3	7.5	4.7	4.3	8.0	-1.9	-1.9	-0.5
Sutton Pension Fund	3.7	3.8	8.6	5.1	4.9	8.8	-1.3	-1.1	-0.2
Swansea Pension Fund	4.6	5.6	11.5	6.6			-1.8		
Torfaen (Gwent)Pension Fund	5.2	5.7	10.3	5.8	5.7	9.7	-0.6	0.0	0.5
Tower Hamlets Pension Fund	2.7	2.8	7.5	5.5	5.4	9.5	-2.6	-2.5	-1.8
Waltham Forest Pension Fund	1.7	2.0	4.6	7.7	7.7	10.8	-5.5	-5.3	-5.6
West Yorkshire Pension Fund	3.9	4.3	9.3	5.2	4.1	8.1	-1.2	0.2	1.1
Westminster Pension Fund	4.9	4.7	9.6	5.9	5.9	10.2	-0.9	-1.1	-0.6
Wandsworth & Richmond Fund	3.1	4.4	8.9	5.3	6.1	10.2	-2.1	-1.6	-1.2

EQUITY PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	3.8		6.5		12.6		8.6		8.8		8.4	
Range of Results												
Upper Quartile	4.7		7.3		13.3		9.5		9.2		8.6	
Median	3.2		6.3		12.3		8.7		8.7		8.3	
Lower Quartile	2.3		5.6		11.7		8.0		8.3		8.0	
Avon Pension Fund	0.4	95	5.9	67	12.1	57	8.5	56	8.7	44	8.1	67
Barking and Dagenham	4.0	38	6.3	48	13.3	25	9.9	13	8.9	36	8.8	13
Barnet Pension Fund	7.4	2	7.8	13	15.1	1	9.1	37	9.8	8	8.7	20
Berkshire Pension Fund	2.6	65	6.6	38	11.7	77						
Bexley Pension Fund	2.9	55	6.0	62	12.0	63	9.3	33	9.5	10	8.9	9
Brent Pension Fund	4.7	22	7.6	17	14.1	12	9.5	24	8.1	84	7.7	96
Bromley Pension Fund	0.9	88	5.8	68	12.0	65	10.6	2	11.1	1	9.8	1
Cambridgeshire Pension Fund	2.9	57	6.9	33	14.5	8	9.1	39	8.7	52	8.2	59
Camden Pension Fund	4.0	41	6.9	28	13.0	33	8.7	52	8.5	67	8.4	41
Cardiff & Glamorgan Pension Fund	4.7	23	7.3	25	13.1	28	7.7	83	8.7	54	8.2	57
City of London Corporation	0.5	93	4.8	87	11.1	90	8.0	74	8.9	38		
Cornwall Pension Fund	0.0	98	4.2	95	10.0	97	8.0	78				
Cumbria Pension Fund	3.2	48	7.4	23	14.1	17	9.5	28	9.4	16	8.8	17
Devon Pension Fund	2.0	82	6.2	53	12.3	53	7.6	89	7.9	90	7.8	91
Dorset Pension Fund	4.2	32	6.1	58	11.7	75						
Dyfed Pension Fund	3.3	45	5.7	72	11.6	82	8.2	67	8.3	74	8.5	37
Ealing Pension Fund	2.5	72	6.1	57	12.3	50	8.0	72	8.4	68	8.6	28
East Riding Pension Fund	4.1	35	7.0	30	11.9	68	7.7	85	8.7	48	8.2	61
East Sussex Pension Fund	-0.6	100	4.9	85	11.2	87	7.5	93	8.2	80	8.0	76
Enfield Pension Fund	1.0	87	5.6	75	12.6	43	9.9	11	9.4	12	9.0	4
Flintshire (Clywd)	0.2	97	3.0	100	9.7	100	7.3	95	7.6	100	7.6	100
Gloucestershire Pension Fund	2.8	60	5.5	82	12.0	62	8.1	69	8.4	70	8.3	50
Greater Manchester Pension Fund	5.7	10	8.1	10	14.7	5	8.7	52	8.7	50	8.6	26
Greenwich Pension Fund	5.8	8	6.2	52	12.8	37	8.2	65	7.8	96		
Gwynedd Pension Fund	4.2	33	6.3	45	13.0	30	8.8	48	8.6	60	8.2	65

EQUITY PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	3.8		6.5		12.6		8.6		8.8		8.4	
Range of Results												
Upper Quartile	4.7		7.3		13.3		9.5		9.2		8.6	
Median	3.2		6.3		12.3		8.7		8.7		8.3	
Lower Quartile	2.3		5.6		11.7		8.0		8.3		8.0	
Hackney Pension Fund	2.3	75	4.7	88	11.7	72	7.6	91	7.8	92	8.0	81
Hammersmith and Fulham	6.4	3	8.5	3	14.5	10	10.0	8	11.1	2	9.6	2
Haringey Pension Fund	7.7	1	8.4	7	15.1	2	10.0	9	8.9	34	8.4	44
Harrow Pension Fund	2.4	73	5.7	73	11.6	80	8.3	61	8.3	78	8.1	72
Havering Pension Fund	2.5	70	5.2	83	11.7	73	9.7	19	7.7	98	7.9	85
Hillingdon Pension Fund	5.2	18	7.4	22	12.4	48	7.1	98				
Hounslow Pension Fund	5.8	8	8.5	5	12.9	33	8.5	54	9.3	20	8.7	24
Islington Pension Fund	1.6	85	5.6	78	12.1	60	8.3	59	7.8	94	7.8	87
Kensington and Chelsea	2.7	62	7.2	27	14.1	13	10.6	4				
Kent Pension Fund	3.5	22	3.5	93	9.8	83	7.2	93	8.2	74	7.6	98
Kingston upon Thames	3.3	47	8.1	8	14.1	15	10.7	1	10.0	4	8.9	11
Lancashire Pension Fund	2.6	68	6.5	42	11.1	92	9.9	15	9.4	14	8.6	31
Lewisham Pension Fund	5.2	17	7.5	20	13.6	22	9.5	26	8.6	58	8.3	54
Lincolnshire Pension Fund	2.9	58	6.8	35	13.2	27	9.1	35	8.6	56	8.2	63
London Pension Fund Authority	2.6	67	6.5	40	12.1	58						
Merseyside Pension Fund	4.4	27	5.9	63	11.3	85	7.6	87	8.1	88	7.7	94
Merton Pension Fund	0.6	92	3.3	98	10.3	95	7.8	82	8.3	76	8.0	83
Newham Pension Fund	2.3	78	7.9	12	12.4	47	9.1	41	9.4	18	8.5	35
Northamptonshire Pension Fund	5.8	5	8.6	2	14.8	3	10.0	6	9.3	22	8.8	15
Oxfordshire Pension Fund	2.1	80	6.2	55	12.1	55	8.0	76	8.1	86		
Powys Pension Fund	2.3	77	5.9	65	13.8	20	9.6	20	8.7	46	7.8	89
Redbridge Pension Fund	4.1	37	6.3	48	12.7	42	9.3	32	8.5	66	8.1	70
Rhondda Cynon Taf Pension Fund	2.0	83	4.5	92	11.9	70	9.6	22	9.9	6	8.9	7
South Yorkshire Pension Authority	3.2	50	6.8	37	12.3	52	8.5	58	8.8	40	8.5	33
Southwark Pension Fund	3.0	53	4.6	90	11.1	88	9.0	46	9.1	30	8.3	52
Strathclyde Pension Fund	3.1	52	5.6	77	12.5	45	9.0	45	9.2	26	8.7	22
Suffolk Pension Fund	5.6	13	9.0	1	14.6	7	9.7	17	9.2	28		

EQUITY PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	3.8		6.5		12.6		8.6		8.8		8.4	
Range of Results												
Upper Quartile	4.7		7.3		13.3		9.5		9.2		8.6	
Median	3.2		6.3		12.3		8.7		8.7		8.3	
Lower Quartile	2.3		5.6		11.7		8.0		8.3		8.0	
Surrey Pension Fund	4.3	28	6.3	43	11.9	67	7.8	80	8.7	42	8.0	78
Sutton Pension Fund	4.3	30	6.0	60	11.6	78						
Swansea Pension Fund	5.0	20	7.6	15	13.5	23	9.0	43	9.2	26	8.4	46
Torfaen (Gwent)Pension Fund	5.6	12	7.6	18	13.8	18						
Tower Hamlets Pension Fund	3.8	42	5.6	80	12.7	38	9.4	30	9.1	32	8.4	41
Waltham Forest Pension Fund	2.7	63	4.3	93	10.6	93	5.7	100	8.4	72	8.0	74
West Yorkshire Pension Fund	5.3	15	7.1	28	12.8	35	8.1	70	8.5	62	8.4	48
Westminster Pension Fund	4.7	25	6.3	50	12.7	40	8.2	63				
Wandsworth & Richmond Fund	0.8	90	5.8	70	11.4	83						

BOND PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	1.4		-1.7		0.3		1.9		4.3		5.5	
Range of Results												
Upper Quartile	5.4		2.1		2.9		2.4		4.6		5.7	
Median	2.7		-0.5		0.9		1.6		4.2		5.4	
Lower Quartile	-0.5		-4.2		-1.7		0.8		3.6		4.9	
Avon Pension Fund	5.6	22	1.9	29	3.8	16	2.8	15	5.2	7		
Barking and Dagenham	7.2	5	3.7	9	2.0	34	1.3	60	3.5	81	5.1	69
Barnet Pension Fund	3.1	48	2.0	27	3.4	18	3.0	9	5.4	2	6.0	11
Berkshire Pension Fund	4.2	38	2.2	24	2.9	25						
Bexley Pension Fund	-0.4	73	-5.8	83	-2.4	86	-0.1	87	2.9	95	4.6	92
Brent Pension Fund	-2.6	85	-7.4	88	-5.6	95	-1.1	100	1.8	100	4.3	100
Bromley Pension Fund	2.7	50	-1.1	54	1.1	47	1.5	58	4.0	55	5.2	58
Cambridgeshire Pension Fund	0.1	72	-2.7	66	0.6	55	1.6	53	3.5	76	4.7	87
Camden Pension Fund	1.9	57	-2.0	58	1.3	39	0.7	85	3.3	88	4.8	84
Cardiff & Glamorgan Pension Fund	5.6	23	1.1	37	1.3	41	1.9	43	4.5	31	5.7	32
City of London Corporation	3.6	42	3.5	12	7.3	1						
Cornwall Pension Fund	6.1	15	4.5	2	5.3	4	1.0	70				
Cumbria Pension Fund	-5.0	93	-8.5	92	-3.7	89	-0.2	89				
Devon Pension Fund	6.8	8	3.6	10	3.8	14	3.3	4	4.2	50	5.5	42
Dorset Pension Fund	6.3	12	4.5	3								
Dyfed Pension Fund	4.7	30	-1.3	56	0.3	61						
Ealing Pension Fund	4.3	33	0.6	42	1.4	36	2.7	17	4.6	29	5.9	13
East Riding Pension Fund	0.8	65	-2.5	65	-1.9	77	2.0	36	3.7	67	5.1	63
East Sussex Pension Fund	-7.6	98	-11.1	98	-6.2	97	-0.6	92	3.5	83	4.9	74
Enfield Pension Fund	2.3	53	-2.4	61	0.3	59	1.5	55	4.5	38	5.6	40
Flintshire (Clywd)	7.1	7	3.1	15	4.3	9	1.6	53	4.0	57	5.6	37
Gloucestershire Pension Fund	5.9	18	2.3	22	3.0	20	3.0	6	4.9	14	6.1	3
Greater Manchester Pension Fund	2.2	55	-0.6	51	0.5	57	2.3	28	4.6	22	5.7	26
Greenwich Pension Fund	2.5	52	-0.3	49	0.9	50	1.8	45	4.5	33		
Gwynedd Pension Fund	6.1	13	4.2	7	4.0	13	2.1	32	3.3	91	4.8	82

BOND PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	1.4		-1.7		0.3		1.9		4.3		5.5	
Range of Results												
Upper Quartile	5.4		2.1		2.9		2.4		4.6		5.7	
Median	2.7		-0.5		0.9		1.6		4.2		5.4	
Lower Quartile	-0.5		-4.2		-1.7		0.8		3.6		4.9	
Hackney Pension Fund	1.9	58	-2.1	59	-1.0	68	1.7	47	4.5	41		
Hammersmith and Fulham	-0.8	78	-4.1	75	-1.7	75	1.0	68	3.8	62	4.9	71
Haringey Pension Fund	-1.9	82	-5.5	81	-2.1	80	0.7	83	4.3	43	5.4	47
Harrow Pension Fund	-3.0	87	-7.1	87	-1.6	72	0.8	79	4.6	24	5.8	19
Havering Pension Fund	3.3	47	-4.4	76	-0.2	64	2.4	24	5.5	1	6.2	1
Hillingdon Pension Fund	0.5	68	-4.6	78	-1.0	66	2.0	34				
Hounslow Pension Fund	-3.5	90	-7.8	90	-3.7	88						
Islington Pension Fund	5.4	25	2.0	26	2.1	32	2.9	11	4.6	26	6.1	8
Kensington and Chelsea	-15.0	100										
Kent Pension Fund	1.0	57	2.9	17	4.5	7	2.6	19	4.1	51	5.6	33
Kingston upon Thames	6.0	17	1.7	32	2.8	27	2.4	26	4.8	17	5.5	45
Lancashire Pension Fund	4.3	37	1.8	31	1.3	38	4.3	1	4.9	12	5.8	21
Lewisham Pension Fund	-5.5	95	-10.6	97	-7.2	98	-0.8	96	3.7	69	5.3	53
Lincolnshire Pension Fund	4.8	28	0.5	46	0.8	52	1.6	49	3.5	79	4.4	97
London Pension Fund Authority	4.3	35	2.3	20	2.9	23						
Merseyside Pension Fund	-6.0	97	-11.9	100	-8.8	100	-0.7	94	3.4	86	4.8	79
Merton Pension Fund	7.2	3	-2.4	63	1.2	43	2.5	21	5.0	10	5.7	24
Newham Pension Fund	0.3	70	-0.6	53								
Northamptonshire Pension Fund	-1.6	80	-5.8	85	-2.3	84	0.9	75	3.6	74	4.9	76
Oxfordshire Pension Fund	-0.5	75	-5.1	80	-2.0	79	1.2	64	4.2	48	5.4	50
Powys Pension Fund	3.5	43	-4.1	73	-1.6	70	1.1	66	4.2	45	5.8	16
Redbridge Pension Fund	-0.8	77	-10.5	95	-5.4	93	-0.9	98	3.3	93	4.6	90
Rhondda Cynon Taf Pension Fund	1.0	62	-2.8	68	-2.1	82	0.9	72	3.9	60	5.2	55
South Yorkshire Pension Authority	-4.0	92	-9.0	93	-4.0	91	0.8	81				
Southwark Pension Fund	3.4	45	1.4	36	2.7	29						
Strathclyde Pension Fund	0.6	67	0.5	44	2.7	30	2.0	38	3.8	64	5.1	61
Suffolk Pension Fund	6.7	10	3.4	14	4.7	5	3.5	2	5.3	5		

BOND PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	1.4		-1.7		0.3		1.9		4.3		5.5	
Range of Results												
Upper Quartile	5.4		2.1		2.9		2.4		4.6		5.7	
Median	2.7		-0.5		0.9		1.6		4.2		5.4	
Lower Quartile	-0.5		-4.2		-1.7		0.8		3.6		4.9	
Surrey Pension Fund	7.3	1	4.5	5	5.5	2	2.8	13	4.7	19	5.7	29
Sutton Pension Fund	0.9	63	-3.2	70	0.7	54						
Swansea Pension Fund	7.2	2	0.8	39	1.1	45	2.0	41	3.7	72	5.1	66
Torfaen (Gwent)Pension Fund	3.8	40	-0.1	48	0.1	63						
Tower Hamlets Pension Fund	-3.0	88	0.6	41	0.9	48	0.8	77	2.7	98	4.5	95
Waltham Forest Pension Fund	5.7	20	5.1	1								
West Yorkshire Pension Fund	-2.1	83	-3.9	71	-1.6	73	1.3	62	4.5	36	6.1	5
Westminster Pension Fund	4.4	32	1.4	34	2.9	22	2.3	30				
Wandsworth & Richmond Fund	5.4	27	2.4	19	4.2	11						

PROPERTY PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	3.4		-2.9		1.7		4.1		4.4		6.7	
Range of Results												
Upper Quartile	4.9		-2.3		2.5		4.5		4.7		7.0	
Median	4.0		-3.3		1.7		4.1		4.0		6.5	
Lower Quartile	2.1		-4.9		0.9		3.3		3.3		5.9	
Avon Pension Fund	1.3	90	-5.1	81	-1.3	88	2.9	83				
Barking and Dagenham	5.3	17	-6.6	93	0.0	85	2.2	94	1.7	97	5.0	97
Barnet Pension Fund	7.2	5	-2.8	37	1.2	66						
Berkshire Pension Fund	-3.5	97	-3.2	46	1.1	69						
Bexley Pension Fund	4.4	37	-3.4	53	1.0	74	3.2	77				
Brent Pension Fund	6.2	10	-3.3	51								
Bromley Pension Fund	26.4	1	1.5	2	5.7	1						
Cambridgeshire Pension Fund	3.4	57	-2.3	22	2.6	24	4.2	44	4.0	50		
Camden Pension Fund	-0.1	95	-6.2	90	-1.9	95	3.3	76	3.6	67	6.4	60
Cardiff & Glamorgan Pension Fund	2.0	77	-3.7	59	1.7	48	4.5	27	4.9	19		
City of London Corporation Pension Fund	4.4	35	-4.6	71	0.5	81						
Cornwall Pension Fund	4.2	40	-2.9	39	2.1	38	4.1	50				
Cumbria Pension Fund	5.0	23	-4.9	75	2.0	40	4.0	54	5.2	8	8.2	3
Devon Pension Fund	4.9	25	-1.9	15	3.0	9	4.8	8	4.8	21	6.7	43
Dorset Pension Fund	4.0	52	-2.6	34	2.3	28						
Dyfed Pension Fund	2.3	73	-2.3	26	2.2	33	4.5	23				
Ealing Pension Fund	3.6	53	-7.5	97	-1.6	90	1.8	98				
East Riding Pension Fund	1.4	85	-0.8	5	3.0	14	4.2	38	4.0	55	5.9	73
East Sussex Pension Fund	4.2	45	-2.5	31	2.8	17	4.2	44	4.1	47	6.8	33
Enfield Pension Fund	4.3	38	-4.1	66	1.8	45	3.2	79	2.2	95	5.3	90
Flintshire (Clywd)	-4.9	98	-9.4	98	-2.6	98	2.4	92	3.6	69	6.1	70
Gloucestershire Pension Fund	3.0	62	-3.9	61	1.4	59	4.2	40	5.0	13		
Greater Manchester Pension Fund	2.5	67	-2.0	17	1.6	54	3.3	73	4.1	42	6.4	57
Greenwich Pension Fund	6.8	7	-3.2	44	1.8	43	3.9	56	2.7	92		
Gwynedd Pension Fund	5.2	22	-5.5	85	1.2	67	3.4	69	4.1	45	7.0	23

PROPERTY PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	3.4		-2.9		1.7		4.1		4.4		6.7	
Range of Results												
Upper Quartile	4.9		-2.3		2.5		4.5		4.7		7.0	
Median	4.0		-3.3		1.7		4.1		4.0		6.5	
Lower Quartile	2.1		-4.9		0.9		3.3		3.3		5.9	
Hackney Pension Fund	17.4	3										
Hammersmith and Fulham	2.4	68	-7.3	95	-1.7	93						
Haringey Pension Fund	3.0	58	-5.0	78	0.7	79	2.9	86	3.5	71	5.6	83
Harrow Pension Fund	24.3	2	2.4	1	4.4	4	4.4	29	4.3	37	7.3	13
Havering Pension Fund	2.4	70	-3.1	42	2.2	36	4.7	15	3.1	87		
Hillingdon Pension Fund	6.3	8	-2.6	36	3.7	5	4.7	17				
Hounslow Pension Fund	5.6	13	-3.3	49	2.7	21	3.8	61	5.9	5	6.8	30
Islington Pension Fund	2.6	65	-3.6	58	1.3	62	4.0	52	5.1	11		
Kensington and Chelsea	4.7	30	-4.0	63	-1.9	97	2.0	96				
Kent Pension Fund	5.2	10	-2.5	28	2.9	14	5.5	1	6.9	1	8.9	1
Kingston upon Thames	1.9	80	-5.0	80	2.2	31	3.8	63	3.3	74	5.1	93
Lancashire Pension Fund	2.4	72	-2.3	24	2.2	35	4.2	36	4.6	29	7.6	7
Lewisham Pension Fund	4.8	28	-2.3	22	3.0	12	4.8	11	3.9	58	6.1	63
Lincolnshire Pension Fund	3.0	60	-4.9	73	1.7	50	3.4	71	3.2	82	5.4	87
London Pension Fund Authority	0.5	92	-2.4	29	1.5	57						
Merseyside Pension Fund	2.7	63	-1.6	12	2.7	23	4.6	19	5.0	16	6.8	37
Merton Pension Fund	3.5	55	-0.2	3	4.9	2	5.3	2	3.6	63	6.8	40
Newham Pension Fund	1.9	78	-1.3	7	2.7	19	4.5	25	3.7	61	5.8	77
Northamptonshire Pension Fund	5.2	20	-4.9	76	0.3	83	2.9	81	2.9	90	6.6	47
Oxfordshire Pension Fund	1.4	83	-3.3	48	1.1	71	4.1	48	3.3	79	5.7	80
Powys Pension Fund	4.1	48	-5.2	83	1.5	55	3.5	67	3.1	84		
Redbridge Pension Fund	4.2	42	-5.7	88	0.7	78	3.8	58	4.6	32	6.9	27
Rhondda Cynon Taf Pension Fund	5.8	12	-1.5	10	1.6	52	4.7	13				
South Yorkshire Pension Authority	4.2	43	-1.3	9	3.0	10	3.7	65	5.9	3	7.3	17
Southwark Pension Fund	0.4	93	-4.2	70	1.7	47	4.5	21	4.7	24	7.5	10
Strathclyde Pension Fund	5.4	15	-2.2	19	1.9	41	5.3	4	4.6	26	7.1	20
Suffolk Pension Fund	4.9	27	-2.4	27	2.4	26	4.2	33	4.2	40		

PROPERTY PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	3.4		-2.9		1.7		4.1		4.4		6.7	
Range of Results												
Upper Quartile	4.9		-2.3		2.5		4.5		4.7		7.0	
Median	4.0		-3.3		1.7		4.1		4.0		6.5	
Lower Quartile	2.1		-4.9		0.9		3.3		3.3		5.9	
Surrey Pension Fund	4.2	47	-3.1	41	1.3	60	4.2	31	3.3	76	6.5	50
Sutton Pension Fund	1.3	87	-4.1	65	0.8	76						
Swansea Pension Fund	1.7	82	-4.2	68	-0.1	86	2.7	90				
Torfaen (Gwent)Pension Fund	4.7	32	-3.5	54	2.2	29						
Tower Hamlets Pension Fund	4.4	33	-1.6	14	3.5	7	4.9	6	4.5	34	6.5	53
Waltham Forest Pension Fund	-11.0	100	-10.7	100	-4.3	100	0.6	100	0.4	100	4.2	100
West Yorkshire Pension Fund	4.0	50	-3.6	56	1.0	73	4.2	46	4.0	53	6.1	67
Westminster Pension Fund	2.1	75	-6.5	92	-1.6	91	2.8	88				
Wandsworth & Richmond Fund	1.3	88	-5.6	87	1.2	64						

PRIVATE EQUITY PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank
Universe Average	2.8		2.5		11.5	
Range of Results						
Upper Quartile	5.1		4.0		13.0	
Median	2.8		2.7		11.8	
Lower Quartile	1.1		0.2		8.7	
Barking and Dagenham	11.1	3	5.3	13	11.5	53
Berkshire Pension Fund	-0.7	85	-0.1	85	8.6	77
Bexley Pension Fund	4.9	28	0.3	74	6.5	88
Cambridgeshire Pension Fund	7.3	10	3.9	28	9.5	71
Camden Pension Fund	1.2	74	2.7	44		
Cardiff & Glamorgan Pension Fund	1.6	64	2.4	57	9.7	68
Cornwall Pension Fund	5.0	26	4.6	21	8.1	82
Cumbria Pension Fund	5.5	21	7.4	3		
Devon Pension Fund	7.8	8	3.9	26		
Dorset Pension Fund	2.9	46	2.7	49	11.8	47
East Riding Pension Fund	5.4	23	3.2	39	11.8	50
East Sussex Pension Fund	1.6	67	-1.1	90	14.4	9
Enfield Pension Fund	0.6	82	-3.4	95	13.7	15
Flintshire (Clywd)	2.9	44	7.2	5	13.2	21
Gloucestershire Pension Fund	6.8	15	5.6	10	10.3	65
Greater Manchester Pension Fund	1.9	57	2.7	51	13.2	24
Greenwich Pension Fund	-0.9	90	0.6	69	8.2	80
Gwynedd Pension Fund	3.8	39	2.7	46	12.9	27
Haringey Pension Fund	1.8	59	4.3	23	12.7	32
Harrow Pension Fund	3.8	36	0.2	77	7.8	85
Hillingdon Pension Fund	-8.5	98	-6.9	100	1.9	94
Islington Pension Fund	-24.5	100	-6.9	98	-2.2	100
Kensington and Chelsea	0.7	80	-2.7	92	13.3	18
Kent Pension Fund	1.2	73	4.7	56	18.4	8
Lancashire Pension Fund	-2.1	92	3.8	31	12.5	38

PRIVATE EQUITY PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank
Universe Average	2.8		2.5		11.5	
Range of Results						
Upper Quartile	5.1		4.0		13.0	
Median	2.8		2.7		11.8	
Lower Quartile	1.1		0.2		8.7	
Lewisham Pension Fund	4.8	31	1.8	62	12.8	30
Lincolnshire Pension Fund	0.9	77	-0.7	87	1.2	97
London Pension Fund Authority	-0.8	87	0.9	67	8.8	74
Merseyside Pension Fund	2.6	54	0.3	72	11.3	59
Newham Pension Fund	1.8	62	1.8	64	11.8	44
Northamptonshire Pension Fund	8.5	5	5.3	15	14.3	12
Oxfordshire Pension Fund	6.4	18	6.0	8	17.1	3
Powys Pension Fund	3.5	41	0.1	80	15.1	6
South Yorkshire Pension Authority	4.7	33	2.9	41	12.7	35
Southwark Pension Fund	17.9	1	12.0	1		
Strathclyde Pension Fund	2.8	49	2.4	54	10.6	62
Suffolk Pension Fund	-3.3	95	0.0	82	11.4	56
Surrey Pension Fund	1.3	69	1.8	59	4.2	91
Swansea Pension Fund	7.0	13	3.7	33		
West Yorkshire Pension Fund	2.7	51	3.7	36	12.4	41

INFRASTRUCTURE PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank
Universe Average	3.7		6.4		6.2	
Range of Results						
Upper Quartile	5.9		8.8		7.8	
Median	3.5		7.1		6.2	
Lower Quartile	1.7		5.5		5.1	
Avon Pension Fund	6.5	20	6.8	55	8.9	21
Barking and Dagenham	0.0	80	3.5	90	4.2	89
Barnet Pension Fund	2.8	59	7.7	43	10.3	2
Berkshire Pension Fund	2.1	64	4.9	84	6.8	43
Bexley Pension Fund	3.5	50	7.8	39	3.0	93
Brent Pension Fund	9.8	4	11.7	2	5.4	61
Cambridgeshire Pension Fund	4.0	45	7.2	49	5.3	68
Camden Pension Fund	9.6	6	10.1	8	5.7	56
Cardiff & Glamorgan Pension Fund	8.4	13				
City of London Corporation Pension Fund	5.0	34	8.3	31	9.7	11
Cornwall Pension Fund	2.0	72	2.9	94	5.1	75
Cumbria Pension Fund	6.2	22	9.2	24		
Devon Pension Fund	3.8	47	5.5	75	5.4	64
Dorset Pension Fund	3.4	54	5.1	80	6.2	50
Dyfed Pension Fund	3.4	55				
Ealing Pension Fund	8.0	14	9.3	20	7.9	23
East Riding Pension Fund	3.1	57	5.7	71	5.1	73
East Sussex Pension Fund	4.5	41	5.7	71	4.7	80
Enfield Pension Fund	0.1	79	-3.6	100	2.1	100
Flintshire (Clywd)	6.1	23	10.5	6	9.7	11
Gloucestershire Pension Fund	4.7	39	7.7	41	5.3	71
Greater Manchester Pension Fund	3.7	48	7.1	51	7.0	36
Greenwich Pension Fund	-3.4	93	8.7	28		
Gwynedd Pension Fund	7.6	18	10.1	10	11.1	1
Hackney Pension Fund	-3.4	89				
Hammersmith and Fulham	4.7	38	7.6	45	9.6	14

INFRASTRUCTURE PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank
Universe Average	3.7		6.4		6.2	
Range of Results						
Upper Quartile	5.9		8.8		7.8	
Median	3.5		7.1		6.2	
Lower Quartile	1.7		5.5		5.1	
Haringey Pension Fund	-8.7	100	3.0	92	3.2	91
Harrow Pension Fund	2.0	68	8.1	33	4.4	86
Havering Pension Fund	2.0	70	7.6	47	5.5	59
Hillingdon Pension Fund	9.7	5	11.8	1	10.3	7
Hounslow Pension Fund	-3.4	91				
Islington Pension Fund	8.5	11	9.4	16	10.3	5
Kent Pension Fund	10.1	2	11.2	4	7.5	32
Kingston upon Thames	-3.5	97	-2.9	98		
Lancashire Pension Fund	3.5	52	5.1	79	5.4	66
Lewisham Pension Fund	0.0	82	5.8	65	4.6	82
Lincolnshire Pension Fund	-2.6	86	5.0	82	5.9	52
London Pension Fund Authority	4.3	43	5.8	67	7.0	39
Merseyside Pension Fund	1.9	73	4.9	86	4.9	77
Merton Pension Fund	11.2	1	9.2	22	9.1	18
Newham Pension Fund	5.9	24	5.7	72	4.5	84
Northamptonshire Pension Fund	5.7	27	8.0	35	6.2	48
Oxfordshire Pension Fund	5.5	30	6.9	53	6.8	46
Powys Pension Fund	4.8	36				
Redbridge Pension Fund	9.5	9	10.1	8		
Rhondda Cynon Taf Pension Fund	1.7	75	6.8	57		
South Yorkshire Pension Authority	5.6	29	6.4	61	2.1	98
Southwark Pension Fund	-4.6	98	9.4	18	7.8	27
Strathclyde Pension Fund	7.7	16	8.7	26	6.9	41
Suffolk Pension Fund	2.4	61	6.5	59	7.8	25
Sutton Pension Fund	0.4	77	5.4	77	9.2	16
Swansea Pension Fund	-3.4	95	5.8	63		
Tower Hamlets Pension Fund	-3.3	88	8.0	37		

INFRASTRUCTURE PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank
Universe Average	3.7		6.4		6.2	
Range of Results						
Upper Quartile	5.9		8.8		7.8	
Median	3.5		7.1		6.2	
Lower Quartile	1.7		5.5		5.1	
Waltham Forest Pension Fund	-1.4	84	2.8	96	3.0	96
West Yorkshire Pension Fund	2.4	63	4.6	88	5.7	57
Westminster Pension Fund	5.3	32	10.0	14	7.5	30
Wandsworth & Richmond Fund	2.1	66	8.3	30	7.2	34

PRIVATE DEBT PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank
Universe Average	7.0		6.3		6.1	
Range of Results						
Upper Quartile	8.3		8.9		7.0	
Median	6.9		8.2		6.7	
Lower Quartile	4.7		5.5		5.5	
Avon Pension Fund	7.9	32	10.3	3		
Barnet Pension Fund	6.6	56	7.6	47		
Berkshire Pension Fund	6.8	54	5.6	80	4.8	82
Bexley Pension Fund	-2.4	100	1.0	97		
Brent Pension Fund	3.0	88	7.3	59		
Cardiff & Glamorgan Pension Fund	10.6	3				
Cornwall Pension Fund	6.9	51	8.5	32	8.0	14
Cumbria Pension Fund	8.9	12	6.6	65		
Devon Pension Fund	7.7	44	9.1	9	8.2	5
Dyfed Pension Fund	1.9	90				
Ealing Pension Fund	8.4	22	8.3	35	6.3	55
East Riding Pension Fund	8.2	27	8.5	30	7.3	36
East Sussex Pension Fund	7.8	39	5.3	85	4.6	91
Flintshire (Clywd)	3.7	81	7.4	50	7.0	41
Gloucestershire Pension Fund	6.9	49	8.8	18	7.8	18
Greater Manchester Pension Fund	9.0	10	9.0	12	7.4	32
Greenwich Pension Fund	3.0	88	7.3	56		
Gwynedd Pension Fund	4.6	76				
Hackney Pension Fund	5.1	73				
Hammersmith and Fulham	5.7	64	5.5	82	8.1	9
Haringey Pension Fund	-2.0	98	-6.5	100	-1.1	100
Harrow Pension Fund	8.1	29	5.3	88		
Havering Pension Fund	8.5	17	9.0	15	6.0	64
Hillingdon Pension Fund	3.5	83	7.3	53	5.6	77
Islington Pension Fund	8.8	15	9.5	6		

PRIVATE DEBT PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank
Universe Average	7.0		6.3		6.1	
Range of Results						
Upper Quartile	8.3		8.9		7.0	
Median	6.9		8.2		6.7	
Lower Quartile	4.7		5.5		5.5	
Kingston upon Thames	1.0	95	8.0	38		
Lancashire Pension Fund	7.8	39	4.9	91	4.4	96
Lewisham Pension Fund	4.5	78	6.4	74	5.9	68
London Pension Fund Authority	7.8	42	4.6	94	4.6	86
Merseyside Pension Fund	5.9	61	7.8	41	7.7	23
Merton Pension Fund	8.5	20	7.6	44	6.8	50
Newham Pension Fund	9.4	7	8.7	27	7.5	27
Oxfordshire Pension Fund	8.3	24	10.8	1		
Powys Pension Fund	24.9	1				
South Yorkshire Pension Authorit	6.0	59	6.3	77	9.3	1
Strathclyde Pension Fund	5.5	68	6.4	68	5.9	73
Suffolk Pension Fund	7.1	46	6.4	71	6.9	46
Sutton Pension Fund	5.1	71	7.1	62		
Swansea Pension Fund	5.7	66	8.8	21		
West Yorkshire Pension Fund	1.4	93				
Westminster Pension Fund	9.8	5				
Wandsworth & Richmond Fund	7.8	34	8.8	24	6.2	59

HEDGED FUND PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank
Universe Average	6.2		5.8		5.7	
Range of Results						
Upper Quartile						
Median	6.4		5.6		5.8	
Lower Quartile						
Avon Pension Fund	6.4	50	7.9	1	7.2	25
East Sussex Pension Fund	3.8	100	2.1	100	5.8	50
Merseyside Pension Fund	4.7	75	4.1	75	4.2	100
Powys Pension Fund	7.6	25	6.3	25	5.0	75
Swansea Pension Fund	7.8	1	5.6	50	7.3	1

DIVERSIFIED GROWTH PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank
Universe Average	3.2		1.8		3.3		3.1	
Range of Results								
Upper Quartile	4.3		2.5		5.1		3.3	
Median	3.6		1.0		4.6		3.0	
Lower Quartile	3.2		-0.4		3.6		2.5	
Avon Pension Fund	3.2	75	3.6	11	5.3	17	2.8	70
Barking and Dagenham	4.7	5	3.3	21	5.1	22		
Brent Pension Fund	5.3	1	-0.1	63	4.6	45	2.9	60
City of London Corporation Pension	3.5	65	1.3	42	4.6	39	3.0	50
Devon Pension Fund	3.2	75	3.6	16	6.5	6	3.3	20
Dorset Pension Fund	3.2	80	3.6	1				
Flintshire (Clywd)	0.7	100	1.7	37	8.9	1	5.1	1
Gloucestershire Pension Fund	3.2	85	3.6	5	4.6	50	2.2	90
Greenwich Pension Fund	3.6	60	0.9	53	0.6	100		
Hammersmith and Fulham	3.6	45	-1.2	90	4.5	61		
Haringey Pension Fund	2.9	90	-0.7	84	4.8	33		
Havering Pension Fund	3.6	60	-1.3	95	4.0	72	2.3	80
Hillingdon Pension Fund	3.9	35	-0.4	74	5.1	28	3.7	10
Hounslow Pension Fund	4.0	30	0.0	58	2.6	89		
Islington Pension Fund	4.3	25	1.9	32	6.4	11		
Kent Pension Fund	4.6	19	2.2	33	4.5	55	3.2	30
Kingston upon Thames	3.6	50	-0.5	79	3.2	78	1.8	100
Merton Pension Fund	3.6	45	-1.5	100	2.8	83		
Torfaen (Gwent)Pension Fund	4.3	20	1.1	47	1.9	95		
Tower Hamlets Pension Fund	4.5	15	-0.2	69	4.5	61	3.1	40
Waltham Forest Pension Fund	1.7	95						

ASSET ALLOCATION AT END MARCH

	Equity	Bonds	Private Equity	Infra- structure	Hedged Funds	Diversified Growth	Other Alts	Private Debt	Property	Cash
Average	48.9	17.7	6.0	8.2	0.2	1.6	1.7	4.2	8.3	3.2
Range										
Top Quartile	57	25	7	10	0	5	2	5	9	3
Median	51	19	4	7	0	0	0	3	8	2
Bottom Quartile	43	14	0	5	0	0	0	0	5	1
Avon Pension Fund	33	29	0	9	0	7	0	4	16	2
Barking and Dagenham	53	13	10	6	0	10	0	0	6	2
Barnet Pension Fund	27	43	6	9	0	0	0	5	4	6
Berkshire Pension Fund	54	2	11	11	0	0	0	12	8	2
Bexley Pension Fund	32	26	10	9	0	0	6	5	13	0
Brent Pension Fund	55	13	0	6	0	15	0	3	3	5
Bromley Pension Fund	56	30	0	0	0	0	0	0	11	3
Cambridgeshire Pension Fund	44	25	13	6	0	0	1	1	9	0
Camden Pension Fund	53	22	2	6	2	5	0	0	10	1
Cardiff & Glamorgan Pension Fund	62	18	4	3	0	0	0	6	6	1
City of London Corporation	57	23	0	4	0	8	3	0	5	0
Cornwall Pension Fund	33	27	6	15	0	0	9	3	5	2
Cumbria Pension Fund	35	21	11	16	0	0	0	8	8	1
Devon Pension Fund	51	20	2	10	0	2	0	4	8	3
Dorset Pension Fund	59	14	3	7	0	7	0	0	8	2
Dyfed Pension Fund	72	9	0	2	0	0	4	2	12	0
Ealing Pension Fund	61	24	0	3	0	0	0	3	6	2
East Riding Pension Fund	50	14	11	7	0	0	5	4	7	2
East Sussex Pension Fund	41	10	7	11	0	22	0	1	7	2
Enfield Pension Fund	42	22	6	7	0	0	0	13	5	4
Flintshire (Clywd)	15	37	10	8	0	12	7	3	4	4
Gloucestershire Pension Fund	54	18	3	6	0	5	1	5	8	1
Greater Manchester Pension Fund	40	23	6	8	0	0	5	4	9	4
Greenwich Pension Fund	45	27	5	2	0	6	0	4	9	2
Gwynedd Pension Fund	54	27	5	6	0	0	0	2	5	1

ASSET ALLOCATION AT END MARCH

	Equity	Bonds	Private Equity	Infra- structure	Hedged Funds	Diversified Growth	Other Alts	Private Debt	Property	Cash
Average	48.9	17.7	6.0	8.2	0.2	1.6	1.7	4.2	8.3	3.2
Range										
Top Quartile	57	25	7	10	0	5	2	5	9	3
Median	51	19	4	7	0	0	0	3	8	2
Bottom Quartile	43	14	0	5	0	0	0	0	5	1
Hackney Pension Fund	49	25	0	3	0	0	0	14	9	0
Hammersmith and Fulham	45	25	0	6	0	11	0	6	6	2
Haringey Pension Fund	43	24	7	5	0	8	0	2	10	2
Harrow Pension Fund	50	16	0	10	0	0	0	17	2	4
Havering Pension Fund	41	16	0	11	0	13	0	8	8	3
Hillingdon Pension Fund	54	16	0	5	0	3	2	5	14	1
Hounslow Pension Fund	68	19	0	2	0	3	0	2	4	3
Islington Pension Fund	54	8	0	11	0	1	0	7	18	1
Kensington and Chelsea	74	4	7	0	0	0	0	0	13	1
Kent Pension Fund	52	21	5	5	5	0	0	0	8	4
Kingston upon Thames	43	34	0	5	0	5	4	3	3	1
Lancashire Pension Fund	46	6	6	14	0	0	0	17	8	2
Lewisham Pension Fund	47	19	5	10	0	0	0	8	7	4
Lincolnshire Pension Fund	47	23	0	2	0	0	18	0	7	3
London Pension Fund Authority	53	4	6	11	0	0	0	14	9	2
Merseyside Pension Fund	51	11	9	8	2	0	0	5	11	2
Merton Pension Fund	33	16	0	14	0	6	0	3	23	5
Newham Pension Fund	52	13	5	6	0	0	4	5	10	5
Northamptonshire Pension Fund	44	31	8	5	0	0	3	0	9	0
Oxfordshire Pension Fund	54	16	12	4	0	0	0	2	9	2
Powys Pension Fund	40	25	7	6	13	0	0	3	6	0
Redbridge Pension Fund	57	26	0	9	0	0	1	0	7	1
Rhondda Cynon Taf Pension Fund	64	26	0	3	0	0	0	0	6	1
South Yorkshire Pension Authority	43	15	11	10	0	0	7	6	8	1

ASSET ALLOCATION AT END MARCH

	Equity	Bonds	Private Equity	Infra- structure	Hedged Funds	Diversified Growth	Other Alts	Private Debt	Property	Cash
Average	48.9	17.7	6.0	8.2	0.2	1.6	1.7	4.2	8.3	3.2
Range										
Top Quartile	57	25	7	10	0	5	2	5	9	3
Median	51	19	4	7	0	0	0	3	8	2
Bottom Quartile	43	14	0	5	0	0	0	0	5	1
Southwark Pension Fund	50	20	2	10	0	0	1	0	17	1
Strathclyde Pension Fund	42	20	7	10	0	0	0	3	9	9
Suffolk Pension Fund	47	28	3	10	0	0	0	3	9	0
Surrey Pension Fund	59	16	19	0	0	0	0	0	5	2
Sutton Pension Fund	55	18	0	8	0	0	3	3	4	8
Swansea Pension Fund	58	8	7	7	2	0	1	2	3	9
Torfaen (Gwent)Pension Fund	71	12	0	8	4	3	0	0	2	1
Tower Hamlets Pension Fund	50	17	0	4	0	13	2	0	11	3
Waltham Forest Pension Fund	62	17	0	2	0	11	0	0	7	0
West Yorkshire Pension Fund	61	14	6	6	0	0	4	1	3	4
Westminster Pension Fund	59	12	0	14	0	0	0	5	6	3
Wandsworth & Richmond Fund	57	20	0	9	0	0	0	5	5	4

These tables are intended solely for the use of the participating funds. Whilst individual fund returns and rankings may be used, the tables in their entirety should not be copied or distributed beyond these funds.

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ASSET SERVICING

Northern Trust performance for the Suffolk County Council Committee and Board meetings 2024-2025 financial year

Scott Douglas
Vice President
Total Portfolio Solutions

21st July 2025

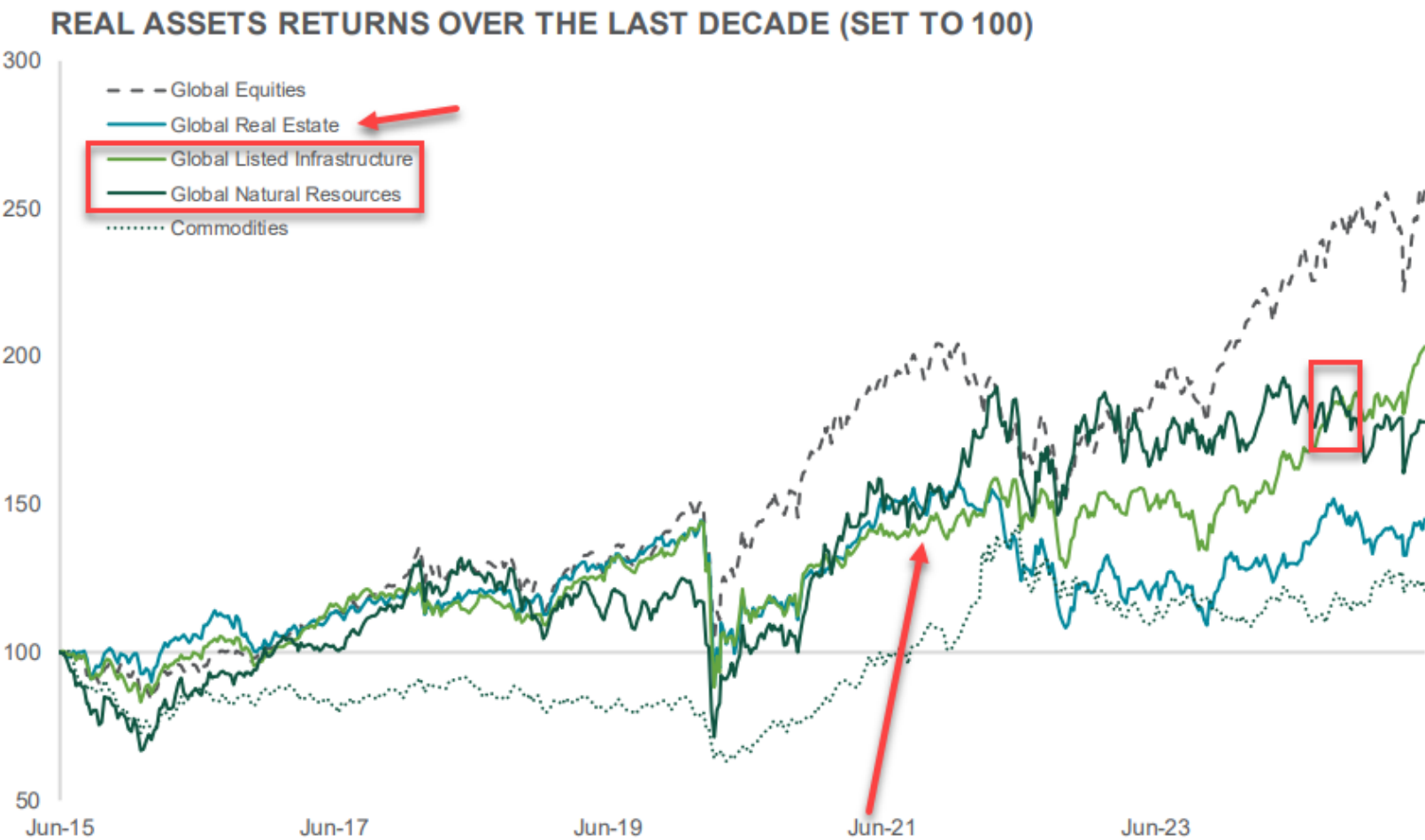
NORTHERN TRUST

Suffolk County Council | March 31, 2025

Investment Hierarchy Groups

Account/Group	Ending Market Value GBP	Ending Weight	% Rate of Return					Inception Date
			One Year	Three Years	Five Years	Ten Years	Inception to Date	
Suffolk County Council	4,468,004,636	100.00	5.28	5.75	9.45	7.07	7.07	31/12/1995
<i>Total Plan Benchmark</i>			6.55	5.94	9.29	7.35	7.39	31/12/1995
<i>Excess Return</i>			-1.27	-0.19	0.16	-0.28	-0.32	31/12/1995
Total Equities	2,080,406,578	46.56	5.60	8.99	14.62	9.66	8.01	31/12/1995
<i>Total Equities</i>			5.86	8.09	14.36	-	-	31/12/1995
<i>Excess Return</i>			-0.26	0.89	0.27	-	-	31/12/1995
Total Bonds	1,242,290,737	27.80	6.73	3.47	4.69	3.17	5.18	31/12/2003
<i>Total Bonds</i>			6.63	3.75	3.51	-	-	31/12/2003
<i>Excess Return</i>			0.10	-0.28	1.18	-	-	31/12/2003
Property	405,496,727	9.08	4.89	-2.38	2.37	4.08	5.91	31/12/1995
<i>Property All Balanced Funds</i>			6.33	-2.86	3.02	-	-	31/12/1995
<i>Excess Return</i>			-1.45	0.48	-0.66	-	-	31/12/1995
Total Private Equity	144,394,300	3.23	-3.26	-0.04	11.36	12.09	3.62	31/03/2003
<i>Private Equity MSCI ACWI</i>			4.87	7.62	14.62	-	-	31/03/2003
<i>Excess Return</i>			-8.12	-7.66	-3.26	-	-	31/03/2003
Total Infrastructure	449,871,416	10.07	2.39	6.53	7.84	-	12.86	31/03/2016
<i>Infrastructure 8% Absolute</i>			8.00	8.00	8.00	-	8.00	31/03/2016
<i>Excess Return</i>			-5.61	-1.47	-0.16	-	4.86	31/03/2016
Illiquid Debt	126,353,550	2.83	7.07	6.36	6.87	-	4.97	31/03/2016
<i>Illiquid Debt 8% Absolute</i>			8.00	8.00	8.00	-	8.00	31/03/2016
<i>Excess Return</i>			-0.93	-1.64	-1.13	-	-3.03	31/03/2016
Cash	19,153,151	0.43	1.64	3.02	2.89	3.15	3.68	31/12/1995

REAL ASSETS PERFORMANCE

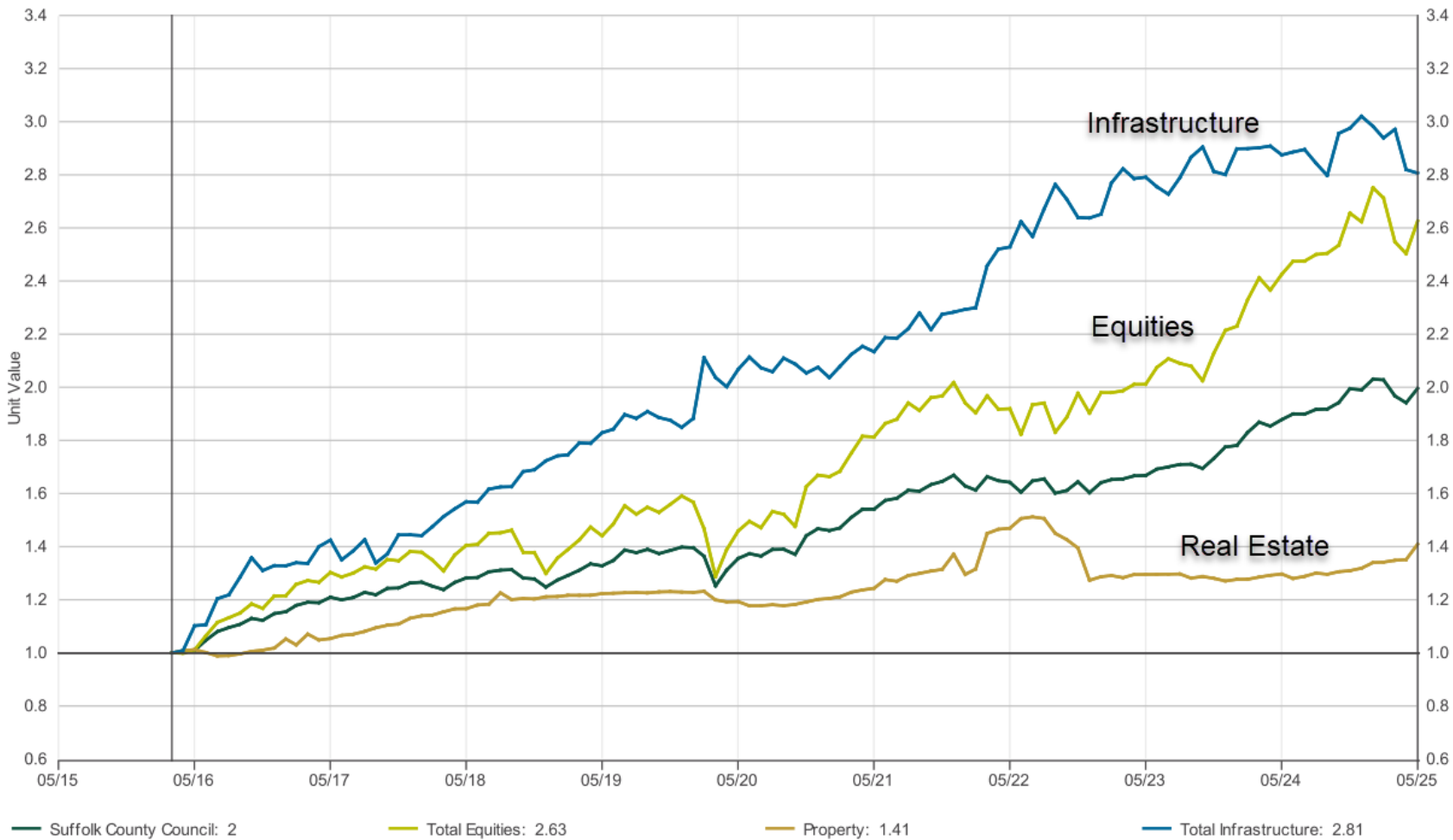


Source: Northern Trust Asset Management, Bloomberg. Indices used: MSCI ACWI, MSCI ACWI IMI Core Real Estate, S&P Global Natural Resources, S&P Global Infrastructure, Bloomberg Commodity Index. Total returns set to 100 ten years ago through 5/30/2025.

NORTHERN TRUST [PRELIMINARY]

Suffolk County Council | May 31, 2025

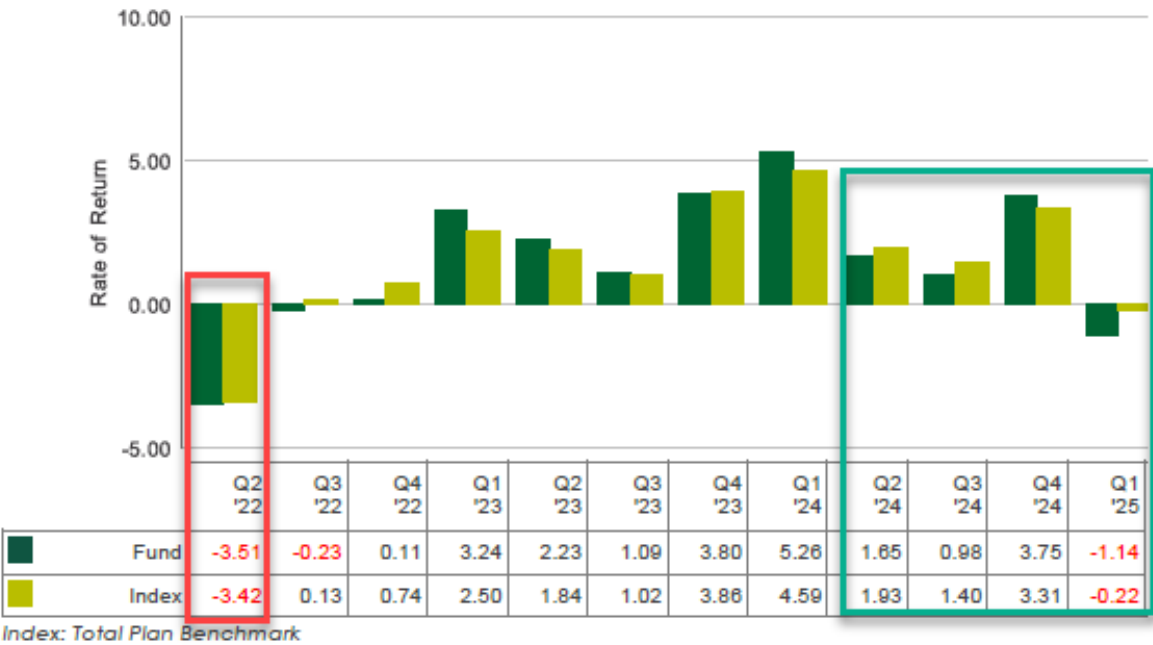
Growth Over Time - Youngest Inception to Date



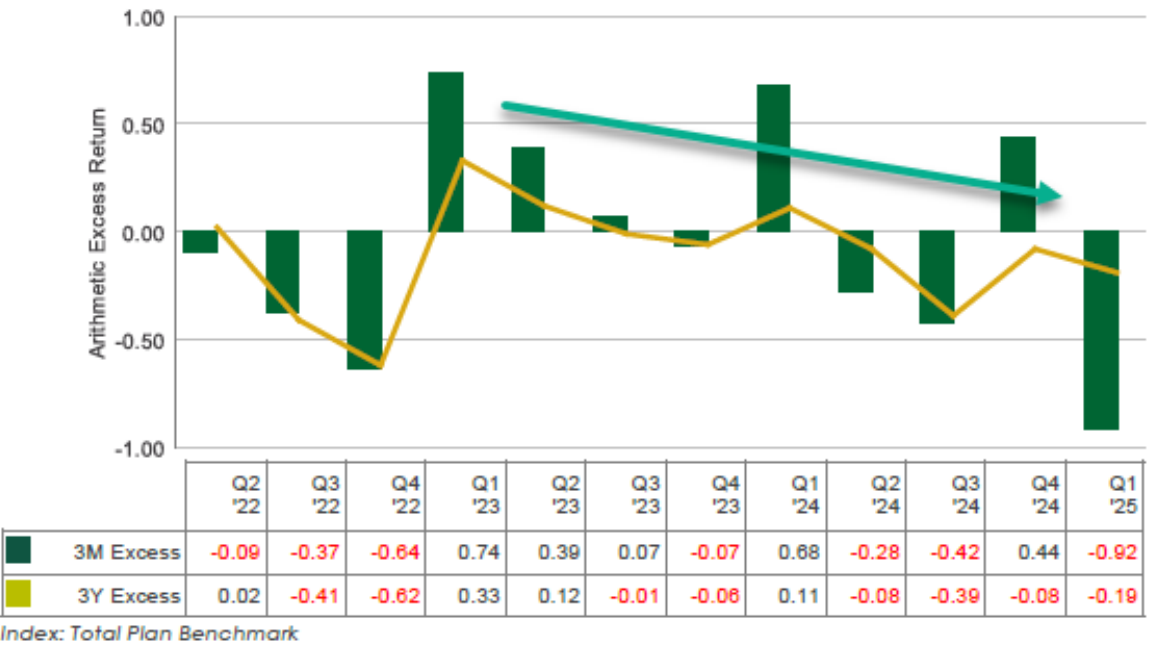
Total fund performance

Considering the key three-year time period

SUFFOLK COUNTY COUNCIL ROLLING QUARTERS TOTAL FUND NET OF FEES



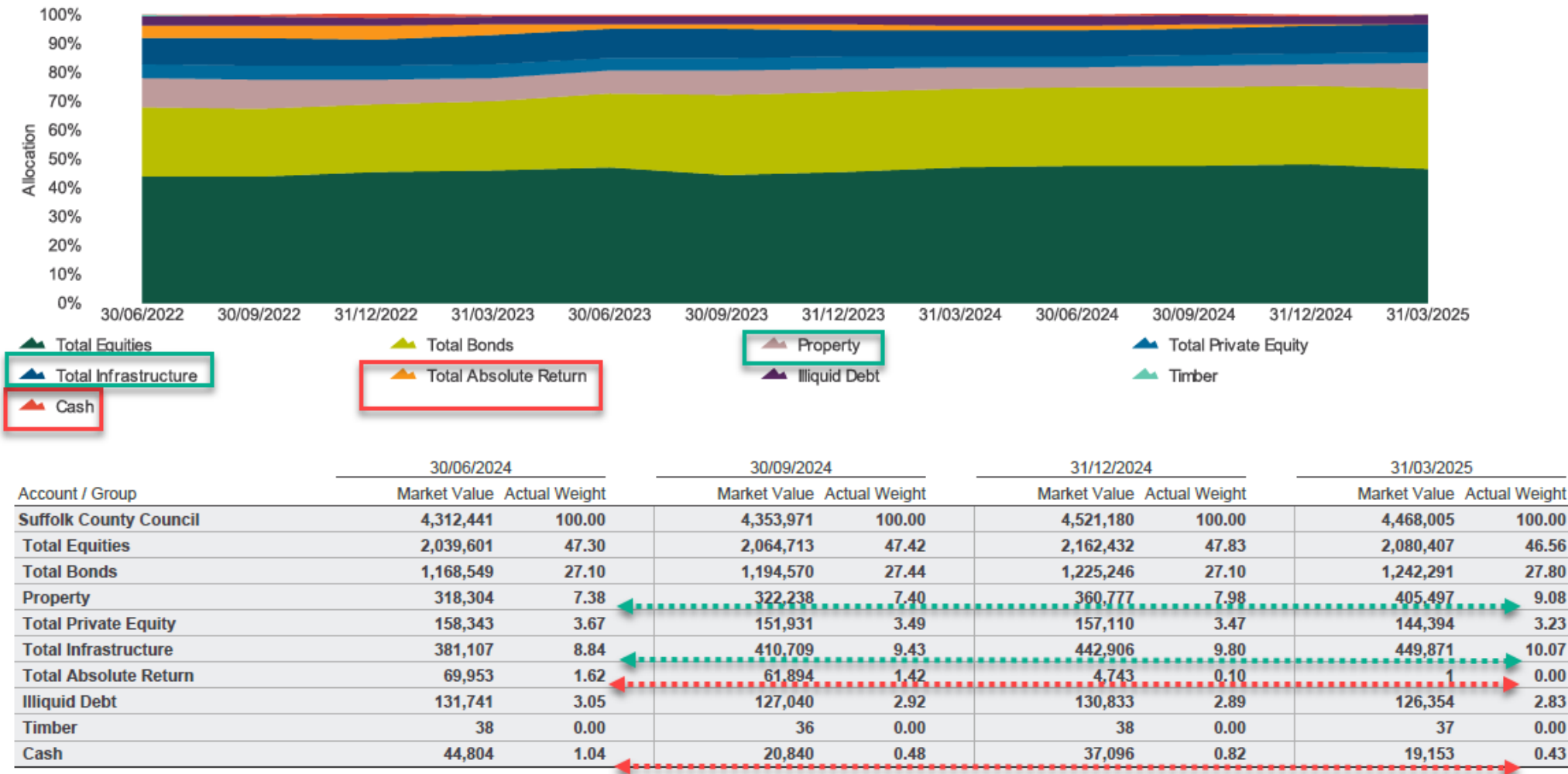
SUFFOLK COUNTY COUNCIL ROLLING QUARTERS TOTAL FUND NET OF FEES



NORTHERN TRUST

Suffolk County Council | March 31, 2025

Allocation over Time



*Market Values are represented in thousands.

Contribution over time

Which asset classes are adding value?

Agenda Item 7, Appendix 2

NORTHERN TRUST

Suffolk County Council | March 31, 2025

Policy Level Attribution over Time

	FY 2024-25 Q1			FY 2024-25 Q2			FY 2024-25 Q3			FY 2024-25 Q4		
	Average Weights	Return	Contribution	Average Weights	Return	Contribution	Average Weights	Return	Contribution	Average Weights	Return	Contribution
Suffolk County Council	100.00	1.65	1.65	100.00	0.98	0.98	100.00	3.75	3.75	100.00	-1.14	-1.14
Total Equities	46.65	2.56	1.20	47.31	1.23	0.58	47.73	4.73	2.25	48.51	-2.88	-1.37
Total Bonds	27.11	1.68	0.46	27.05	2.21	0.60	26.88	1.28	0.34	26.77	1.39	0.37
Property	7.57	-0.42	-0.03	7.41	1.24	0.09	7.86	1.76	0.14	8.01	2.24	0.18
Total Private Equity	3.84	-0.67	-0.02	3.61	-2.33	-0.08	3.46	5.17	0.18	3.40	-5.18	-0.18
Total Infrastructure	9.09	-0.56	-0.05	9.66	-3.06	-0.30	9.75	7.96	0.76	9.69	-1.62	-0.15
Total Absolute Return	1.64	0.54	0.01	1.45	3.11	0.05	0.88	-1.08	-0.01	0.11	2.58	0.00
Illiquid Debt	3.32	2.47	0.08	3.01	1.67	0.05	2.97	2.69	0.08	2.82	0.08	0.00

Attribution analysis

Which assets classes have gained or lost value vs the benchmark portfolio over 1 year?

Agenda Item 7, Appendix 2

NORTHERN TRUST

Suffolk County Council | March 31, 2025

Policy Level Attribution - One Year

	Weights						Rate of Returns			Attribution Effects		
	Beginning Weights	Beginning Excess Weight	Average Weights	Average Excess Weight	Ending Weights	Ending Excess Weight	Return	Excess Return	Contributor	Relative Asset Allocation	Relative Stock Selection	Total Effect
Suffolk County Council	100.00	0.00	100.00	0.00	100.00	0.00	5.28	-1.27	5.28	-0.28	-0.94	-1.20
<i>Total Plan Benchmark</i>	100.00		100.00		100.00		6.55		6.55			
UK Equities	8.23	0.23	6.80	0.64	5.52	0.52	8.25	-2.21	0.59	-0.04	-0.13	-0.17
<i>FTSE All Share</i>	8.00		6.17		5.00		10.46		0.70			
Overseas Equities	38.60	4.10	40.75	4.58	41.04	3.54	5.27	0.40	2.08	-0.16	0.14	-0.02
<i>Overseas Equity</i>	34.50		36.17		37.50		4.88		1.89			
Total Bonds	27.05	-0.95	26.95	-1.05	27.80	-0.20	6.73	0.10	1.80	-0.00	0.03	0.03
<i>Total Bonds</i>	28.00		28.00		28.00		6.63		1.85			
Property	7.53	-2.47	7.71	-1.79	9.08	0.08	4.89	-1.45	0.38	0.01	-0.10	-0.09
<i>Property All Balanced Funds</i>	10.00		9.50		9.00		6.33		0.60			
Total Private Equity	3.91	-0.09	3.58	-0.42	3.23	-0.77	-3.26	-8.12	-0.11	0.01	-0.29	-0.28
<i>Private Equity MSCI ACWI</i>	4.00		4.00		4.00		4.87		0.21			
Total Infrastructure	9.08	-0.92	9.55	-0.45	10.07	0.07	2.39	-5.61	0.25	-0.01	-0.49	-0.50
<i>Infrastructure 8% Absolute</i>	10.00		10.00		10.00		8.00		0.80			
Total Absolute Return	1.64	0.64	1.02	-0.65	0.00	-2.00	5.18	-4.89	0.04	-0.05	-0.06	-0.10
<i>Absolute Return GBP Sonia+5%</i>	1.00		1.67		2.00		10.07		0.16			
Illiquid Debt	3.40	-0.60	3.03	-0.97	2.83	-1.17	7.07	-0.93	0.22	-0.02	-0.02	-0.04
<i>Illiquid Debt 8% Absolute</i>	4.00		4.00		4.00		8.00		0.32			
Timber	0.00	0.00	0.00	0.00	0.00	0.00	-7.95	-15.95	-0.00	0.00	-0.00	-0.00
<i>Timber 8% Absolute Return</i>	0.00		0.00		0.00		8.00		0.00			
Cash	0.57	0.07	0.62	0.12	0.43	-0.07	1.64	-3.21	0.01	-0.01	-0.02	-0.03
<i>GBP 3M Sonia</i>	0.50		0.50		0.50		4.85		0.02			

Attribution analysis

Which assets classes have gained or lost value vs the benchmark portfolio over 3 years?

Agenda Item 7, Appendix 2

NORTHERN TRUST

Suffolk County Council | March 31, 2025

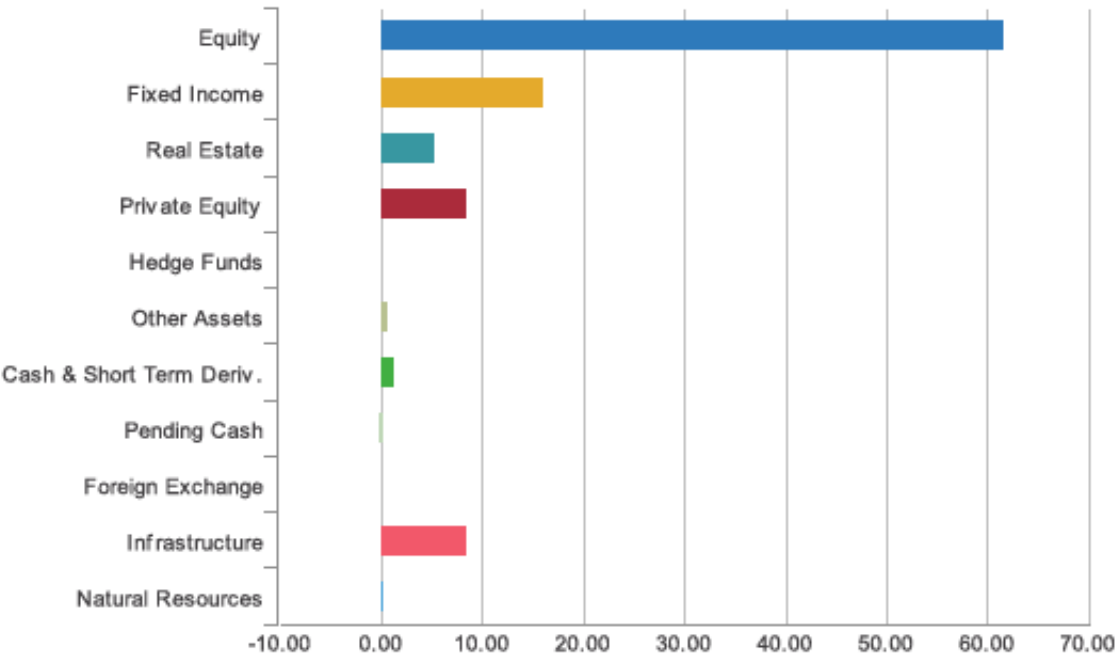
Policy Level Attribution - Three Years

	Weights						Rate of Returns			Attribution Effects		
	Beginning Weights	Beginning Excess Weight	Average Weights	Average Excess Weight	Ending Weights	Ending Excess Weight	Return	Excess Return	Contribution	Relative Asset Allocation	Relative Stock Selection	Total Effect
Suffolk County Council	100.00	0.00	100.00	0.00	100.00	0.00	5.75	-0.19	5.75	0.02	-0.21	-0.18
<i>Total Plan Benchmark</i>	100.00		100.00		100.00		5.94		5.94			
UK Equities	7.85	-0.15	7.65	0.26	5.52	0.52	8.69	1.47	0.68	-0.03	0.12	0.09
<i>FTSE All Share</i>	8.00		7.39		5.00		7.22		0.56			
Overseas Equities	37.63	3.63	38.36	3.41	41.04	3.54	9.13	0.87	3.43	-0.00	0.30	0.30
<i>Overseas Equity</i>	34.00		34.94		37.50		8.27		2.96			
Total Bonds	24.06	-1.94	25.69	-1.48	27.80	-0.20	3.47	-0.28	1.01	0.01	-0.03	-0.02
<i>Total Bonds</i>	26.00		27.17		28.00		3.75		1.06			
Property	9.60	-0.40	8.50	-1.33	9.08	0.08	-2.38	0.48	-0.25	0.10	0.03	0.13
<i>Property All Balanced Funds</i>	10.00		9.83		9.00		-2.86		-0.28			
Total Private Equity	4.82	0.82	4.21	0.21	3.23	-0.77	-0.04	-7.66	0.00	0.01	-0.30	-0.29
<i>Private Equity MSCI ACWI</i>	4.00		4.00		4.00		7.62		0.32			
Total Infrastructure	7.69	-2.31	9.46	-0.54	10.07	0.07	6.53	-1.47	0.60	-0.05	-0.13	-0.18
<i>Infrastructure 8% Absolute</i>	10.00		10.00		10.00		8.00		0.79			
Total Absolute Return	4.76	-0.24	2.46	-0.43	0.00	-2.00	4.00	-5.41	0.07	-0.03	-0.15	-0.18
<i>Absolute Return GBP Sonia+5%</i>	5.00		2.89		2.00		9.41		0.25			
Illiquid Debt	2.55	0.55	3.01	-0.16	2.83	-1.17	6.36	-1.64	0.19	0.02	-0.04	-0.02
<i>Illiquid Debt 8% Absolute</i>	2.00		3.17		4.00		8.00		0.25			
Timber	0.21	-0.29	0.04	-0.08	0.00	0.00	-55.26	-63.26	0.00	-0.00	-0.00	-0.01
<i>Timber 8% Absolute Return</i>	0.50		0.11		0.00		8.00		0.01			
Cash	0.83	0.33	0.63	0.13	0.43	-0.07	3.02	-1.20	0.01	0.00	-0.02	-0.01
<i>GBP 3M Sonia</i>	0.50		0.50		0.50		4.22		0.02			

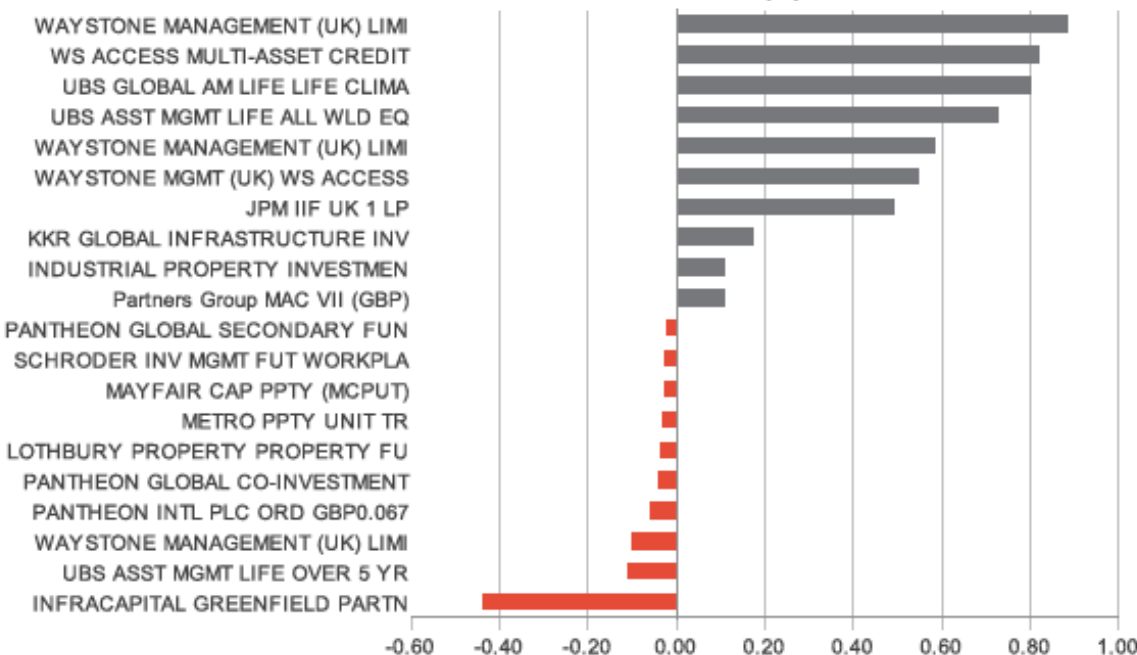
Individual asset returns

To see the overall asset class allocation and which funds are adding value

ASSET CLASS ENDING WEIGHTS



TOTAL FUND GROSS OF FEES TOP & BOTTOM CONTRIBUTORS(%) - 1 YR



Individual manager returns

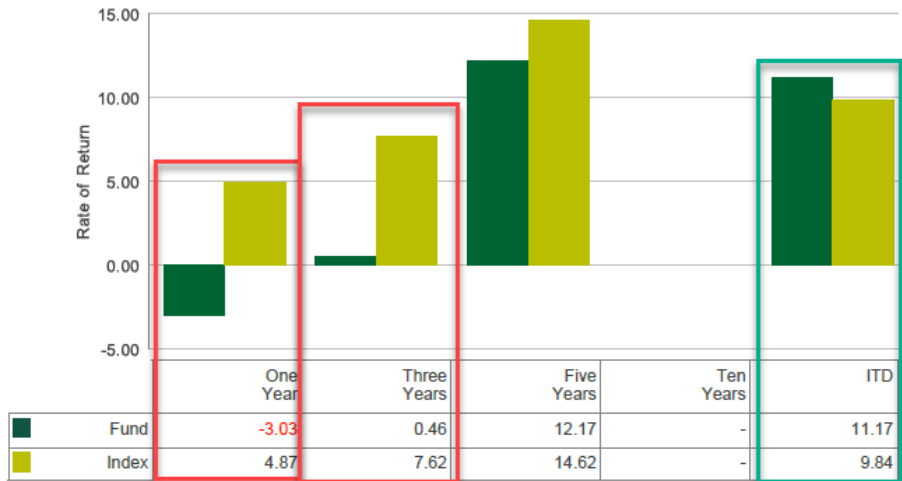
To focus on a single mandate, considering the three year and longer term performance

NORTHERN TRUST

Pantheon | March 31, 2025

Executive Summary

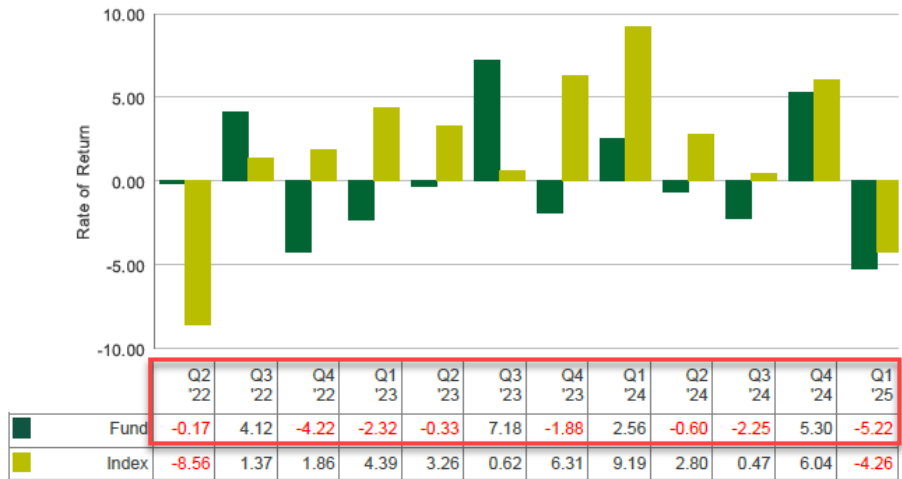
PANTHEON TOTAL FUND NET OF FEES



Index: Pantheon MSCI AC World

31/3/2017

PANTHEON ROLLING QUARTERS TOTAL FUND NET OF FEES



Index: Pantheon MSCI AC World

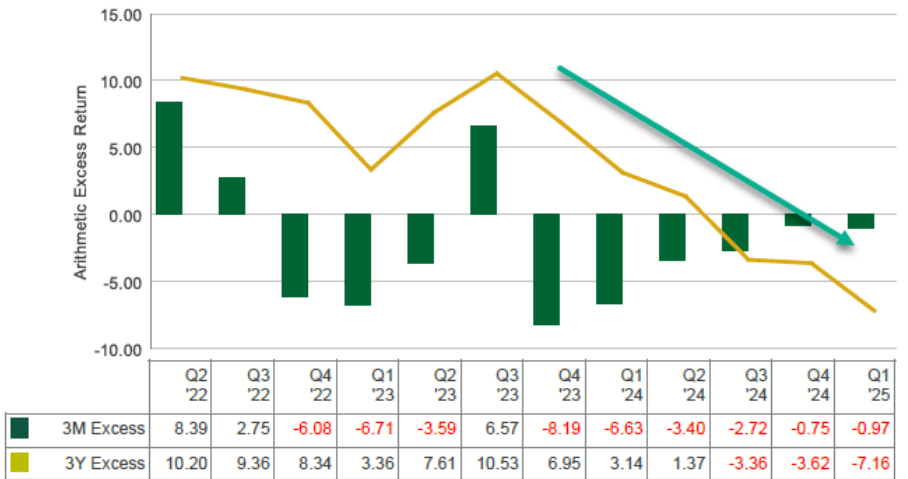
RISK STATISTICS

	1 Yr	3 Yrs	5 Yrs
Return	-3.03	0.46	12.17
Index Return	4.87	7.62	14.62
Excess Return	-7.90	-7.16	-2.44
Standard Deviation	6.65	7.22	11.50
Index Standard Deviation	10.39	11.30	11.89
Tracking Error	8.56	12.76	14.05
Information Ratio	-0.92	-0.56	-0.17
Sharpe Ratio	-1.27	-0.41	0.88
Index Sharpe Ratio	-0.05	0.37	1.05
Jensen's Alpha	-7.83	-2.88	6.80
Relative Volatility (Beta)	0.36	0.06	0.28
R Squared	0.33	0.01	0.08
Beginning MV (in 000s)	161,799	169,123	0
Net Contributions (in 000s)	-16,629	-31,146	117,243
Income (in 000s)	1,365	2,597	2,869
Appreciation (in 000s)	-5,741	220	20,682
Ending MV (in 000s)	140,794	140,794	140,794

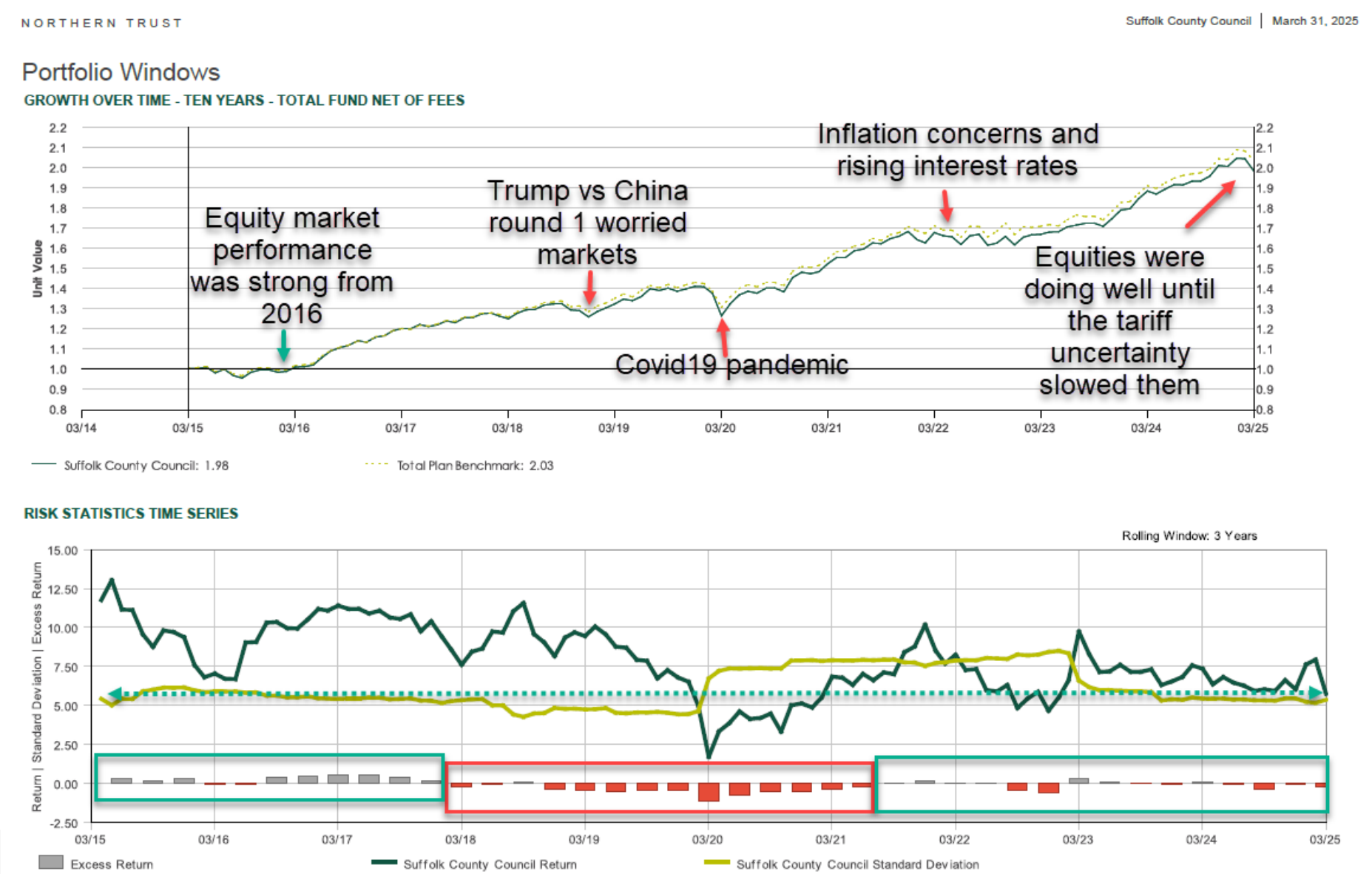
Index: Pantheon MSCI AC World. Risk Free Index: JP Morgan 3 month Cash (GBP)

Category: Total Fund Net of Fees. Calculation Frequency: Monthly

PANTHEON ROLLING QUARTERS TOTAL FUND NET OF FEES



Index: Pantheon MSCI AC World



TOTAL FUND PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	3.4		3.6		8.3		6.7		7.3		7.5	
Range of Results												
Upper Quartile	4.0		4.4		8.9		6.9		7.5		7.5	
Median	3.4		3.6		8.0		6.3		7.1		7.4	
Lower Quartile	2.6		2.7		7.5		5.9		6.7		7.2	
Suffolk Pension Fund	5.3	1	5.7	1	9.5	12	7.0	23	7.3	43		
Surrey Pension Fund	4.3	20	4.5	19	9.3	15	6.0	74	7.0	60	7.0	88
Sutton Pension Fund	3.7	41	3.8	41	8.6	39						
Swansea Pension Fund	4.6	14	5.6	3	11.5	1	8.1	2	8.1	4	7.8	14
Torfaen (Gwent)Pension Fund	5.2	2	5.7	2	10.3	3	7.1	19	7.7	17	7.5	32
Tower Hamlets Pension Fund	2.7	73	2.8	70	7.5	73	6.7	41	6.9	66	7.2	70
Waltham Forest Pension Fund	1.7	92	2.0	90	4.6	100	3.7	100	6.0	98	6.5	98
West Yorkshire Pension Fund	3.9	31	4.3	34	9.3	17	7.0	26	7.6	19	7.8	10
Westminster Pension Fund	4.9	10	4.7	14	9.6	9	6.9	33				
Wandsworth & Richmond Fund	3.1	70	4.4	24	8.9	27	6.6	47	7.8	13	7.8	16

Source: PIRC LAPPa Local Authority Fund Statistics 2024/25

The presenters



Scott Douglas, Vice President, Investment Risk & Analytical Services within Total Portfolio Solutions.

As performance lead for Local Government Pension Schemes and Family Offices Scott works with investment teams and their advisors on all matters concerning the performance measurement function of investment portfolios across all asset classes. He performs the full range of performance activities including monitoring, evaluating, analyzing and communicating the various strategies of their portfolios.

Prior to joining Northern Trust in 2001, Scott worked for both HSBC and RBS in the Custodial arms of their operations. At Northern Trust Scott first supervised the Dividend Income team before moving into the Investment Risk & Analytical Services division in 2003.

Scott has a BA in European Marketing from Leeds Metropolitan University, holds the Investment Administration Qualification and an Investment Management Certificate.

Outside the office Scott enjoys cricket, tennis, art and spending time with his family.

Important Information

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Suffolk Pension Board

Report Title:	Pensions Administration Performance
Meeting Date:	29 July 2025
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Nicola Beach, Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151 Officer)
Author:	Stuart Potter, Pensions Operations Manager Telephone: 01473 260295 Email: Stuart.potter@suffolk.gov.uk

Brief summary of the item to be considered

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

Action recommended

- | |
|---|
| <ol style="list-style-type: none"> 2. To consider the information provided and determine any further action. |
|---|

Reason for recommendation

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

Alternative options

4. There are no alternative options.

Main body of report

Introduction

5. This report covers staff performance and team achievements since the previous Board meeting on 7 March 2025.

Service Level Agreements

6. The Service Level Agreements for the 'key' processes from February to May 2025 are shown below:
 - a) Provision of a transfer quote to scheme members within 10 days of the receipt of the estimated value and all necessary information – Total cases **199**, percentage completed in SLA **98%**

- b) Estimates are issued to members or employers within 10 working days of receipt of all information – Total cases **396**, percentage completed in SLA **99%**
- c) Retiring employees are notified of their options within 5 working days of receipt of all information – Total cases **708**, 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 **532**, percentage completed in SLA **99%**
- e) Notification of survivor benefits will be issued within 10 working days of receipt of all information – Total cases **83**, percentage completed in SLA **100%**
- f) Outstanding monies owed in respect of a deceased pension, and any death grant, will be paid within 10 working days of receipt of all information – Total cases **123**, percentage completed in SLA **100%**

System updates

- 7. The team have continued to develop the new dashboard-based reporting tool which is enabling access to a greater range of data more quickly. This frees up time to focus on delivering services to members and employers. Examples of reports created include daily task lists for the teams, SLA reports, and reports to help the team easily identify records that need adjustment.
- 8. I-Connect is continuing to be tested and rolled out to employers, with 56% of all employers now sending monthly data. This equates to just over 46% of all active members. Vertas went live on this system from 1 April 2025.
- 9. The Pensions ISP (Integrated service provider) Dashboard project is underway with Heywood and progressing to plan. User acceptance testing has been completed so work to connect in the live system is now starting. It is anticipated that this will be completed in August, ahead of the October 2025 deadline. The government is expected to launch the Dashboard nationally by October 2026, at which point it will be accessible to end users.
- 10. The number of members signing up to the Engage member self-service system continues to increase, with over 10,000 LGPS members registered.

End of Year Employer Returns and Valuation Data

- 11. As it is a triennial valuation this year it is necessary to receive and process end of year employer returns promptly. The team achieved the 30 June deadline for providing updated membership information to Hymans Robertson.
- 12. There was only one employer, with 3 members, who failed to provide any data. There were also some outstanding queries relating to the data provided for some schools which have not been responded to. In these situations, the fund has provided the latest membership data held to Hymans, and records will be amended as and when data is received.

Undecided leavers

- 13. The ongoing work to clear the historic backlog of undecided leavers has been continuing, with a further 800 old cases being resolved since the last report. The

load of annual data from employers has resulted in 450 new cases, so the current total is 7250.

McCloud Remedy

14. The team received three training sessions from Hymans Robertson on implementing the McCloud Remedy to provide them with a greater understanding of how to implement the remedy for different types of cases. A handbook explaining step by step how to process a wide variety of complex cases has also been purchased.
15. Now that the first stages have been completed for the Fire Service Pension Scheme, which were prioritised due to an early statutory deadline, the team are now moving forward with implementing new processes to gather missing data and testing new retirement cases in the system.

Pensions Increase

16. The annual pensions increase process has been completed and applied to pensioner member records. The increase this year was 1.7% and was applicable from 7th April 2025. This has been communicated to pensioner members and is included in their monthly pension payments from April 2025.

P60's

17. The end of year pensioner payroll processes were completed at the end of March 2025. Following this, the P60's which provide pensioner members with their annual pension payment and taxation information, were produced and uploaded to pensioner records on 31 March 2025. Paper versions, for those members who had requested these, were sent for posting on the same day. This was 2 months ahead of the statutory deadline of 31 May 2025.

Newsletters

18. The spring edition of the employer newsletter was issued at the end of March 2025. This newsletter contained information regarding the new contribution bandings for staff for 2025/26 in addition to an introduction to 'Engage'. The newsletter also provide information on additional voluntary contributions, leaver forms, I-connect, annual returns, valuation and employer role training.
19. The spring edition of the pensioner newsletter was issued in April 2025. This edition included the payments dates for the 2025/26 financial year, information on the pensions increase process that has been applied to member records, an article from the pensioner representative on the Pension Board, a short update on McCloud and a reminder for members of the pension scheme to ensure their death nominations are kept up to date.
20. The presentation and style of all newsletters has been updated to try and help ensure they are as engaging and informative as possible.

Compliments and Complaints

21. During this reporting period there have been 4 compliments above and beyond the usual thanks received for the service provided.
22. The first three of these were in relation to help with accessing the Engage self-service system. The first of these was a phone call which stated 'I phoned and the person I spoke to was very helpful and patient. She sorted it all out for me and it seems to be working now. Please pass on my thanks to her for a job well done. You or your team have never let me down'.

23. The second compliment received via e-mail stated 'Thank you so very much for your patience this afternoon in helping me to get connected to the pension system. I couldn't have asked for better help than you gave me'. The third compliment, also received via e-mail, stated 'You are amazing thank you. I really appreciate such a quick and incredibly detailed response. I can access all the information as you directed. Have a great day and thank you very much'.
24. The final compliment was in response to helping a customer who needed information to understand the workings of the pension scheme. The compliment stated 'Many thanks for the prompt and really helpful reply. It's all so far out of my knowledge base and whilst I've been doing some independent research, your team's responses are helping so much in filling in the gaps and for my bespoke questions. Even though I've got replies from different Pension Officers the level of information given has been consistently detailed and of good quality (and very much appreciated!).'
25. During this period there have been two normal complaints received. The first complaint was from a member who had to wait longer than expected for a pension estimate. This delay was caused by needing further information from the employer in relation to salary information. Once this was escalated to a manager, in accordance with our processes, this information was obtained and the member provided with the information to resolve their complaint.
26. The second complaint was from a customer who disagrees with the calculations used to calculate their ill-health retirement pension. The complaint is based on wording used in the regulations. The team are happy the calculations are correct however the customer is not satisfied, and the complaint has now progressed to IDRP stage 1. When this has been investigated, and a response issued, the Board will be updated.
27. There were no other new IDRP stage 1 complaints during this period however the Stage 1 complaint covered during the previous Board meeting, in relation to a member who transferred their pension out of the Local Government Pension scheme over 20 years ago, has been concluded. The Stage 1 decision was not to uphold the complaint as there was no evidence of any errors from the pensions team from the information held. This progressed to Stage 2, where the decision was not to uphold the complaint due to the timeframe being outside the statutory period and there being no evidence of an error in undertaking the members wish to transfer their pension, or any wrong advice given. There were no other new stage 2 IDRP complaints this reporting period.
28. The stage 2 complaint mentioned during the previous meeting has now been concluded and the complaint was not upheld. This related to a member who wanted reimbursement of money from interest on the lump sum and annuity payments they feel they missed out on because of delays in an AVC being paid. It was decided that the Pension Team could not be found responsible for the inaction/failing by another party and are not in the best position to consider or verify the final figure claimed.
29. If either of these cases are referred to the Pensions Ombudsman, the Board will be made aware of this.

Contribution payments

30. The administration strategy requires contributions from employers to be received by the Pension Fund within 5 working days of the month end in which the contributions were deducted. The table below summarises the timeliness of receipts received during 2024/25 quarter 3 and 4:

	2024/25 Quarter 3			2024/25 Quarter 4		
	Employer	Contributions		Employer	Contributions	
	%	£'m	%	%	£'m	%
On Time	91	38.407	98.9	84	34.486	97.7
Up to 1 week late	6	0.343	0.9	4	0.280	0.8
Over 1 week late	3	0.073	0.3	12	0.517	1.5
Total		38.823			35.283	

Sources of further information

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

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Suffolk Pension Board

Report Title:	Government Pension Review
Meeting Date:	29 July 2025
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Nicola Beach, Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151)
Author:	Tracey Woods, Head of Pensions Tel. 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of the item to be considered

1. This report includes the final report of the Pensions Investment Review outlined in the Mansion House speech delivered on 14 November 2024 and the government's response to the LGPS: Fit for the Future consultation. The report also includes the relevant sections of the draft Pension Schemes Bill.

Action recommended

2. The Board is recommended to note:
 - a) the final report of the Pensions Investment Review
 - b) the government's response to the LGPS: Fit for the Future consultation.
 - c) The proposed changes to primary legislation impacting the LGPS set out in the draft Pension Schemes Bill.

Reason for recommendation

3. Government has published the final report of its Pensions Investment review which sets out how it will deliver scale and consolidation in the LGPS. The focus of the review for the LGPS has been to look at how tackling fragmentation and inefficiency can unlock the investment potential of the scheme, including through asset pooling and enhanced governance, while strengthening the focus on local investment. Alongside this, the response to the LGPS: Fit for the Future consultation has been published.
4. The draft Pensions Bill has been published, which sets out the primary legislative changes that are being put in place to deliver the reforms.

Alternative options

5. There are no alternative options.

Main body of report

Introduction

6. The Mansion House speech was held on 14 November 2024. This is an annual address which sets out the Government future plans for industry and included pension reforms to the LGPS. Government also published an interim report of the Pensions Investment Review and launched a consultation LGPS: Fit for the Future.
7. The LGPS: Fit for the Future consultation had two parts:
 - The first was the opportunity to respond to a consultation by 16 January 2025.
 - The second, was the requirement for all pools to make a submission to Government which set out how they and their member funds will be compliant with the minimum pooling standards by March 2026. The response to this submission will be covered in Agenda item 14.
8. The Pensions Investment Review has covered defined contribution and defined benefit schemes. For the LGPS it looked at how tackling fragmentation and inefficiency could unlock the investment potential of the scheme, including through asset pooling and enhanced governance, while strengthening the focus on local investment.
9. Government has now published the final report of the Pensions Investment Review which is attached as **Appendix 1**. The LGPS is covered in Chapter 4. This includes details of the legislative powers that are to be included in the Pensions Scheme Bill. Alongside the final report Government published the response to the first part of the LGPS: Fit for the Future consultation and the final policy measures that are being put in place.

Final Policy Measures

10. The Pension Investment Review final report confirms that the government will require that:
 - Pension Funds fully delegate the implementation of their investment strategy to the pool and take their principal advice on their investment strategy from the pool. The strategy will be at a high-level and a detailed template to follow will be published in guidance.
 - Pools will be investment management companies authorised and regulated by the Financial Conduct Authority (FCA), with the expertise and capacity to implement investment strategies.
 - Pension Fund's transfer all assets to the management of the pool so that the pool has full oversight and will make all investment decisions including on whether to buy, hold or sell.
 - Pension Funds will be required to set out their approach to local investment, including a target range in their Investment Strategy Statement.
 - Pools develop the capability to carry out due diligence on local and regional investments and manage and report on these investments. Pension Funds will report on the extent and impact of those investments using pool reporting.

- Pension Funds and Pools work with local authorities, regional mayors and their strategic authorities to ensure collaboration on local growth plans and identification of suitable local investment opportunities.
11. The measures being implemented in relation to fund governance are:
- Requirement to appoint a senior LGPS officer with overall delegated responsibility for the management and administration of the Scheme.
 - Requirement to prepare and publish an administration strategy.
 - Changes to the way in which strategies on governance and training, funding, administration and investments are published.
 - Requirement for pension committee members, the senior officer, and officers to have the appropriate level of knowledge and understanding for their roles, with requirements for pension committee members and local pension board members aligned.
 - Requirement for Funds to set out within their government and training strategy how they will ensure that any committee, sub-committee, or officer will meet the new knowledge requirements within a reasonable period from appointment.
 - Requirement for Funds to participate in an independent governance review and, if applicable, produce an improvement plan to address any issues identified. These will take place every three years.
 - Requirement to have an independent advisor.
 - Requirement to prepare strategies on governance, knowledge and training (replacing the governance compliance statement), and administration, and publish these either as separate strategies or as a single document. The knowledge and training strategy will be required to include a conflicts of interest policy.
12. The measures being implemented in relation to pool governance are:
- Requirement to publish performance and transaction costs.
 - Requirement to establish a governance model that works for their shareholders and any clients. Advice for funds on how to hold pool companies to account as shareholders will be developed.
13. The Pensions Schemes Bill will include the minimum standards for pooling. Further detail on implementation will be provided through regulations and statutory guidance. Those powers will enable regulations to be made requiring all Funds to participate in an asset pool either as a shareholder or as a client, and for Funds to delegate the implementation of their investment strategy to the asset pool.
14. The Bill will also provide powers to enable regulations to be implemented covering:
- the independent governance review.
 - the requirement to work with strategic authorities. A reciprocal duty will be delivered under the English Devolution Bill.

15. The Pension Schemes Bill will also clarify the existing provision in the Public Service Pensions Act 2013 to allow for the winding-up of pension funds so that it explicitly includes the merger, including compulsory merger, of pension funds. This will ensure there are sufficient powers in place to facilitate the merger of pension funds if needed, for example any mergers that are needed as a consequence of local government reorganisation. The government's strong preference is that mergers take place by agreement between authorities but the power to merge pension funds will allow government to intervene in the event that local decision making is not effective in bringing about satisfactory arrangements.

Next Steps

16. The Pensions Bill will be laid before parliament in the current session which ends on 22 July 2025.
17. The government is intending to consult on draft regulations that will come into force at the same time as the powers in the Pension Schemes Bill in March 2026. It is anticipated that the new Regulations will primarily make amendments to the LGPS Regulations 2013 and the LGPS (Management and Investment of Funds) Regulations 2016. The Pension Fund will respond to this consultation in due course and implement as required.

Sources of further information

- a) Mansion House speech [Mansion House 2024 speech - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/speeches/mansion-house-speech-2024)
- b) Pension Fund Committee Meeting on 28 February 2025 Agenda Item 14 LGPS: Fit for the Future response.
- c) Pension Fund Committee Meeting on 26 November 2024 Agenda Item 14 Government Pension Review
- d) Pension Schemes Bill [Pension Schemes Bill - Parliamentary Bills - UK Parliament](https://www.parliament.uk/bills/2024/pension-schemes-bill)
- e) Consultation Response [Local Government Pension Scheme \(England and Wales\): Fit for the future – government response - GOV.UK](https://www.gov.uk/government/consultations/local-government-pension-scheme-england-and-wales-fit-for-the-future)



Pensions Investment Review

Final Report

May 2025



Pensions Investment Review

Final Report

May 2025



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Ministerial Forewords

We need bigger and better pension funds, as part of a pensions landscape that drives higher returns for savers and higher investment for Britain. Savers deserve security in retirement, but also to live in a growing economy after a long decade and a half of economic stagnation. This government's pensions reform agenda, often supporting change already underway in the industry, is there to help deliver on both fronts.

This Final Report outlines the conclusions of the Pensions Investment Review. It represents an important milestone as the culmination of countless hours of work alongside everyone who cares deeply about pensions – from providers and savers, to trustees, trade bodies, and councillors.

Central to the Report is a decision to add momentum to the significant consolidation already underway amongst Defined Contribution (DC) pension schemes, driving towards a market characterised by bigger, better and less fragmented schemes. As the Interim Report set out, the first mission for pensions is, and always will be, to provide security for pensioners in retirement. The larger, more consolidated system, for which we will legislate, will be able to reap the benefits of scale that we see abroad, with lower costs, an ability to invest in a wider range of assets, and higher returns for savers.

This direction is reinforced by plans to switch the focus of the pensions system towards value and away from a narrow focus only on cost. This is a journey for everyone involved in pensions – including the employers choosing pension schemes on behalf of their employees. Ultimately, it is returns that matter for pension savers and everything we do needs to reflect that.

Larger DC pensions schemes will also be pension schemes better able to invest in more productive assets, including infrastructure and fast growing companies. In that context, this Report aligns entirely with the goals of the 17 ambitious pension schemes that have signed up to the recent Mansion House Accord to diversify their asset allocation into a range of private assets, including in the UK. This very welcome leadership shows the shared sense of purpose across industry and policy makers about the journey our pensions system is on.

The Local Government Pension Scheme (LGPS) is a huge part of that system, with assets currently totally £400 billion. Scale is important here too, to deliver the strongest possible governance and investment outcomes that matter so much not only to savers and their employers, but to taxpayers and local communities. The Minister for Local Government has jointly led this aspect of the review and today has brought forward reforms to reduce fragmentation in the LGPS and ensure that one of the jewels in the crown of our pensions landscape is more than the sum of its parts.

I have always been clear that steps to support bigger pensions funds to invest in a wider range of assets are only part of this government's strategy for raising UK investment levels. The increased supply of capital can only be effective if it is matched to demand – to investible propositions. The government's job is to deepen that investment pipeline and make it more

visible to pension funds. So this report also lays out our approach to doing exactly that, from planning reforms to the role of the British Business Bank.

This Report marks the end of the Pensions Investment Review, but it forms only part of our pensions reform agenda. I will be publishing a Roadmap in due course, to provide clarity about our broader strategy and to support the industry through what I appreciate is a time of significant change.

I am also confirming today that we will shortly be launching Phase Two of our Pensions Review, focusing on the outcomes we are on track to deliver for future generations of pension savers and how those can be improved upon. This will be launched in the coming months.

We should all be glad that, over the past decade, Britain has got back into the habit of saving for pensions once again. But celebrating that fact cannot be an excuse for ignoring how much more remains to be done. I look forward to doing it jointly with everyone who wants to deliver a pensions system we can all be proud of, through the months and years ahead.



Torsten Bell MP

Minister for Pensions

Reforming and modernising the Local Government Pension Scheme is a key part of the Pensions Investment Review. The scale of the scheme – both in terms of its £400bn value and the 6.7m members who rely on it – mean that we in government are committed to its continual improvement.

The LGPS contributes directly to delivering a number of vital government and national priorities; devolution delivering growth felt in every region, raising living standards for working people, and fixing the foundations of local government.

The ‘Fit for the future’ consultation on modernising the LGPS’s investment and governance arrangements, and to boost local investment launched in November 2024. Over 200 respondents took the time to share their views on the proposals. I am grateful for the contributions of all those who responded, including pension funds, asset pools, the Scheme Advisory Board, advisors, trade unions and scheme members.

It is clear from the responses received that there is a shared and deep commitment right across the sector to ensure the LGPS is well run and managed, providing dignity and financial security for its members while also delivering for their local communities, our regions and the wider UK economy. We have also heard the calls for policy clarity, and this is why we have progressed the review at pace to avoid a long period of uncertainty and we will now bring forward legislation to deliver on the proposals in the consultation.

Alongside the important improvements to pooling, governance and administration, as the minister responsible for the Local Government Pension Scheme, I am particularly keen to see the LGPS use its scale to support UK investment and regional growth. Building on its local role and networks; including its relationships with local and strategic authorities, regional mayors, and devolved administrations, it is well placed to support a pipeline of housing, key infrastructure and regeneration projects. Funds and Pools have shown what can be achieved already, and we want to build on that with greater focus and scale.

I recognise that there will be a period of upheaval for the scheme but taken together, these changes mark the most significant reform of the LGPS in a generation, enhancing the capability of the LGPS as an institutional investor on a global scale and ensuring that the scheme is financially sustainable over the long term for members, employers and taxpayers.



Jim McMahon OBE MP

Minister of State for Local Government and English Devolution

Introduction

Over £2 trillion of assets are managed by our workplace pensions system, collectively one of our single greatest sources of national savings. Those pension assets are critically important, for all of our living standards in later life but also as a key part of our financial system.

The Pensions Investment Review was launched by the Chancellor on 20 July 2024 with the objectives of tackling fragmentation, boosting investment, increasing saver returns and addressing waste in the pensions system. It looked across the multi-employer Defined Contribution workplace (DC) pensions market and another key part of our pensions landscape: the Local Government Pension Scheme (LGPS).

This Final Report, which updates on the Interim Report published on 14 November 2024, presents the conclusions of the Pensions Investment Review. It is supported by the responses to two consultations, which were launched alongside the Interim Report:

- ‘Unlocking the UK pensions market for growth’; and
- ‘Local Government Pension Scheme in England and Wales: Fit for the future’.

Feedback to the consultations generally supported the case for the headline proposals outlined at the Interim Report, around the benefits of scale and consolidation, and consistent with international evidence. The Final Report therefore puts forward major measures to assist the consolidation of the DC market and the LGPS. The full suite of measures to be implemented are outlined in the Final Report.

The implementation of these proposals, via the *Pension Schemes Bill*, will realise the commitments made in the Labour Party’s Manifesto to ensure that workplace pension schemes take advantage of consolidation and scale, to deliver better returns for UK savers and greater investment in UK assets.

The Labour Party’s Manifesto also committed to consider what further steps are needed to improve pension outcomes. This has been a key objective of the Pensions Investment Review and is recognised in the final proposals. The final proposals also balance the impact on pension providers and employers alongside this objective.

Looking ahead, the next phase of the Pensions Review will build on these foundations by focusing directly on the question of the adequacy of pension outcomes. The government needs to tackle systemic issues that currently mean millions are under-saving for their retirement, and the significant inequalities that persist in later life.

The government plans to launch this next phase of The Pensions Review in the coming months and will announce the reviewers and terms of reference in due course.

To set out how the Pensions Investment Review reforms combine with wider changes, the government will publish a roadmap for the private pensions market. This document, to be published in due course, will set out the broader suite and sequencing of reforms.

Chapter 1

Scale and Consolidation

Scale

1.1 The feedback to the consultation paper: 'Pensions Investment Review: Unlocking the UK Pensions Market for Growth', building on the 'Pensions Investment Review: Call for Evidence', demonstrated widespread support for the case for scale. There was extensive agreement that scale leads to economies and efficiencies, as well as enabling greater expertise and diversification in investments. There was further clear evidence that, in general, larger schemes are better able to invest in productive asset classes.

1.2 The consultation paper proposed measures designed to accelerate and help enable scale in the multi-employer Defined Contribution (DC) workplace market. The consultation proposed that those schemes be required to have at least between £25 to £50 billion in assets under management (AUM) by 2030.

1.3 Acknowledging the feedback received, the government's response to the consultation has taken account of the time needed to build scale. The response also takes account of the need to maintain sufficient market participants to provide a competitive workplace market, as well as supporting potential new entrants into the market to support innovation.

1.4 The government will, therefore, legislate through the *Pension Schemes Bill* to require that providers and master trusts must have £25 billion in AUM by 2030. It is at this quantum the benefits of scale start to be realised.

1.5 It is important to clearly define at what 'level' the scale requirement must be met by providers: at the fund, arrangement or scheme level.

1.6 Key benefits of scale, including investment sophistication, are realised at the level at which strategic decisions on investments are made. This is generally at an 'arrangement' level, where contributions are collated and where savers do not make investment decisions.

1.7 The government will, therefore, apply the £25 billion requirement at the arrangement level, such that a provider must have at least one main default arrangement meeting the requirement by 2030. The requirement will only apply to multi-employer schemes; single-employer trusts will not be subject to this requirement.

1.8 The government notes that significant consolidation is already underway and expected to continue. The measures outlined in the Report will support this trend, where it is in the best interest of savers.

1.9 In the consultation, the government acknowledged that there are various terms used by industry when referring to the particular financial vehicles in which pension assets are managed – schemes, default funds or default arrangements – and that these are used interchangeably. The government's objective is to ensure that a default used for scale can be

clearly understood and that it is uniquely identifiable within the industry. It intends to define this as ‘a main scale default arrangement’. The government will engage further with industry in refining this definition, including through formal consultation, before fully defining the characteristics of this level in secondary legislation.

1.10 A transition pathway will also be provided to allow additional time for smaller schemes to reach scale. In circumstances in which a provider or master trust can demonstrate they will have at least £10 billion in AUM in an arrangement by 2030, it will be able to apply to be on the transition pathway and must provide the regulator with a credible plan to have £25 billion in AUM by 2035.

1.11 The government will also legislate to require providers or master trusts to demonstrate that they have, or are building in the case of those utilising the transition pathway, an investment capability commensurate with their scale. This will ensure the advantages of scale are being realised, to the benefit of both savers and the economy.

Innovation

1.12 Maintaining innovation and competition in the market remains a critical consideration, helping ensure that competitive pressure remains a positive influence on the market and the behaviour of these bigger DC schemes.

1.13 Innovation can come from existing providers or market entrants. So alongside the scale requirements, the government will also provide for a ‘new entrant’ pathway. This pathway will allow new market entrants with innovative products to seek authorisation, where they are offering something significantly different that could benefit savers or employers and have plans to reach scale in the longer term.

1.14 The government continues to encourage market innovation and has, for example, carefully considered how this pathway will ensure the potential for the establishment of multi-employer Collective Defined Contribution (CDC) pension schemes that could have a significant role to play in future.

1.15 The scale requirements will not apply to CDC pension schemes. Due to their nature and the requirements of authorisation, CDC schemes will naturally have a degree of scale and invest productively, but the government will keep the market under review and consider if we need to take further steps to ensure that is the case.

1.16 In addition, the consultation response also confirms that the scale requirements will not apply to those DC/defined benefit hybrid schemes which are only available to a closed group of employers related through their industry or profession, or to default arrangements that serve protected characteristics, such as religion.

Consolidation

1.17 The government remains committed to addressing fragmentation within the DC workplace market so that the benefits of scale can be realised. Consistent with this, the government is seeking to reduce the overall number of default arrangements in the marketplace, in a way that benefits outcomes for savers and is centred around achieving scale in the main

default arrangements. The government will, therefore, legislate to prevent new default arrangements from being created and operated, except in certain circumstances with regulatory approval. However, recognising the feedback from the consultation, the government has decided not to set a maximum number of default arrangements or funds for any given DC scheme.

1.18 The government has considered the case for standardised pricing by a default fund regardless of the features of the DC scheme for which it provides services. The consultation responses highlighted the complexity of the issue and the limited evidence base. The government has, therefore, decided not to take any action in this area at this time, but will undertake further market impact analysis as the market is reshaped by the measures set out in this report and the impact of the VFM Framework.

Contractual override

1.19 To help address fragmentation, the *Pension Schemes Bill* will introduce a contractual override regime, with strong consumer safeguards, for the contract-based part of the market. This measure will help address a longstanding issue and allow schemes to consolidate underperforming and legacy arrangements, improving saver outcomes and helping the wider scale objective. Furthermore, it will help create broad equivalence between trust-based and contract-based schemes.

1.20 Consumer protection will be paramount to the working of this new regime, and contractual overrides will only be permitted where it is in savers' best interests, certified by an independent expert. Where savers are bulk transferred internally, it must be into the arrangement offered by the provider which provides the best value.

1.21 Providers will need to use objective metrics to inform contractual override decisions. These metrics are intended to include metrics obtained through the VFM Framework that the government will introduce in due course.

1.22 The detailed rules on the use of the regime will be developed by the Financial Conduct Authority (FCA) and consulted on in the usual way.

Further addressing market fragmentation

1.23 The government expects the introduction of the new contractual override regime and VFM Framework will go a long way to reduce fragmentation and the number of poor value funds. The VFM Framework will require underperforming funds to improve, wind up or consolidate into better performing ones and it will provide comparable metrics that will enable decision makers to assess performance and see whether it is in savers' best interests to remain in their current arrangement.

1.24 The government wants to ensure that savers are in funds that deliver value and is concerned that, even within schemes that are providing value for money, there is still potential for large differences in outcomes. We expect providers and trustees to take proactive steps to assess whether their savers should be moved into a main scale default arrangement.

1.25 A ministerial led review, involving the FCA and the Pensions Regulator, will then undertake an assessment commencing in 2029 of the market impact and operation of the contractual override measure and VFM

Framework, to examine the reasons why any default arrangements are continuing to operate outside main scale default arrangements. The detail of how the review will operate will be set out a later date and will depend on the number and nature of arrangements that remain.

1.26 The review will start from the presumption that, in line with the government's general expectation, savers' assets and underperforming default arrangements will have been consolidated to the main default arrangements at scale, unless there is demonstrable evidence that such a move would not be beneficial to savers. The government plans to have a legislative underpin to be able to tackle any remaining fragmentation as needed. The review will commence its work after the first tranche of VFM assessments have been completed and the contractual override has had time to take effect.

Chapter 2

Cost vs Value

2.1 The evidence and consensus in the feedback to the consultation are clear that the DC pensions market is operating with an excessively narrow focus on cost. This comes at the expense principally of value, but also to a broader range of metrics of scheme quality.

2.2 Cost will always remain a key consideration. However, the excessively narrow focus can be detrimental to saver outcomes, as it is ultimately the value of their pension that is most important. Specifically, it has the added effect of limiting investment into asset classes that might have higher upfront costs but can deliver more net value in the long-term. Such asset classes are also important to driving economic growth.

Value For Money Framework

2.3 The government has already announced plans to legislate for a VFM Framework for the DC pensions market in the forthcoming *Pension Schemes Bill*.

2.4 The implementation of the VFM Framework, with the first regulatory assessments expected to take place in 2028, will support the cultural shift needed in the DC pensions market. It will, for the first time, provide a consistent disclosure regime and make publicly available a range of data and metrics of scheme quality, including investment performance, showing the consistency of returns, over time. It will support decision making based on a wider set of metrics than just cost.

2.5 The VFM Framework will support the transfer of savers in underperforming arrangements or schemes and ensure that they benefit from better value and enhanced long-term outcomes.

2.6 As consolidation accelerates, the government expects providers to deliver this vision for the DC pensions market, transferring members into the best performing default arrangements, delivering value, and considering the full range of asset classes available.

Employers and Advisers

2.7 The government has explored whether further action might be required to support this shift to a focus on value. The consultation specifically considered the role of employers, including options around introducing a duty for employers to consider value in pension scheme selection or, alternatively, building responsibility at the Board level to do so. The government has also explored measures relating to the regulation of employee benefit advisers.

2.8 Both employers and advisers play a critical role in the pensions system, with their decisions and incentives significantly driving scheme selection and behaviours in the overall market. While there are examples of engaged employers putting in place excellent arrangements for their

employees, it is particularly important that, along with the schemes themselves, employers and advisers shift their focus to value.

2.9 The VFM Framework will support this shift and the government has considered how to strengthen the guardrails around this responsibility to focus on value.

2.10 There was limited evidence, however, that the specific measures considered, targeting employers or advisers, would support the objectives of the Review in increasing productive investment and returns to savers. Evidence highlighted concerns regarding increasing burdens and costs on employers, particularly for smaller businesses.

2.11 Therefore, this Final Report and the response to the consultation do not include proposals to influence employers or advisers through regulation or legislation. Given the historic wider concerns raised related to these activities (including on market competition dynamics), the government will continue to liaise with the Financial Conduct Authority and the Competition and Markets Authority to consider any new evidence.

Chapter 3

Investment from Defined Contribution Schemes

3.1 The measures set out in Chapter 1 will ensure that DC pension providers are better placed to invest in a fuller range of asset classes, including specialist private markets such as venture capital, infrastructure, property and private credit.

3.2 The government notes that there is a growing awareness in the DC market about the benefits for savers of investing in these types of assets, not least to support diversification. The Pensions Regulator last year published guidance for trustees on how to build capabilities in these markets.

3.3 In addition to the potential saver benefits – as underlined by analysis published alongside the Interim Report – these sorts of investments can be a key source of funding for economically critical investments and sectors, including science and tech startups, pre-Initial Public Offering companies (that is, companies that offer a private sale of large blocks of stock before the shares are available on a public exchange), infrastructure projects and housebuilding.

3.4 Since the Interim Report, the government has been strongly encouraged by the recently launched Mansion House Accord, a voluntary commitment by seventeen of the largest defined contribution pension providers to invest 10% of their main default funds in private markets including 5% in the UK specifically.

3.5 The government welcomes this industry-led investment commitment and is encouraged that several providers have indicated ambitions to go further. In the light of this progress, the government has concluded it is not necessary currently to mandate investment.

3.6 Instead, the *Pension Schemes Bill* will include a reserve power which would, if necessary, enable the government to set quantitative baseline targets for pension schemes to invest in a broader range of private assets, including in the UK, for the benefit of savers and for the economy.

3.7 The government does not anticipate exercising the power unless it considers that the industry has not delivered the change on its own, following the Mansion House commitments. Moreover, it would only intervene in this way having made a thorough assessment of the potential impacts of any proposed quantitative targets on savers and economic growth.

3.8 The reserve power within the Bill will include provisions and safeguards to protect savers' interests. Any requirements under the reserve power will be consistent with the principles of fiduciary duty.

3.9 In combination, these industry-led changes, with the scale and consolidation reforms and broader cultural change, will drive meaningful changes in investment to benefit both savers and UK growth.

Asset Allocation Transparency

3.10 In order to monitor the impact of the scale and consolidation reforms on investment, it is essential that the government has access to reliable, granular data on investment patterns across the market.

3.11 The VFM Framework as proposed will, once implemented, require extensive public disclosures to be made by individual providers.

3.12 However, based on the expected legislative timetable, these disclosures will only begin to come through from 2028.

3.13 Ahead of VFM, TPR and FCA have decided to launch, later this year, a joint market-wide data collection exercise which will include asset allocation information in workplace DC schemes and is envisaged to run annually until the VFM disclosure data becomes available.

3.14 The exercise will request asset allocation information from major DC providers, broken down by asset class and sub-asset class, with UK-overseas splits, and the first reporting will be available in early 2026.

Listed Equity Markets

3.15 The Interim Report noted the government's concerns about the sustained decline in investment by UK pension funds in UK listed equities. The measures confirmed by the Review will help in a number of ways.

3.16 Firstly, the industry's new, ambitious voluntary commitment will directly support investment in UK growth markets, including firms quoted on AIM and Acquis.

3.17 The reforms will also improve access to domestic capital for the most promising, high-growth UK companies. This will improve the attractiveness of the UK as a place to start and scale-up and build a strong pipeline of firms eligible to publicly list in the future.

3.18 This will complement the government's efforts to boost the attractiveness of, and increase retail participation in, UK capital markets as part of the Financial Services Growth and Competitiveness Strategy - to support long-term sustainable growth and improve returns for savers.

3.19 Alongside this, the asset allocation transparency framework referred to above will shine a light on DC providers investment in UK equities.

Chapter 4

The Local Government Pension Scheme

4.1 The focus of the review for the LGPS has been to look at how tackling fragmentation and inefficiency can unlock the investment potential of the scheme, including through asset pooling and enhanced governance, while strengthening the focus on local investment. As one of the largest pension schemes in the world, set to grow to £1 trillion by 2040, it is critical that strong and sustainable foundations are embedded, in the best interest of scheme members, employers and local taxpayers.

4.2 Feedback to the consultation ‘Local Government Pension Scheme (England and Wales): Fit for the Future’ indicated a broad consensus across these three areas; on the need for minimum standards on asset pooling, on maintaining a focus on local investment and, also, enhancing the governance framework of the scheme. In particular, the clarity provided on the direction of travel was strongly supported.

4.3 The government’s response to the consultation confirms that all the core proposals within it will be implemented and provides additional detail where respondents have requested clarity.

Minimum standards for asset pooling

4.4 The consultation response confirms the proposed minimum standards for asset pooling. The government will require that:

- all Administering Authorities (AAs) delegate the implementation of their investment strategy to, and take their principal investment advice from, their pool, and transfer all assets to the management of their pool; and
- the pools are established as investment management companies that are authorised and regulated by the FCA. Further, each will be required to develop the capability to carry out due diligence on local and regional investments and to manage such investments.

4.5 The consultation response confirms a March 2026 deadline for AAs and pools, which remain in their current partnerships, to meet these requirements. For those AAs seeking a new asset pool, and for pools taking on new partner AAs, the government expects the deadline to be adhered to as closely as possible with an aim to have shareholder agreements in place by March 2026, but will allow some limited flexibility where necessary, in recognition of the time required for this process to take place.

4.6 The consultation response provides additional detail where clarity has been requested, in particular, on the delineation of decision making between AAs responsible for setting the investment strategy, and the pool responsible for all implementation decisions, including the choice of active or passive managed investments.

4.7 Respondents to the consultation flagged two potential barriers to maximising the benefits of scale through asset pooling and collaboration across pools. Firstly, that Stamp Duty Land Tax has implications for transferring property investments from an AA to a pool investment vehicle where the seeding relief period for that vehicle has closed. The government acknowledges the concerns regarding Stamp Duty Land Tax and tax officials will engage with pools shortly to discuss this in further detail.

4.8 Secondly, that the Procurement Act 2023 prevents pools from collaborating to their full potential by requiring demonstration that a significant majority of a single pool's activity is in the interest of its own partner Authorities only. Government legislation should not act as a barrier to pool collaboration especially where it can benefit multiple groups of AAs. As such, the *Pension Schemes Bill* will include provision such that the relevant procurement exemptions are satisfied as long as a pool is acting in the interests of any LGPS AA. This means that a pool will no longer be limited when investing through another pool, thereby harnessing even greater benefits of scale.

Transition Proposals

4.9 Alongside the consultation, each pool was invited to submit a transition proposal on how they would seek to meet the minimum standards by the proposed deadline. In particular, the government requested consideration of where closer collaboration or merger of pools provides a more cost effective, viable or otherwise preferable means of delivering this outcome.

4.10 Following the assessment of pools' proposals and extensive engagement with each pool, the government has expressed support for six of those proposals, with specific consideration given to the circumstances of each. The AAs participating in the remaining two pools have been invited to engage with pools to determine which they wish to form a new partnership with, which the government stands ready to support.

4.11 The government recognises that this will be a substantial undertaking with impacts across the scheme, and that stability will be important for optimum performance and successful collaboration into the future. AAs and pools will need to consider carefully the decision to form a new long-term partnership, alongside capacity to deliver on the required minimum standards by the March 2026 deadline – this will be vital to delivering for members, employers and local taxpayers. The government is committed to the current reform programme and has no plans to intervene to reduce the number of pools to fewer than six.

4.12 The government's firm preference is for pool membership to be determined on a voluntary basis at a local level. In order to ensure the process of moving from eight pools to six does not result in any AA being without a pool, and to protect the scheme in the long term, the government will take a power in the *Pension Schemes Bill* to direct an AA to participate in a specific pool.

Local and Regional Investment

4.13 The track record of local and regional investment from the LGPS is a success story and one that the government is keen to build on. It is critical that the LGPS retains its local and regional focus, given its potential to drive

growth in local communities. This will require productive and strategic partnerships across key institutions – to that end, the consultation response confirms a requirement for AAs and pools to work with local authorities, regional mayors and their strategic authorities, and Welsh Authorities to ensure collaboration on local growth plans. The National Wealth Fund will also collaborate with the LGPS to address access to finance gaps and support strategic objectives on growth and clean energy.

4.14 The consultation proposed that AAs be required to set out their approach to local investment, including by setting a target range for investment in their Investment Strategy Statement, and that AAs report annually on the impact of their local investments. In addition, the government proposed that AAs work with strategic authorities, or in Wales, corporate joint committees, to identify local and regional investment opportunities and that the due diligence is to be conducted by the pools.

4.15 Consultation responses indicated strong consensus for retaining and strengthening the scheme's focus on local investment with support for the collaborative approach proposed between AAs, pools and strategic authorities, in recognition of how pivotal these relationships are for driving local growth.

4.16 The consultation response confirms these proposals and, to foster collaboration, the requirement to work with strategic authorities has been broadened out to include the pools also. Further, to avoid potentially duplicative and burdensome reporting, the requirement to report on the impact of local investments will instead apply to the pools.

Governance

4.17 The consultation also proposed a series of reforms to enhance the governance of the LGPS, to implement recommendations from the Scheme Advisory Board's 2021 Good Governance Review.

4.18 The consultation additionally proposed that AAs participate in a biennial independent governance review and that AA pension committees must include an independent member who is a pensions sector professional, either as a voting member or in an advisory capacity. Recognising the feedback to the consultation and the principle of democratic accountability in the LGPS, the government has decided to amend the requirement for an independent member such that they act only as an independent adviser to the pensions committee, not as a voting member.

4.19 Feedback also highlighted that a biennial review would be misaligned with the three-year valuation cycle. This provision has therefore been amended to change the governance review to every three years.

4.20 For pools, the consultation proposed that pools are required to include either one or two representatives of shareholder AAs and sought views on the best way to ensure that members' interests are taken into account by pools. The consultation response does not impose a single model for how shareholders or scheme members are represented in their pool's governance, in recognition of the fact each partnership will wish to consider the governance structure that best meets the needs of their shareholders and scheme members.

Chapter 5

Boosting the UK's Pipeline of Investment Opportunities

5.1 To meet the investment ambitions of pension schemes, there needs to be a strong pipeline of opportunities across the UK to invest in.

5.2 For too long the supply of these opportunities has been limited by a restrictive investment environment, with barriers including the planning system, grid connectivity and regulation. There has been a lack of consistency over the government's approach to public investment; and a lack of capacity and support at local level to develop projects. Meanwhile, projects that do come through can be hindered by a lack of clear mechanisms across government to help crowd in capital and a lack of effective signposting from government.

5.3 The government has a major reform agenda to address these issues. These reforms will both boost the depth and volume of the pipeline of investment opportunities, underpinned by a competitive investment environment; and increase the visibility of these opportunities for investors.

Improving our investment environment

5.4 The government has restored political and economic stability through the actions taken at the Autumn Budget, fixing the public finances and introducing non-negotiable fiscal rules to maintain investor confidence. We also published a **Corporate Tax Roadmap** for this Parliament, committing to cap corporation tax at 25%, and retain generous capital allowances, including 100% full expensing for plant and machinery, and uncapped R&D tax credits.

5.5 The grid connections queue is being reformed to ensure projects have access to power when it is needed, while ensuring that new network infrastructure is built at pace to meet demand.

5.6 The government is going further and faster to reform the UK's regulatory architecture so it supports growth and innovation through our **Regulation Action Plan**. This will ensure regulators regulate for growth, not just for risk. The government has provided approval for **16 Nationally Significant Infrastructure Projects** since July 2024, including data centres, solar farms and wastewater treatment plants.

5.7 Access to finance is also being boosted through the **National Wealth Fund (NWF)**, which, with its economic capital expanded to £7 billion, will now mobilise over £70 billion in private investment for the growth and clean energy missions and unlock projects that otherwise would not have commenced; as well as through the **British Business Bank (BBB)**, which will

help address finance gaps and crowd in investment into smaller and scale-up businesses.

5.8 A more competitive regulatory backdrop, underpinned by a stable economic policy, and with the infrastructure and improved access to finance, will raise the overall volume of investible projects coming through for private and local government pension funds to invest in. It will also provide the environment for high-potential firms to scale domestically.

Backing the builders – a new approach to infrastructure

5.9 Infrastructure is an asset class where returns are closely aligned with the long-term liabilities of pensions funds. However, over several years uncertainty about infrastructure plans and policy has inhibited investment in programmes and supply chains. The government is therefore adopting a new approach to delivering infrastructure, enabling us to meet the UK's housing, transport, energy and other economic infrastructure needs.

A long-term approach to infrastructure investment

5.10 First, the government has committed to increase public capital investment over the Parliament by £113 billion. The changes to the Fiscal Framework announcement at Autumn Budget 2024 will enable the government to invest in the UK's infrastructure over the long-term and crowd in private sector capital to develop and deliver the projects needed to boost growth.

5.11 **The 10 Year Infrastructure Strategy**, which will be published alongside the spending review in June, will provide longer term certainty over infrastructure plans and objectives. As part of this, the government has committed to delivering an infrastructure pipeline with a ten-plus year horizon, providing certainty to investors.

5.12 The Strategy will be supported by stable institutional arrangements including longer capital budget allocations at spending reviews, and the establishment of the **National Infrastructure and Service Transformation Authority**, to support delivery.

5.13 Infrastructure delivery is being supported by the most ambitious planning reforms in a generation, including through the commitment to approve 150 Development Consent Orders by the end of the Parliament and changes to the National Planning Policy Statement. These reforms to the planning process will make it easier to navigate and reduce the time required to get projects off the ground.

5.14 **The Planning and Infrastructure Bill** is a step-change in the approach to cutting red tape and accelerating development, by streamlining the Nationally Significant Infrastructure Projects consenting regime and simplifying parts of the planning system that are notorious for holding up projects. Local authorities are also being equipped with the resources they need to deliver an efficient and predictable service to developers and investors.

Housing

5.15 The government has committed to supporting the building of 1.5 million homes by the end of this Parliament, presenting investible

opportunities for pension funds. The government will also publish a **Long-Term Housing Strategy** and set out further details of government investment in social and affordable housing at the Spending Review. The government will also provide certainty for a next generation of new towns - a transformative programme of building.

Transport

5.16 Air Travel – This includes inviting proposals for a third runway at Heathrow, plans for the expansion of Luton Airport have now been approved, and a final decision on a second runway at Gatwick is due in October. The government is also supporting the Mayor of South Yorkshire's efforts to create a sustainable aviation hub. To both ensure growth and meet climate obligations, the government is also creating investment opportunities in aviation decarbonisation, investing nearly £1 billion in research and development for efficient and zero-emission aircraft technologies.

5.17 TransPennine Route Upgrade – The government remains committed to delivering the TransPennine Route Upgrade, which will enhance rail connectivity between York, Leeds, Huddersfield, and Manchester. This represents the largest rail infrastructure investment in the North of England in decades.

5.18 Euston – HS2 trains will run to Euston, with funding provided for tunnelling to the central London terminus. This investment will catalyse private investment into the station and local area, including through the Euston Housing Delivery Group, which is delivering ambitious housing and regeneration initiatives.

5.19 Lower Thames Crossing – Planning consent has been granted after years of delay. The government is looking to bring private sector finance and expertise into the project. Subject to the Spending Review, investors will be engaged in due course.

Energy

5.20 Ambitious but achievable goals have been set for decarbonising the power sector by 2030 and accelerating net zero. **Clean Power 2030** will require significant investment throughout the energy sector. The government will work to deliver an estimated £40 billion investment per year between 2025-2030. This demands working in tandem with the private sector to deliver unprecedented levels of clean infrastructure. Planning and grid connection reforms will provide greater certainty to projects and speed up delivery.

Backing our corporates and growth sectors

5.21 The **Industrial Strategy** is the government's plan to back investment in sectors which offer the highest growth opportunity. In October 2024, eight growth-driving sectors were set out: advanced manufacturing, clean energy, creative industries, defence, digital and technologies, financial services, life sciences, and professional and business services. Government support for these industries will help create a supply of investment opportunities across both greenfield projects and high-potential scale-ups.

5.22 The Industrial Strategy is due to be published this Summer and will set out how both government and industry are tackling barriers to growth in these sectors.

5.23 The government recognises the role it can play in enabling investors to take advantage of opportunities across these sectors. It is doing this through innovative financing mechanisms, delivered through the NWF and the BBB. Initiatives such as the **Long-term Investment for Technology and Science (LIFTS)** programme. LIFTS was designed to establish new funds or investment structures that attract institutional investment, particularly from Defined Contribution pension schemes, to support the growth of the UK's most innovative science and technology companies.

5.24 As part of raising visibility of investment opportunities to the pension sector, the BBB is also establishing the **British Growth Partnership (BGP)**. This is a commercially driven investment vehicle designed to attract institutional capital, including pension funds, into venture capital funds and innovative businesses. Backed by a cornerstone government investment, BGP will leverage the BBB's position as the largest domestic investor in UK venture to provide access to a diverse pipeline of high-growth UK companies. This vehicle creates a clear pathway for pension funds to invest confidently in the UK's growth sectors. London CIV has become the first LGPS pool to announce its intention to work with the BBB on the launch of the BGP, joining Aegon UK and NatWest Cushman, who last year announced their intention to collaborate on the BGP.

Empowering our regions to boost investment

5.25 The government is working hand in hand with Mayoral Strategic Authorities (MSAs), local leaders and the devolved governments to support investment across all regions and to ensure all parts of the UK feel the benefits of growth.

5.26 The **Local Government Pension Scheme in England and Wales (LGPS)** is leading by example – its track record of regional investment is a success story and one that the government is keen to build on. The move to fewer, larger LGPS asset pools will make collaboration between the LGPS and private pension funds easier, crowding in a wider range of capital to local and regional projects.

5.27 This is supported by the government's plan to widen and deepen devolution by providing more powers and responsibilities to MSAs in England. **Local Growth Plans** are a key part of this, setting out how MSAs are using their devolved levers to drive growth – coordinating efforts across public and private sectors to do so. Following the publication of the White Paper the government will also introduce the **English Devolution Bill** to enact a generational transfer of power to our regions covering economic development, housing, employment and skills, transport and more.

5.28 The NWF will support these plans, including in partnership with the LGPS. It will play a role in supporting local government with early-stage project development to drive forward local growth.

5.29 The government is also identifying key industrial clusters across the country, building on existing Freeports and Investment Zones to channel investment into key sectoral and place-based opportunities across the country. These include AI Growth Zones and the Oxford-Cambridge Growth Corridor.

AI Growth Zones

5.30 As part of the UK's **AI Opportunities Action Plan** to build on the UK's status as the third largest AI market in the world, the government is establishing AI Growth Zones (AIGZs) which will accelerate the development of the UK's AI infrastructure. AIGZs will be underpinned by partnerships between central government, local areas, and the private sector, driving long-term investment into the infrastructure, energy and R&D capabilities needed to support a future AI-enabled economy. A pipeline of investment opportunities is in development, with details to be set out in due course.

Oxford-Cambridge Growth Corridor

5.31 The Oxford-Cambridge Growth Corridor's expertise in life sciences, artificial intelligence, manufacturing and technology will be leveraged to become a world leading growth hub and a key centre for British innovation.

5.32 The government's approach includes improving connectivity through projects such as **East-West Rail**, which will link Oxford and Cambridge in just 90 minutes, unlocking new opportunities for businesses, and leveraging planning changes to support significant new settlements.

5.33 Since announcing its support of the corridor, the government has already moved forward with key opportunities, including the Luton Airport expansion, and a partnership with ComCast to bring forward a Universal Studios theme park near Bedford, creating over 20,000 jobs and catalysing further investment. Investable opportunities in the region will encompass both specific sites or businesses, where knowledge transfer or specific return on infrastructure investment is required, as well as opportunities to package up broader opportunities into funds for investors to access.

Increasing visibility through the Office for Investment

5.34 The Office for Investment (OfI), established in 2020 to improve the government's ability to land the most strategically important investments for the UK, has been expanded to service a broader range of investors and coordinate investment activity across government. The OfI reports directly to the Minister for Investment and is jointly sponsored by the Department for Business and Trade, Number 10 and the Treasury.

5.35 The OfI is equipped with the commercial capability to expand its proactive approach to attracting investment to the government's priority areas. These functions include enhanced relationship management for major capital investors, including pension funds, and a new business development unit which will work closely with stakeholders on the ground to help shape projects and connect propositions to investors.

5.36 The OfI's unique position as a bridge between central government, capital investors and the local level will allow it to act as an investment 'broker', helping to match key transformational investment opportunities to global pools of capital. It will leverage its insight into central government priorities, commercial relationships and understanding of market interests, and visibility across the landscape of opportunities across the UK, to curate a pipeline that includes a range of opportunities and asset classes according to investor demand.

Chapter 6

Beyond the Investment Review for Private Pensions

6.1 Through automatic enrolment, there are more people than ever saving for their retirement and an increasing number of people retiring solely with DC savings. This means that the private pensions systems and schemes need to be set up to deliver for their members, allowing them to accumulate savings, secure strong returns, and eventually use the resulting savings to provide an income in retirement.

6.2 Together with the other measures to be legislated in the *Pension Schemes Bill*, the reforms set out in this Report will help savers achieve these goals.

Now that the Pensions Investment Review has concluded, the next phase of the Pensions Review will build on this foundation and explore longer term challenges around retirement adequacy and outcomes. The success of Automatic Enrolment and a simplified, fairer, and more accessible new State Pension means that the foundations of the pensions system have been strengthened, however, further work is required to rebuild the pension system. Systemic issues around adequacy currently mean millions are under-saving for their retirement, and deep inequalities persist.

Annex

Impact Assessment Summary

Mansion House Accord

A.1 The 17 signatories of the Mansion House Accord, accounting for around 90% of active DC savers, have estimated that £252 billion worth of assets are currently in scope of the pledge¹.

A.2 It is estimated, if all signatories meet the commitments of the Accord, it will unlock around £50 billion of additional private market investment (of which over £25 billion is in the UK). The derivation of this estimate is outlined below:

- As the Accord is due to be met by 2030, this starting in-scope AUM of £252 billion is projected to 2030 based on historical Master Trust growth rates (average over the last 5 years²). This is halved to reflect a maturing market and the fact GPPs may be growing more slowly. This results in **an annual assumed growth rate of assets of 17%**. This is also broadly consistent with average investment returns (around 8%) and contribution levels entering the DC market³.
- To reflect further consolidation in the pensions market driven through the investment review and the *Pension Schemes Bill* **an additional £60bn is added into the 'in-scope assets' projection from 2027-2029** (in £20bn increments).
- This means it could be expected around **£735 billion** worth of assets are in-scope of the Accord by 2030 (nominally).
- It is currently estimated that the DC market allocates 3.5% of assets to the private market asset classes covered by the Accord⁴. In the baseline scenario (without any change), this would mean the £735 billion in-scope market size would allocate £26 billion to private markets. It is also estimated that 40% of these existing private investments are 'UK-based'⁴, this would mean £10 billion worth of UK-based private investment in a baseline scenario.
- The success of the Mansion House Accord would instead mean at least 10% of in-scope assets are allocated to private markets. This would mean

¹ <https://www.gov.uk/government/news/pension-schemes-back-british-growth>

² Based on TPR DC scheme assets data

³ Around £60bn is saved into annual private-sector schemes, for example, from an industry AUM of around £600bn.

⁴ <https://assets.publishing.service.gov.uk/media/673f3ca459aab43310b95a8d/pension-fund-investment-uk-economy.pdf>

the £735 billion worth of assets allocated £74 billion to private markets, **£48 billion higher than the 'baseline' scenario.**

- In addition, 5% of assets would be allocated to UK-based private market investments, resulting in £37 billion worth of UK-based private investment, **£26 billion higher than the baseline scenario.**

Table A.1 – estimated additional investment from the Mansion House Accord

£bn (cash terms)	Private Market Investment	... of which UK-based
Baseline	£26	£10
With Accord	£74	£37
Additionality (impact)	+£48	+£26

LGPS Local Investment

A.3 The LGPS is expected to reach £550 billion AUM by 2030⁵. If 5% of this is invested locally⁶ it would **secure £27.5 billion for local investment by 2030.**

A.4 Using the estimate of LGPS reaching £550 billion by 2030, if LGPS funds were to increase their allocations to local investment by 1%, this would result in an **additional £5.5 billion invested locally by 2030.**

UK Investment

A.5 Combining the LGPS' potential £27.5 billion of local investment with the Mansion House Accord's success estimated at £26 billion of UK investment, **this could secure an estimated £53.5 billion (over £50 billion) of investment in UK infrastructure, new homes and fast-growing businesses by 2030.**

Cost savings

A.6 **A range of evidence suggests scale could deliver over 10 basis points reduction in fees.** This is derived from a number of sources:

- The Pensions Investment Review consultation responses suggested consolidation of pension providers could lead to reduced charges by up to 10-20bps over the longer term.
- DWP charges survey shows around 12bp difference in charges between smallest and largest GPP/MTs⁷.

⁵ Estimates from the Government Actuary's Department (GAD), taking into account expected contribution rates and estimated returns, puts the size of the LGPS at £550 billion AUM by 2030.

⁶ In line with current MHCLG estimates of LGPS local investment.

⁷ <https://www.gov.uk/government/publications/pension-charges-survey-2020-charges-in-defined-contribution-pension-schemes/pension-charges-survey-2020-charges-in-defined-contribution-pension-schemes>

- People's Partnership research, conducted by Toby Nangle⁸, found:
 - Internalising investments could save members hundreds of millions a year with “nearly £1bn in potential fee savings available”.
 - Australia had around 12bp cost reduction through scale, based on CEM benchmarking data.

A.7 Taking a “top down” approach. If the overall DC market is estimated to be around £800bn-£900bn (current earnings terms) by 2030⁹, then a 12bp reduction in cost applied to £800bn industry would result in a £960m saving in 2030. This is likely an ‘upper bound’ estimate as it assumes gains are made across the entire market.

A.8 Further analysis on the cost and benefits across the measures from the Pensions Investment Review and other measures in the Pension Schemes Bill will be produced as part of the Bill Impact Assessment.

Member Benefits

A.9 To examine the impacts of the Pensions Investment Review measures, DWP’s iPEN case study has been analysed to present an illustrative case study of the potential benefit of the measures on an average earner. This is helpful to demonstrate the potential benefit of the measures. But it is important to recognise the actual benefits will differ for all savers and may be higher or lower – this estimate is based on a given set of assumptions.

A.10 Measures in the Pension Schemes Bill aimed to build scale by the creation of DC Megafunds should drive significant efficiencies and reductions in costs. This is evidenced through industry engagement and feedback, along with looking at international costs charged by large pension schemes. Combining this quantitative and qualitative evidence gives an indicative estimate **supporting a 6-basis point reduction in fees.**

A.11 As outlined in the cost savings, this could be greater; though not all of the benefit may be passed onto the member. In addition, the development of scale should increase investment in productive assets, offering a diversification benefit. Past evidence from DWP/Government Actuary’s Department (GAD)¹⁰ has highlighted that higher allocations to private markets may result in a modest uplift to pension pots. This is estimated as a 2% uplift to the final pension pot, reflecting returns and diversification benefits. This could be greater; depending on the level of investment made and returns seen.

⁸ <https://peoplespartnership.co.uk/media-centre/press-releases/workplace-pensions-industry-could-save-hundreds-of-millions-of-pounds-in-private-market-fees-new-report/>

⁹ For example:

<https://www.gov.uk/government/publications/trends-in-the-defined-contribution-trust-based-pensions-market/trends-in-the-defined-contribution-trust-based-pensions-market>; and

<https://www.pensionspolicyinstitute.org.uk/media/hbrgvfw5/20240926-the-dc-future-book-2024-final.pdf>

¹⁰ <https://www.gov.uk/government/publications/pension-fund-investment-and-the-uk-economy/pension-fund-investment-and-the-uk-economy>

A.12 The case study presented below is for an average (median) earning male, saving into a DC pension, who is 22 and works/saves their entire career until State Pension age (see list of full assumptions below). The benefits outlined are phased in over 5 years. This highlights that an average earner, entering the labour market this year, could see an increase in their pension pot at retirement when saving over a career by around £6,000. This would be further increased when considering the wider Pension Schemes Bill measures, as will be outline as part of the *Pension Schemes Bill* Impact Assessment.

Table A.2 – estimated impact of Pensions Investment Review measures on average pension pots

Median earning male Aged 22 (born 2002)	DC Pension Pot	Change
Under current AE conditions	£163,600	
Decrease costs by 0.06ppts (Megafunds)	£166,200	+£2,500
Diversification benefits from wider asset classes (2% uplift)	£169,500	+£3,300
Pension Pots after all the reforms	£169,500	+£5,900

Box 1.A IPEN 2024 Core Assumptions

The following key assumptions have been made when calculating these case studies. The modelling is known to be sensitive to assumptions made about future economic determinants and the methodology used. The model baseline assumptions are:

- Each individual saves into a defined contribution scheme with an annual management charge of 0.3% and a contribution charge of 1.8%.
- Each individual contributes 5% and their employer contributes 3% within qualifying earnings bands.
- Each individual's fund is invested in 88% equities and 12% bonds with real fund growth of 4.07% and 2.39% respectively.
- Each individual retires at 68.
- The automatic enrolment earnings trigger, lower earnings limit and upper earnings limit are frozen until 2028 and then increase in line with earnings over the long-term.
- Each individual does not opt-out of pension saving.
- Each individuals' earnings increase in-line with average earnings growth. The final pension pot size is reported in 2024/25 earnings using the Average Weekly Earnings growth deflator.
- Earnings in the first-year of employment are increased in line with average earnings growth.
- The median annual salary for a female working full-time is £31,672 (Source: ASHE 2024)
- The median annual salary for a male working full-time is £37,382 (Source: ASHE 2024)

Number of Megafunds

A.13 Estimating the number of Megafunds is challenging and will depend on future growth across providers and the interactions with other measures.

A.14 Currently, it is estimated around 5-10 private DC pension providers may have over £25bn in AUM using data from Corporate Adviser and Go Pensions. Using historical trends of AUM growth across the market, it is projected there may be around 10-15 DC Megafunds by 2030 and around 15-20 by 2035.

A.15 In addition, LGPS reforms will see assets currently split over 86 administering authorities and 8 pools consolidated into just 6 pools.

A.16 Combined, **these changes are set to increase the number of Megafunds from 10 to over 20 within the next decade.**

HM Treasury contacts

This document can be downloaded from www.gov.uk

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Suffolk Pension Board

Report Title:	Academies Policy
Meeting Date:	29 July 2025
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Nicola Beach, Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151)
Author:	Tracey Woods, Head of Pensions Tel. 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of the item to be considered

- As part of the valuation exercise to calculate contribution rates for the next 3 years (1 April 2026 to 31 March 2029) the Fund is looking to simplify and be more consistent with how academies including free schools and third-party contractors, doing work on behalf of academies, are treated.
- To achieve this, the Fund has developed the Suffolk Pension Fund Academy Policy with Hymans Robertson, the Fund's Actuary, which sets out the funding principles for all academies and free schools within the Fund.

Action recommended

- | |
|---|
| 3. The Board is asked to note the Academy Policy. |
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Reason for recommendation

- The Pension Board represents stakeholders in the Fund.

Alternative options

- There are no alternative options.

Main body of report

Background

- Academies are Scheduled Scheme employers in the LGPS. This means that all non-teaching staff employed by an academy on conversion are entitled to membership of the scheme.
- How Academies and Multi Academy Trusts (MAT's) are treated in the LGPS is a local funding decision for each administering authority to set.
- The Suffolk Pension Fund has 234 academies and 8 free schools. 227 are in MAT's and 15 are in either single academy trusts (SAT's) or are the only Suffolk based academy in a MAT. The Fund has 90 contractors fulfilling

outsourced contracts such as catering and cleaning, employing staff that were employed by the academy.

9. The Fund seeks to apply a consistent approach to funding that achieves fairness to the ceding local authority and the academies.

Objective

10. The objective of the academies policy is to set a standardised approach for:
 - a) The treatment and valuation of assets and liabilities of a new academy on conversion from a local maintained school.
 - b) The treatment and valuation of assets and liabilities of an academy on joining or leaving a MAT.
 - c) Setting contribution rates.
 - d) The treatment of third-party contractors providing services to an academy and the responsibilities of the academy when outsourcing.

Policy

11. The Academy Policy (**Appendix 1**) sets out how the assets and liabilities of academies will be treated on joining or leaving a MAT, how contribution rates will be set and the treatment of third-party contractors providing services to an academy.
12. The main changes in the Policy to the current treatment are:
 - a) All MAT's will have a pooled tracked funding position (consisting of assets and liabilities of all its constituent academies), a single shared funding level, and a pooled MAT contribution rate.
 - b) All outsourced contractors will be operated via a pass-through admission arrangement which is closed to new entrants.

Consultation

13. The Fund has held a consultation on this policy requesting views and any feedback on the Policy from existing academies in the Fund. The consultation ran from 27 June 2025 for 3 weeks, closing on 18 July 2025.
14. The Board will be appraised of the responses to the consultation orally at the 21 July 2025 Committee meeting.

Sources of further information

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

Suffolk Pension Fund Academies and Free School's Policy

This policy sets out the Suffolk Pension Fund's funding principles for all academies (including free and studio schools) within the Fund.

Existing academies will be operating within one of the following structures:

1. as a single academy trust (a "SAT"); or
2. as one of multiple academies within the Fund who are part of a multi-academy trust (a "MAT"); or
3. as a standalone employer who are the only academy within the Fund, who are a part of a MAT (and the other academies in the MAT do not participate within the Suffolk Pension Fund).

New academies, upon joining the Suffolk Pension Fund, will fall into one of the above categories.

Objective

The objective of the academies policy is to set a standardised approach for:

- The treatment and valuation of assets and liabilities of a new academy on conversion from a local maintained school.
- The treatment and valuation of assets and liabilities of an academy on joining or leaving a MAT.
- Setting contribution rates.
- The treatment of third-party contractors providing services to an academy and the responsibilities of the academy when outsourcing.

Principles

The principles of the academies policy are:

- The Fund will seek to apply a consistent approach to funding that achieves fairness to the ceding local authority and the academies.
- Under 1 and 3 above, the academy will have an individually tracked funding position (assets and liabilities) within the Fund and its own assessed contribution rate.
- Under 2 above, the MAT will have a pooled tracked funding position (consisting of assets and liabilities of all its constituent academies), a single shared funding level, and a pooled MAT contribution rate.
- Outsourced contractors will be operated via a closed to new entrants pass-through admission arrangement. Active contractor admissions (and historic contractor admissions where orphaned members have fallen back to the academy) will be included in the relevant funding pool of the academy, which may be under 1-3.



Policy

The funding policy for academies is at the Fund's discretion however guidance on how the Fund will apply these discretions is set out within this policy.

Admission to the Fund

Academies (on conversion from locally maintained school)

Academies are Scheduled Scheme employers in the LGPS. This means that all non-teaching staff employed by an academy on conversion or afterwards are entitled to membership of the scheme.

On conversion, the Fund's actuary will carry out an assessment to determine the school's notional allocation of assets (investments held by the Fund) and liabilities (immediate and projected benefits owed to scheme members).

If the academy joins an existing MAT in the Fund (i.e. 2 above), the assessed assets and liabilities are added to the MAT funding pool and the academy will pay the MAT contribution rate.

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



The Fund actuary's fees in respect of the above assessment(s) will need to be paid by the academy. The support grant given by the DfE to help with the costs of converting to academy status can be used to cover these.

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

A newly set-up academy is also a Scheduled Scheme employer in the LGPS. This means any non-teaching staff employed by the academy are entitled to membership of the scheme.

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

An existing academy joining a MAT

Where an existing academy joins an existing MAT in the Fund, all of the academy's active, deferred and pensioner members with all assets and liabilities are added to the new MAT funding pool (and if applicable removed from any prior MAT funding pool the academy operated within) and the academy will change to paying the new MAT contribution rate going forward.

Circumstances where a further contribution rate assessment may be carried out

New academy significantly changes the funding profile of an existing MAT

As noted above, if an academy joins an existing MAT in the Fund, it becomes part of the MAT funding pool and will pay the MAT contribution rate.

However, at the Fund's discretion, the MAT contribution rate may need to be reassessed in cases where the new academy (or academies) significantly changes the funding profile of the existing MAT.

The MAT may also request that a revised valuation contribution rate review is carried out in line with the requirements under the Local Government Pension Scheme Regulations 2013 64 A (1) (b) (iii).

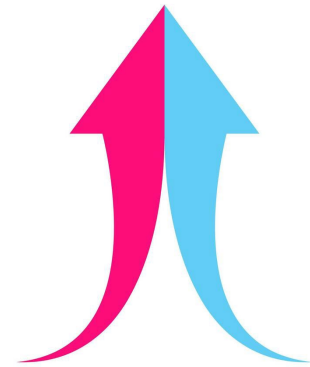


The MAT will need to pay for the actuarial costs of a reassessed contribution rate calculation or review.

Merging of MATs

If one MAT merges with another MAT operating within the Fund, all the assets and liabilities would become part of a new larger combined MAT funding pool and a new MAT contribution rate would need to be calculated.

The MAT will need to pay for the actuarial costs of calculating the new MAT contribution rate.



MAT consolidations (across different LGPS Funds)

If an academy or MAT is seeking to merge with another MAT outside of the Suffolk Pension Fund and consolidate all their liabilities (and assets) into one LGPS Fund, the MAT would need to seek approval from the Secretary of State.

The fund would be able to provide the necessary administrative assistance to academies seeking to consolidate into the Fund or out to another LGPS fund, however the academy (or MAT) would be fully liable for all actuarial, professional and administrative costs incurred.

Cessation event

A cessation event occurs if a SAT, MAT or standalone academy (as per 1-3 above) ceases to exist as an entity or as a participating active employer in the Fund.

A cessation valuation would be carried out in line with the Fund's Cessation Policy and the academy will need to pay for the actuarial costs incurred.

Contracts outsourced by an academy

Outsourced contracts such as catering and cleaning contracts will be set up as a new admitted body in the Fund with a closed to new entrants pass-through arrangement. This means if the TUPE'd employees leave before the contract ends, new employees cannot be admitted into the Fund by the contractor.

It is critical for any academy (or MAT) considering any outsourcing to contact the Fund initially to fully understand the administrative and funding implications. The academy should also read and fully understand the Fund's admissions policy.

The contractor will pay the same contribution rate as the academy who awarded the contract and the assets and liabilities will revert to the academy on termination of the contract.

The academy is required to confirm with the Fund that all the arrangements between the academy and the contractor comply with the requirements set out in the DfE Academy Trust LGPS Guarantee Policy.

Under a pass-through contract the pension risks largely remain with, or pass back to, the academy, removing a large element of uncertainty and associated costs for potential contractors. The Education and Skills Funding Agency (ESFA) 2023 policy paper states that pension liabilities associated with a pass-through contract are automatically guaranteed by the DfE for certain staff in limited scenarios:

- Staff currently working for an Academy who then transfer to an outsourced contractor under TUPE.
- Staff who transferred to an outsourced contractor under TUPE before the Academy converted (i.e. when it was still a maintained school) and the outsourced contract passes to the Academy on conversion.
- Staff who currently work for the local authority which is providing services to the Academy under a contract, but the contract is then awarded to another third-party contractor and the staff transfer to the new contractor under TUPE.

As long as the pass-through arrangement meets one or more of the criteria outlined above, then the Academy or Free School may proceed without ESFA approval. If the circumstances of a pass-through arrangement do not match the criteria outlined above, then the trust will need to contact ESFA using the ESFA customer help portal and provide further information regarding the proposed arrangement.

If confirmation is not provided the Fund will require security to be provided as a condition of admission.

Sources of Further Information

Suffolk Pension Fund Website

(www.suffolkpensionfund.org)

- Funding Strategy Statement
- Administration Strategy

[Local Government Pension Scheme \(LGPS\) - GOV.UK](#)

The Local Government Pension Scheme (Administration) Regulations 2008

Education and Skills Funding Agency (ESFA) 2023 Policy paper



Suffolk Pension Board

Report Title:	McCloud Implementation
Meeting Date:	29 July 2025
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Nicola Beach, Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151)
Author:	Tracey Woods, Head of Pensions Tel. 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of the item to be considered

1. This report provides the Board with an update on the progress of implementing the McCloud Remedy for the Fund and the revised plan for completing the work in line with the legislation that came into force on 1 October 2023.

2. The Board is asked to:
 - a) Note the recommendation made to the Pension Fund Committee on 21 July 2025 that the McCloud Implementation Phase for the Suffolk Pension Fund will be extended until 31 August 2026.
 - b) Note the reasons the recommendation was made and the work that is in progress to apply the remedy for impacted members.

Reason for recommendation

3. The Pension Board represents members and stakeholders in the Fund who are affected by the McCloud remedy.

Alternative options

4. The Board could suggest changes to the plan.

Main body of report

Background

5. When the LGPS changed from being a final salary scheme to a Career Average Revalued Earnings (CARE) scheme on 1 April 2014 protections were put in place for older scheme members. These underpin protections were brought in to ensure that older scheme members who were approaching retirement wouldn't be negatively impacted by the changes. The pension that these members built up in the CARE scheme between 1 April 2014 and 31 March 2022 (or their final salary normal pension age, if earlier) was compared to the pension they would have accrued in the final salary scheme if it hadn't

closed, and if the final salary pension would have been higher, their CARE pensions were enhanced.

6. Following legal challenges, the underpin protection was expanded to include younger scheme members. This is known as the McCloud Remedy and was implemented legislatively for the LGPS through the Local Government Pension Scheme (Amendment) (No. 3) Regulations 2023 ('the 2023 Regulations'), which came into force on 1st October 2023 but apply retrospectively. Following this, Statutory Guidance was issued to support administering authorities in the implementation of the LGPS McCloud remedy.
7. In the guidance, Government have defined a 'McCloud Implementation Phase' (MIP), the period during which they expect the McCloud remedy made in the 2023 regulations to be implemented. Following this, McCloud is expected to be fully implemented and business as usual. The default date for the implementation phase to be completed is 31 August 2025.
8. However, under regulations made in 2024, an administering authority may determine that the 'McCloud Implementation Phase' should be completed by 31 August 2026 for individual members or groups of members. As McCloud is a major project with highly challenging requirements, it was recommended to the Pension Fund Committee at their meeting on 21 July 2025 that the discretion be applied for all groups of members.
9. The report sets out the considerations made in that recommendation.

Considerations when making a Determination

10. In order to exercise the discretion, the 2024 regulations set out that the following conditions must be satisfied:
 - a) The discretion can only be exercised if the administering authority 'considers it reasonable in all the circumstances in the case of a particular member or class of members.
 - b) The discretion must be exercised before 31 August 2025
 - c) Affected members must be notified that the discretion has been exercised in relation to them in their 2024/25 Annual Benefit Statement.
11. The guidance clarifies that for any member in respect of whom a determination is made "the McCloud implementation phase shall be regarded as extending to 31 August 2026. Where the McCloud remedy applies to a member, but they will not be due an annual benefit statement under the 2013 Regulations (e.g. because they are a pensioner), the work to apply the remedy to that person should ordinarily be concluded by 31 August 2025. However, that flexibility should also be considered as applying to members who will not receive an ABS – i.e. it would be possible for administrators to determine the McCloud implementation phase extends to 31 August 2026 in specific cases. Decisions regarding these cases should be approached in a similar way as to those whom the ABS legislation applies to"
12. There is no further guidance from Government or from the Scheme Advisory Board on the circumstances it would be appropriate to make a determination, meaning the power can be used broadly or narrowly, so long as the authority considers it reasonable in all the circumstances.

The McCloud Remedy Impact

13. The McCloud remedy may affect any member of the fund who:
 - a) was paying into the LGPS, or another public sector pension scheme, on or before 31 March 2012
 - b) was also paying into the LGPS during the underpin period (between 1 April 2014 and the earlier of their final salary normal retirement age and 31 March 2022), or
 - c) does not have a disqualifying break (i.e. gap in service of 5 years or more where they were not in the LGPS or another public sector pension scheme).
14. There are approximately 16,000 existing members in scope for the remedy. The statutory guidance prioritises these into groups as set out below:
 - a) Group 1: New cases/calculations where final benefit entitlements are being calculated from 1 October 2023.
 - b) Group 2: Previously processed cases where:
 - i) There are ongoing payments
 - ii) There have been payments, but no ongoing payments
 - iii) There have not yet been payments, but final underpin amounts can be calculated.
 - c) Group 3: Active members not yet retiring
15. An extension of the implementation period will not slow down the progress of the work but will enable clear communication to all impacted members. When the remedy is applied for a member who qualified for a higher pension under McCloud rules, they will receive the backdated amount with interest so they will not lose out financially.

Implementation Progress and Delivery Plan

16. Since the legislation was put in place the Pensions Team have not been able to progress with implementing the remedy at the pace that was originally expected. This has been largely due to the need to implement the remedy for the Fire Service Schemes, which were prioritised due to an earlier statutory deadline. This took longer than expected due to the following:
 - a) Software solutions to enable member records to be updated to include the remedy have been made available gradually by software suppliers, as the full detail of how to apply the remedy in all cases is still being defined.
 - b) Bulk calculations and processes have not been able to be applied as widely as expected, leading to more individual calculations being required.
 - c) Individual calculations have been time consuming and complex, often requiring manual calculations.
 - d) Automatic pension reporting is not in place for the fund's biggest employers, so the team still spend a significant amount of time data cleansing data to be able to pay benefits and complete end of year processes.

- e) The process required seven years of payroll history data which, whilst fairly comprehensive, still had gaps which needed to be investigated and amended manually due to the timescales involved.
17. Before the legislation came into force a data collection exercise was undertaken to obtain the additional information required from employers in relation to affected members. This was to ensure that this is held at the time someone retires as it is recognised that payroll providers are less likely to hold the information that is required as time passes. The majority of employers returned data but there are gaps and whilst a decision could still be made by the pensions team using the data currently held, the team would like to have as much accurate data as possible as this ensures the most accurate and fair calculations for the scheme members. These gaps in data will present challenges on an ongoing basis and slow down progress.
18. As a result of the challenges experienced in implementing the remedy for the Fire Service Scheme, it has not been possible to progress with implementing the remedy for the LGPS, and it is evident that the same challenges will be experienced. This has to be considered when setting realistic expectations of what is deliverable by 31 August 2025.
19. The first stage of the plan involves ensuring new calculations take account of the remedy, to avoid retrospective calculations being required. This functionality is now available in the administration system and testing to ensure it works for all types of cases is in progress, alongside updating processes. It is expected that it will be feasible to start implementing the remedy for all types of new cases by the end of August 2025, but it will take time for the team to build up the knowledge and confidence to process a wide variety of complex cases.
20. The second stage of the plan focuses on undertaking retrospective calculations. The challenges set out above apply to these cases, alongside the complexities of explaining to members that their pension is changing and why. It is not feasible to know for any group of members when the calculations will be completed and it will not be possible to complete for all impacted members by 31 August 2025.
21. The third stage, impacting the most members, is the updating of active records. It is evident that trying to implement the remedy in the 2024/25 Annual Benefit Statements for those members, who have not yet reached retirement, will slow down progress on implementing the remedy for those in the higher priority groups.

Conclusion

22. The work to complete the implementation has proved to be far more complex and difficult than initially expected and as such, the Fund officers have requested the Pension Fund Committee apply the discretion allowed in the regulations to extend the implementation period to 31 August 2026.
23. Making use of the discretion to extend the deadline by a year, will enable the Pensions Administration Team enough time to build up the knowledge and skills to apply the remedy whilst managing the business-as-usual workload.

Sources of further information

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

Suffolk Pension Board

Report Title:	LGPS Access and Fairness Consultation Response
Meeting Date:	29 July 2025
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Nicola Beach, Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151)
Author:	Tracey Woods, Head of Pensions Tel. 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of the item to be considered

1. Government have launched the Access and Fairness consultation which covers a range of proposals relating to pension benefits for scheme members.

Action recommended

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|--|
| 2. The Board is asked to consider the consultation response. |
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Reason for recommendation

3. The Pension Board represents stakeholders in the Fund.

Alternative options

4. The Board could suggest alternative responses to the consultation.

Main body of report

Background

5. The purpose of the consultation is to improve fairness on how individuals are treated and how benefits are calculated, focusing on equal access to the scheme and those benefits.
6. Some of these changes are definitive answers to long-standing problems, like ensuring equality of survivor benefit entitlement, and some are the beginning of the work to be done, like the proposals on the gender pension gap, but they are a key and essential step in the right direction.
7. The consultation will last for 12 weeks, launching at 9:30am on 15 May 2025 and closing at 11:59pm on 7 August 2025.

Objective

8. There are 8 areas to be considered and 52 proposals to address covering:

- Addressing historic discrimination and ensuring equal access regardless of gender
- Improving access to benefits for women
- Government wants to understand how many people are opting out of the scheme and their reasons for doing so
- Tackling some of the issues with forfeiture, where if a member is convicted of certain crimes such as stealing from an employer or client then their pension pot can be used to pay back money.
- Some technical changes relating to McCloud.
- Some miscellaneous items initiated by the Scheme Advisory Board
- The Government recognises that these proposals would lead to a large number of changes, that would affect millions of members. Chapter 7 asks for opinions on the potential administrative impact.
- Since many of these proposals will affect individual members, views are being sought on the government's duty under Public Sector Equality Duty.

9. The draft consultation response is attached as **Appendix 1**.

10. The Pension Committee received the presentation on the consultation at their training session on 23 June 2025 and were presented with the draft consultation response for consideration at their meeting on 21 July 2025. The Board will be appraised of any amendments to the proposed response at its meeting.

Sources of further information

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

Suffolk pension Fund consultation response

About you

Please tell us a bit more about you:

Q1. What is your name?

[Tracey Woods](#)

Q2. What is your email address or telephone number?

Tracey.woods@suffolk.gov.uk

Q3. Are you responding to this consultation as an individual or submitting a collective response from a group?

Collective Group

(Q3.1 - If responding on behalf of a group) What is the name of the group or organisation you are submitting a response for?

[Suffolk Pension Fund](#)

(Q3.2 - If submitting a collective response) Please provide a summary of the people or organisations you represent and who else you have consulted to reach your responding conclusions.

[Pension Fund Committee and Pension Fund Board](#)

Q4. Type of respondent

- [Administering authority](#)

Q5. What is the first part of your postcode?

[IP1](#)

Survivor pension entitlement equalisation

Q1 – Do you agree with the government’s proposed amendment of survivor benefits rules?

[Yes](#)

Q2 – Do you have any comments on the intended approach to equalising survivor benefits?

[The Fund is content with the proposals and recognises the mitigation for the backdating proposals](#)

Q3 – Do you have any comments on the administrative impact, particularly in identifying cases where calculations of past benefits would need to be revisited?

It shouldn't be too much of a challenge to identify the cases, although there will be a need to carefully check those extracted. The biggest challenge will then be contacting those affected and resolving the matter where monies are due. This process may take some time so it would be a concern if there was a short timescale included on when this exercise must be completed by.

Q4 – Do you have any further comments on the proposed changes?

No

Cohabitee survivor pensions

Q5 – Do you agree with the government's proposals to formalise the removal of the nomination requirement?

Yes

Q6 – Do you have any comments on the government's proposals to formalise the removal of the nomination requirement?

No

Q7 – Do you have any comments on the proposed approach to backdating?

This seems a reasonable approach to resolving this issue

Death grants (age 75 cap)

Q8 – Do you agree with the proposed amendments to death grants?

Yes

Q9 - Do you have any comments on the government's proposals to remove the age 75 cut-off from the LGPS Regulations?

No

Q10 – Do you have any comments on the proposed approach to backdating?

Happy with this proposed approach to backdating.

Q11 – Do you have any comments on the administrative impact, particularly in identifying historic cases where death grants that were not paid would now be paid?

It should be straightforward to identify cases where individuals died after age 75 and had their pension in payment for less than 10 years. Depending on the numbers this may take some time to resolve as it requires the communication and exchange with individuals impacted. Where there was no survivor pension it may prove tricky to locate

individuals who may now be entitled to a death grant. It would be helpful if there was no time restriction on when these cases need to be completed by.

Death grants (personal representatives)

Q12 – Do you agree with the proposal to remove the two-year limit?

Yes

Q13 – Do you have any comments on the government's proposal to remove the two-year limit?

No, it is welcomed as it will cause less upset and stress for members

2. Gender pension gap

Q14 – Do you agree that the LGPS Regulations should be updated so that any unpaid leave under 31 days is pensionable, as a way to address the gender pension gap?

Yes

Q15 – Do you agree the government should use the actual lost pay option when calculating contributions, or do you think APP should be the chosen option? Please explain the reasons for your view.

The Fund believes that APP should be used so as not to disadvantage those who regularly work non-contractual hours.

Cost of buying back pension lost in an unpaid break of over 30 days

Q16 – Do you agree with the proposal to align the cost of buying back unpaid leave over 30 days with standard member contribution rates?

Yes

Q17 – Do you agree with the proposal to change the time-limit for buying back unpaid leave pension absences from 30 days to 1 year?

Yes

Q18 – Do you agree with removing the three-year limit on employer contributions in Regulation 15(6)?

Yes

Pension contributions during child-related leave

Q19 – Do you agree with updating the definition of child-related leave to include all periods of additional maternity, adoption and shared parental leave without pay?

Yes

Making gender pension gap reporting mandatory in the LGPS

Q20 – Do you agree that gender pension gap reporting should be mandatory in the LGPS?

Yes

Q21 – Do you agree that the 2025 valuation (and associated fund annual reports) is preferable?

Yes

Q22 – Do you agree with the threshold of 100 employees for defining which employers must report on their gender pension gap?

No the threshold should be lower and only exclude the really small employers

The gender pensions gap will still exist for smaller employers and not publishing that data hides the true position.

Q23 – Do you agree with the gender pension gap definition being ‘the percentage difference in the pension income for men and women over a typical working life’?

Yes

Q24 – Do you agree with the gender pension savings gap being ‘the percentage difference in the pension savings accrued over one year for men and women’?

Yes

3. Opt-outs

Publication of opt-out data in the Annual Report

Q25 – Do you agree that the annual report is the best method of reporting data on those who choose to opt-out of the scheme?

Yes

Q26 – Do you foresee any issues with administering authorities’ ability to gather data on opt-outs?

If the fund only needs to report on opt outs after 3 months the Fund is in control of this information therefore system updates will be required but the fund will not be reliant on Employers to provide info. If under 3 months, then would rely on employers to provide which would likely result in considerable chasing.

Q27 – When updating the annual report guidance to reflect opt-out data collection, what information would be most useful to include?

Some suggested narrative

Clear specification on what is to be reported

If a table is required guidance on format

Keep it simple so the reader can actually understand what is being presented and it cannot be misconstrued.

Collection of additional opt-out data

Q28 – Do you agree with the proposal to collect additional data about those opting out of the scheme?

Yes

Q29 – Are you an employer, part of an administering authority or member of a pensions board?

Administering Authority

Q30 – Do you have any comments on the collection of additional information?

The additional information is at the discretion of the employee. The Employer or the Administering Authority should not be held to account for a member leaving or for them not filling out the additional information (unless a reason has been given that directly attributes their opt out to actions by the Employer or Administering Authority)

4. Forfeiture

Removing the requirement that a member must have left employment because of the offence

Q31 – Do you agree that the government should amend regulations 91 and 93 of the 2013 Regulations to remove the requirement that the member must have left

employment because of the offence in order for an LGPS employer to be able to make an application for a forfeiture certificate or to recover against a monetary obligation?

Yes

Removing the time limit to make a forfeiture application

Q32 – Do you agree that the three month time limit for an LGPS employer to make an application for a forfeiture certificate should be removed?

Yes

Revoking Regulation 92

Q33 – Do you agree that Regulation 92 of the 2013 Regulations should be revoked?

Yes

Forfeiture in relation to benefits accrued in earlier schemes

Q34 – Do you agree that in order to give full effect to the proposed amendments, equivalent modifications should apply to earlier schemes?

Yes

Forfeiture guidance

Q35 – Do you agree that there should be forfeiture guidance to assist employers in making applications?

Yes

5. McCloud remedy

Divorce credits

Q36 – Do you agree with the government's proposal for pension debits and credits?

Yes

Death grants on 30 September 2023

Q37 – Do you agree with the government's proposal to cover deaths on 30 September 2023?

Yes

Interest on Club transfers

Q38 – Do you agree with the government’s proposal to clarify if interest applies on Club transfers?

Yes

Interest on Part 4 tax losses

Q39 – Do you agree with the government’s proposal to include part 4 tax losses in the 2023 regulations?

Yes

Transfers from other public service schemes for members over 65 years old

Q40 – Do you agree with the government’s proposal for transfers from other public service schemes for members over 65 years old?

Yes

6. Other regulation changes

Q41 – Do you agree with the proposal to omit Regulation 50 and the equivalents to it (to the extent that they have been preserved) in the 1997 and 2008 Regulations?

Yes

Q42 – Do you agree with the proposal to withdraw the actuarial guidance linked to Regulation 50?

Yes

Q43 – Do you agree with the proposal to amend the definition of BCE in the 2013 Regulations?

Yes

Q44 – Do you agree with the proposed approach to PCELSs?

Yes

Q45 – Do you agree with the proposed approach to issue updated actuarial guidance on the treatment of PCELSs?

Yes

Q46 – Do you agree with the proposed amendments to the Regulations?

Yes

Q47 – Do you have any comments on the proposals in this chapter?

No, ample reasoning behind the amendments has been set out

7. Administrative impact of proposals

Q48 – Do you have any comments about the impact the combined proposals in this document will have on administration?

The impact of the combined proposals will add significant work and communications challenges to the fund, particularly in the absence of funding towards helping these challenges. It is therefore important for there not to be a short end date for completion of this work otherwise that will be setting the funds up to fail. It would be helpful if clear guidance could be provided to all funds on exact expectations once this becomes legislation.

Alongside these proposals consideration also needs to be given to the deferred and pensioner members impacted by local government reorganisation, with clear guidance on who is responsible in the long term for any capital costs for deferred members such as ill health retirements.

Q49 – Are there any areas where you believe the proposals are significantly more complex and would benefit from a later implementation date?

It is not necessarily the complexity but the burden of doing all this additional work on top of business-as-usual work and McCloud implementation. The largest employers in the fund are going through a period of significant change which is expected to increase early retirements, adding further to the BAU workload.

Q50 – Do you have any comments on the proposed approach to cost?

The significant amount of work required to combine authorities should be covered by the New Burdens Doctrine. This work does not benefit the majority of Employers in the Fund or the Fund itself.

8. Public Sector Equality Duty

Q51 – Do you consider that there are any particular groups with protected characteristics who would either benefit or be disadvantaged by any of the proposals? If so, please provide relevant data or evidence.

No

Q52 – Do you agree to being contacted regarding your response if further engagement is needed?

Yes

Suffolk Pension Board

Report Title:	Board Training Programme
Meeting Date:	29 July 2025
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Nicola Beach, Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151 Officer)
Author:	Tracey Woods, Head of Pensions Telephone: 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of report

1. This report outlines areas of training for Board members to gain the necessary knowledge and understanding to fulfil their Board role.

Action recommended

- | |
|--|
| <ol style="list-style-type: none"> 2. The Board is asked to consider and agree the content of the training programme for the coming year. |
|--|

Reason for recommendation

3. To comply with the Pensions Regulators requirements, members of the Pension Board must be able to demonstrate that they have the required knowledge and understanding of LGPS issues.

Alternative options

4. There are no alternative options.

Main body of report

5. At the Pension Board Meeting on 23 July 2024, the Board considered its need for training and agreed a one-year training programme. This training was developed with the Knowledge and Skills Framework issued by CIPFA for local Pension Board members. A reminder of the Framework and in particular the specific areas of knowledge the Board should attain is provided in **Appendix 1**.
6. Four pre-Board training sessions have been held in the last year covering the Statement of Accounts, the Government Pensions Review, the Pensions Dashboard and the Single Code of Practice.
7. It has been agreed that should Board members wish to attend Pension Fund Committee training, then they are welcome to do so, but that they should let

Committee Services (Rebekah Butcher) know in advance of the meeting. The Pension Fund Committee training programme is attached at **Appendix 2**.

8. The Suffolk Pension Fund signed up to the Hymans Robertson online training module in 2021 aimed at both Committee and Board members that covers all the required knowledge and understanding. An updated version of the portal has been in use during 2024/25 and progress through the training modules will continue to be monitored.
9. As part of LGPS: Fit for the Future new regulations will be consulted on in the autumn. This may lead to changes in how the fund is required to evidence the knowledge and understanding of both its Committee, Board members and officers, and the expected coverage of a training strategy.
10. The Board will have its own pre-Board training sessions that will be delivered before the start of the meetings. Suggested topics for the coming year are:
 - a) Changes to Pensions Regulations following Pension Schemes Bill
 - b) Pooling Changes
 - c) Task Force on Climate-related Financial Disclosures and Task Force on Nature-related Financial Disclosure Regulations and Guidelines – including reporting requirements
 - d) Impact of Devolution and Local Government Reorganisation on the LGPS
11. Further half or whole day training sessions will be scheduled should the Board identify topics that could be covered in more depth.
12. The annual training day for Committee and Board members will be held in October at Endeavour House.
13. The Board is asked to consider and agree the content of the training programme for the coming year.

Sources of further information

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

4. Local Pension Boards: A Technical Knowledge and Skills Framework

Pensions legislation	<p>A general understanding of the pensions legislative framework in the UK.</p> <p>An overall understanding of the legislation and statutory guidance specific to the scheme and the main features relating to benefits, administration and investment.</p> <p>An appreciation of LGPS discretions and how the formulation of the discretionary policies impacts on the pension fund, employers and local taxpayers.</p> <p>A regularly updated appreciation of the latest changes to the scheme rules.</p>
Pensions governance	<p>Knowledge of the role of the administering authority in relation to the LGPS.</p> <p>An understanding of how the roles and powers of the DCLG, the Pensions Regulator, the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of the scheme.</p> <p>Knowledge of the role of the Scheme Advisory Board and how it interacts with other bodies in the governance structure.</p> <p>Broad understanding of the role of pension fund committees in relation to the fund, administering authority, employing authorities, scheme members and taxpayers.</p> <p>Awareness of the role and statutory responsibilities of the treasurer and monitoring officer.</p> <p>Knowledge of the Myners principles and associated CIPFA and SOLACE guidance.</p> <p>A detailed knowledge of the duties and responsibilities of pension board members.</p> <p>Knowledge of the stakeholders of the pension fund and the nature of their interests.</p> <p>Knowledge of consultation, communication and involvement options relevant to the stakeholders.</p> <p>Knowledge of how pension fund management risk is monitored and managed.</p> <p>Understanding of how conflicts of interest are identified and managed.</p> <p>Understanding of how breaches in law are reported.</p>

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Pensions administration	<p>An understanding of best practice in pensions administration, eg performance and cost measures.</p> <p>Understanding of the required and adopted scheme policies and procedures relating to:</p> <ul style="list-style-type: none"> ■ member data maintenance and record-keeping processes ■ internal dispute resolution ■ contributions collection ■ scheme communications and materials. <p>Knowledge of how discretionary powers operate.</p> <p>Knowledge of the pensions administration strategy and delivery (including, where applicable, the use of third party suppliers, their selection, performance management and assurance processes).</p> <p>An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to benefits administration.</p> <p>An understanding of what additional voluntary contribution arrangements exist and the principles relating to the operation of those arrangements, the choice of investments to be offered to members, the provider's investment and fund performance report and the payment schedule for such arrangements.</p>
Pensions accounting and auditing standards	<p>Understanding of the Accounts and Audit Regulations and legislative requirements relating to internal controls and proper accounting practice.</p> <p>Understanding of the role of both internal and external audit in the governance and assurance process.</p> <p>An understanding of the role played by third party assurance providers.</p>
Pensions services procurement and relationship management	<p>Understanding of the background to current public procurement policy and procedures, and of the values and scope of public procurement and the roles of key decision makers and organisations.</p> <p>A general understanding of the main public procurement requirements of UK and EU legislation.</p> <p>Understanding of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting third parties.</p> <p>An understanding of how the pension fund monitors and manages the performance of their outsourced providers.</p>
Investment performance and risk management	<p>Understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks.</p> <p>Awareness of the Myners principles of performance management and the approach adopted by the administering authority.</p> <p>Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.</p>

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Financial markets and products knowledge	<p>Understanding of the risk and return characteristics of the main asset classes (equities, bonds, property).</p> <p>Understanding of the role of these asset classes in long-term pension fund investing.</p> <p>Understanding of the primary importance of the investment strategy decision.</p> <p>A broad understanding of the workings of the financial markets and of the investment vehicles available to the pension fund and the nature of the associated risks.</p> <p>An understanding of the limits placed by regulation on the investment activities of local government pension funds.</p> <p>An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to investments.</p>
Actuarial methods, standards and practices	<p>A general understanding of the role of the fund actuary.</p> <p>Knowledge of the valuation process, including developing the funding strategy in conjunction with the fund actuary, and inter-valuation monitoring.</p> <p>Awareness of the importance of monitoring early and ill health retirement strain costs.</p> <p>A broad understanding of the implications of including new employers into the fund and of the cessation of existing employers.</p> <p>A general understanding of the relevant considerations in relation to outsourcings and bulk transfers.</p> <p>A general understanding of the importance of the employer covenant and the relative strengths of the covenant across the fund employers.</p>

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Suffolk Pension Fund Committee Training Plan

1. Introduction

- 1.1 This is the proposed Training Plan setting out the rationale and approach, for approval by the Pension Fund Committee concerning the training and development of the members of the Pension Fund Committee and officers of the Pension Fund responsible for the management of the Fund.
- 1.2 The overall aim of the Training Plan is to support members of the Pension Fund Committee and Pension Fund officers in order that they can demonstrate that they have the knowledge to fulfil their role.

2. Rationale

- 2.1 To ensure best practice within the Fund, and to comply with the Public Service Pensions Act 2013, a training plan for those charged with governance and financial management of the Suffolk Pension Fund (Committee members and officers) should be developed on an annual basis. At its meeting of 15 July 2024, the Pension Fund Committee agreed its training programme taking it to July 2025.
- 2.2 Central to this is the requirement that the Fund should secure appropriate training, having assessed the professional competence of both those involved in pension scheme financial management and those with a policy, management and or oversight role.
- 2.3 It is not required that each individual demonstrates a level of expertise in every aspect of scheme governance and management, but rather that as a group, both the Fund's officers and the Committee has a level of knowledge and skills to ensure effective decision making.
- 2.4 Committee members and officers are also required to undertake training to satisfy the obligations placed upon them by the:
 - Pensions Regulations and the Pensions Regulator;
 - CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills; and the
 - LGPS Governance Compliance Statement.
- 2.5 The Pensions Regulator issued a General Code of Practice which came into force on 28 March 2024. Once a full review of compliance with the General Code has been completed the training plan may be updated if any areas that need improvement are identified.

3. Approach

- 3.1 The approach to training will be supportive in nature, with the intention of providing Committee members and officers with regular sessions that will contribute to their level of skills and knowledge. Primarily based upon pre-Committee training sessions, it may also involve updates from officers and independent advisers. Details of external events will also be circulated as appropriate. This is in addition to an expectation that Committee members will

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undertake some self-directed learning outside of the formal training. Fund officers will be available to provide additional support and advice.

- 3.2 The key elements of the plan are designed to support members of the Committee in gaining the necessary knowledge and skills as a collective group over the following areas required by the CIPFA Knowledge and Skills Framework:

- Pension Fund governance;
- Accounting and Audit standards;
- Procurement of financial services;
- Investment performance and risk management;
- Financial markets and product knowledge;
- Actuarial methods and valuation.

- 3.3 It is comprised of a combination of internally developed training sessions, updates from officers and independent advisers, external events, and self-directed learning. The detailed indicative plan is attached as **Appendix A**.

- 3.4 The Training Plan will be updated at least annually and will be updated with events and training opportunities as and when they become available.

4. Training

4.1 Delivery of Training

Consideration will be given to various available training resources in delivering training to members of the Pension Fund Committee and relevant officers.

Evaluation will be given to the mode and content of training in order to ensure it is targeted to needs and ongoing requirements and emerging events. It is to be delivered in a manner that balances both demands on Councillors time and costs. These may include but are not restricted to:

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For Pension Fund Committee members	For officers
<ul style="list-style-type: none">• In-house• Using an on-line Knowledge Library or other e-learning facilities• Attending courses, seminars, and external events• Internally developed training days and pre Committee meetings• Shared training with other Schemes or Frameworks• Regular updates from officers and/ or independent advisers	<ul style="list-style-type: none">• Desktop/ work-based training• Using an on-line Knowledge Library or other e-learning facilities• Attending courses, seminars, and external events• Training for qualifications from recognised professional bodies• Internally developed sessions• Shared training with other Schemes or Frameworks

4.2 External events

Pension Fund Committee members

All relevant external events will be distributed to members of the Committee as and when they become available.

Members will be invited to express an interest in attending an event. The clerk to the Committee will receive any expressions of interest and shall liaise as necessary with the chair of the Committee, and the Chief Financial Officer who shall under the Scheme of Delegation to Chief Officers approve the Committee's representation at the external event. A number of factors will be used to determine the level of representation including the relevance of the event, associated costs and an individual's identified development needs,

The cost of members (and officers) attending an external event will be met by the Pension Fund.

Following attendance at an external event, Committee members will be asked to provide verbal feedback at the subsequent Committee meeting to cover:

- Their view on the value of the event and the merit, if any, of attendance;
- A summary of the key learning points gained from attending the event; and
- Recommendations of any subject matters at the event in relation to which training would be beneficial to Committee Members.

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Officers

Following attendance at an external event, officers will be expected to report to the Chief Financial Officer with feedback to cover:

- Their view on the value of the event and the merit, if any, of attendance;
- A summary of the key learning points gained from attending the event; and
- Recommendations of any subject matters at the event in relation to which training would be beneficial to other officers.

5. Training Programme

The draft timetable attached at **Appendix A** provides an indicative training programme covering areas that are likely to be necessary for the year ahead. Other items on topical or emerging issues may be added as appropriate, and the training programme flexed accordingly.

The indicative training plan includes details of pension related conferences held throughout the year. There is no expectation that members and officers attend such events as a matter of course but highlights the availability of such training and networking opportunities and an overview of their content. In addition, induction training sessions will be arranged for any new Pension Fund Committee member. Additional sessions may be incorporated as required.

Pre-Committee training

The areas to be covered at pre-committee training sessions at the September, November, February and March meetings will cover some if not all of the topics outlined below. The coverage at each session will depend on the timing of guidance and regulations over the coming year.

- Net Zero Monitoring
- Changes to Pensions Regulations following Pension Schemes Bill
- Pooling changes
- Task Force on Climate-related Financial Disclosures and Task Force on Nature-related Financial Disclosures Regulations and Guidelines – including reporting requirements

Annual Training Day

This will be held in October at Endeavour House.

Conferences and other events

Pension Fund Committee members are encouraged to attend some conferences and external training events to develop a wider knowledge of current key topics. Events that are on offer this year include:

- PLSA Investment Conference – March 2026, Edinburgh
- LGA LGPS Governance Conference – dates to be confirmed

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Suffolk Pension Board, 29 July 2025

Information Bulletin

The Information Bulletin is a document that is made available to the public with the published agenda papers. It can include update information requested by the Board as well as information that a service considers should be made known to the Board.

This Information Bulletin covers the following items:

1. [Management Expenses](#)
2. [Governance Policy and Governance Compliance Statement](#)
3. [Communications Strategy](#)
4. [Audit Plan](#)

1. Management Expenses

- 1.1 The costs incurred by the Pension Fund in managing the Fund are related to administration, investment management, and governance costs. Some of the costs are incurred by Suffolk County Council as administering authority of the Pension Fund.
- 1.2 The Management Expenses report was presented to the Pension Fund Committee on 19 March 2025 and is attached as **Appendix 1**.
- 1.3 The forecasted costs for Asset Pooling within Governance costs included the ACCESS cost of building an asset pool which will now not happen and much of this cost will not be incurred. There will however be costs associated with the new asset pool which cannot be quantified at this time.

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2. Governance Policy and Governance Compliance Statement

- 2.1 The Governance Policy and Governance Compliance Statement report outlines the governance arrangements for the Suffolk Pension Fund.
- 2.2 Government published the response to the Autumn consultation on reforms to the LGPS on 29 May 2025. The reforms are expected to come into force from 1 April 2026. The appropriate new strategy requirements and amendments to the Council's constitution will be presented to the Pension Fund Committee once the regulations and legislation are in place to ensure the Fund is compliant.
- 2.3 As these changes will not be implemented in this financial year the Governance Policy (attached as **Appendix 2**) reflects the current governance in place for the 2025/26 financial year.
- 2.4 Following the Fit for the Future consultation, from 1 April 2026, the Fund will be required to prepare strategies on governance, knowledge and training (replacing

the governance compliance statement), and publish these either as separate strategies or as a single document.

- 2.5 The Pension Fund Governance Compliance Statement (**Appendix 3**) sets out how the Council complies with current best practice guidelines regarding the delegation of the Pension Fund.
- 2.6 These documents were presented to the Pension Fund Committee on 21 July 2025.

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3. Communications Strategy

- 3.1 The strategy aims to ensure that everyone with any interest in the Fund should have readily available access to all the information that they require.
- 3.2 Set out in this document are the key communication priorities and the mechanisms and format which will be used to meet those communication needs.
- 3.3 The updates made reflect changes in technology and methods of communication in use and was approved by the Pension Fund Committee on 23 June 2025.
- 3.4 The Communication Strategy can be found in **Appendix 4**.

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4. Audit Plan

- 4.1 The audit plan (**Appendix 5**) sets out the responsibilities and proposed approach of Ernst & Young LLP regarding the audit of the 2024/25 Pension Fund accounts.
- 4.2 The audit plan was presented to the Audit Committee on 18 June 2025. They were asked to approve the plan, subject to its subsequent approval by Suffolk Pension Fund Committee at its meeting on 23 June 2025.

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

Tracey Woods, Head of Pensions

Email: tracey.woods@suffolk.gov.uk Telephone: 01473 265639.

Suffolk Pension Fund Committee

Report Title:	Administration and Management Expenses
Meeting Date:	19 March 2025
Lead Councillor(s):	Councillor Karen Soons
Local Councillor(s):	All Councillors
Director:	Stephen Meah-Sims, Deputy Chief Executive and Executive Director of Corporate Services
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151 Officer)
Author:	Tracey Woods, Head of Pensions Email: tracey.woods@suffolk.gov.uk Tel: 01473 265639

Brief summary of the item to be considered

1. This report sets out the proposed administration and management expenses for the Pension Fund.

Action recommended

2. The Committee is asked to approve the administration budget for 2025-26.

Reason for recommendation

3. The costs incurred by the Pension Fund in managing the Fund are related to administration, investment management, and governance costs. Some of the costs are incurred by Suffolk County Council as administering authority of the Pension Fund.

Alternative options

4. There are no alternative options.

Who will be affected by this decision?

5. The employers of the Fund will be affected if the costs incurred in managing the Fund's activities are not appropriately managed.

Main body of report

Administration Expenses

6. Administrative expenses (shown overleaf) consist of costs relating to activities the pension administration team perform to administer pensions and provide members with scheme and benefit entitlement information.

Agenda Item 14, Appendix 1

7. The Heywood administration software system supports the pensions administration team to fulfil the complex requirements around administering the scheme; such as calculating pension benefits and producing the annual benefit statements. The system holds every pension member's record and history. Ongoing charges are incurred for maintenance of the system and licenses to use it and ongoing costs for i-Connect.

	Budget	Actual	Budget	Forecast	Budget
Administration Expenses	2023-24	2023-24	2024-25	2024-25	2025-26
	£'000	£'000	£'000	£'000	£'000
SCC Admin Costs	1,120	1,212	1,400	1,220	1,265
Heywood System	375	405	760	685	610
Other Expenses	80	51	80	55	60
Total Admin Costs	1,675	1,668	2,240	1,960	1,935

8. The administrative function is a multifaceted service, having to manage increasing numbers of employers, members and manage new regulatory requirements. The Pension Fund needs to invest in the appropriate technological platforms available to assist in effectively managing the administration of the Fund to a high standard and to have appropriately skilled staff to implement new process and meet new statutory requirements.
9. Heywood's system costs increased in 2024-25 when a new contract was put in place due to a one-off licence fee and implementation costs for new modules.
10. Staffing costs for 2025-26 include incremental progression and a 3% cost of living increase as included in the Suffolk County Council budget.

Governance and oversight costs

11. Oversight and governance expenses (shown overleaf) are costs relating to the 'over seeing' of the fund such as actuarial costs, internal and external audit costs and the costs of independent advisers to the Fund. Costs associated with the operation and support of the Pension Fund Committee, the Pension Board and costs associated with reporting (such as committee reports, annual reports and accounts) are also included.
12. ACCESS asset pooling costs represents ongoing costs, these are incurred for advice and guidance on technical issues and costs in running the ACCESS Support Unit. These costs are shared equally by the eleven funds which are members of the ACCESS pool.
13. The significant increase in ACCESS Pool costs for 2025-26 reflects the estimated costs of running the Pool and establishing a built Pool by March 2026. This is the Funds best option to be compliant with the changes outlined in the Governments Pension Investment Review.
14. The difference in actuarial costs between the years is due to the additional fees incurred with the extensive work involved in carrying out the triennial valuation exercise. Work commenced in 2024-25 but the majority of the exercise is carried out during 2025-26.

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15. Other costs include internal audit, external audit, performance data and benchmark data provider.

	Actual	Forecast	Forecast
Governance and oversight costs	2023-24	2024-25	2025-26
	£'000	£'000	£'000
Suffolk County Council costs	170	192	178
Investment Advice	138	134	140
Actuarial costs	100	140	200
Pension Fund Committee	5	11	11
Pension Board	3	5	5
Asset Pooling	146	205	1,255
Other costs	130	171	180
Total Governance and Oversight Costs	692	858	1,969

Investment Management Expenses

16. Investment management expenses are costs related to the management of the fund's assets including directly invoiced fees from investments managers and indirect fees payable to fund managers which are deducted from the fund assets. The fees charged by the previous custodian Northern Trust, are also included.
17. In the Pension Fund accounts, (as per CIPFA guidance), only the fees and expenses that the Fund has a contractual liability for are included, this means that only the management fee charged by Waystone for overseeing the sub-funds that Suffolk are invested in are shown.
18. The additional underlying fees and expenses paid to the investment manager that Waystone has a contractual agreement with, are disclosed in the Annual Report. These costs have however been disclosed in the table below.

	Actual	Forecast	Forecast
Contractual Investment Expenses	2023-24	2024-25	2025-26
	£'000	£'000	£'000
Blackrock	-30	-	-
CBRE		173	1,000
Inhouse	-13	-	-
JP Morgan	1,974	1,741	2,250
KKR	778	383	500
Waystone	373	588	650
M&G	763	757	650
Pantheon	1,054	971	900
Partners	4,527	5,489	5,000
Pyrford	291	183	
Schroders	1,088	1,090	
Stafford			500
UBS	488	529	500
Wilshire	422	409	300
Total Contractual Investment Expenses	11,715	12,313	12,250

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	Actual	Forecast	Forecast
Contractual Investment Expenses	2023-24	2024-25	2025-26
	£'000	£'000	£'000
Other Costs			
Custodian	40	38	38
Transaction Costs	498	855	500
Total Other Costs	538	893	538
Total Contractual Management Expenses	12,253	13,206	12,788
Non Contractual Costs			
Waystone – Blackrock	716	645	552
Waystone - Newton	1,293	905	879
Waystone – M&G	1,655	1,991	1,867
Waystone – Janus Henderson	927	1,269	1,198
Waystone – Columbia Threadneedle	128	313	333
Waystone – Baillie Gifford		538	564
Waystone – Fidelity		64	111
Waystone – Longview		646	889
Total Non Contractual Costs	4,719	6,371	6,393
Total Investment Management Expenses	16,972	19,577	19,181

Notes:

- i) Waystone - Columbia Threadneedle investment commenced in July 2023, transferring from the UBS index tracking emerging market holdings.
- ii) The asset allocation with Newton, Blackrock and UBS Gilts were trimmed over 3 tranches during 2024-25 and new investments were made with Baillie Gifford, Longview and Fidelity.
- iii) New allocations have been made to JP Morgan and Stafford, reducing M&G and Janus Henderson, these will be financed in the main during 2025-26.
- iv) The transaction costs in the main, relates to the dilution levy charged for the purchasing of investments.

Performance Fees

19. Included in the Investment management expenses overleaf for some of the investments are an element of performance fee (below), these can be based on the net asset value breaching the high watermark (highest valuation of the investment) or the returns exceeding a prescribed target.

	Actual	Forecast	Forecast
Performance Fees	2023-24	2024-25	2025-26
	£'000	£'000	£'000
JP Morgan	734	367	400
Partners	895	1,861	1,500
Total Performance Fees	1,629	2,228	1,900

Notes:

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- i) Performance fees may be payable on some of the alternative asset classes such as KKR and Pantheon, but this is difficult to quantify until the whole of the investment has been realised. The estimated Partners and JP Morgan performance fee have been based on current fees and expenses data.

Total costs

20. The costs incurred by the Pension Fund in managing the Fund relate to administration costs, governance and oversight costs and investment costs which are set out in the table below.

	Actual	Forecast	Forecast
Management Expenses	2023-24	2024-25	2025-26
	£'m	£'m	£'m
Administration Costs	1.668	1.960	1.935
Governance and Oversight Costs	0.692	0.858	1.969
Investment Costs	12.253	13.206	12.788
Total Management Expenses	14.613	16.024	16.692
Scheme Assets (£m)	4,253	4,500	4,750
Invest Costs as % of assets	0.29	0.29	0.27
Scheme Membership	73,513	74,000	75,000
Admin Costs per scheme member (£)	22.69	26.49	25.80

21. The investment costs in the table above excludes the non-contractual costs included in the investment management expenses presented earlier in this report.
22. The comparative national figures for management expenses in 2023-24 are published in the SF3 statistical return by the Ministry of Housing, Communities and Local Government (MHCLG) who calculate the unit costs for local authority Pension Funds based on the submissions by the English and Welsh administering authorities.
23. There are five funds which have a similar asset size to the Suffolk Pension Fund, the main figures have been set out below. In addition, the average of the LGPS as a whole and the average of the Pension Funds in the ACCESS Pool have been included for comparison purposes.

Fund	Scheme Assets	No. of Emp	Members	Admin Costs	Gov Costs	Invest Costs	Total Costs
	£'bn			£'000	£'000	£'000	£'000
Fund A	3.721	128	65,421	1,351	1,101	9,346	11,798
Fund B	3.912	310	69,595	2,635	1,001	18,077	21,713
Fund C	3.920	347	82,486	2,338	571	18,046	20,955
Fund D	4.164	454	83,655	3,041	728	29,763	33,532
Fund E	4.249	102	66,357	1,506	1,313	15,094	17,913
Suffolk	4.253	428	73,513	1,668	692	12,253	14,613
Average	4.037	295	73,505	2,090	901	17,097	20,087
LGPS Average	4.606	249	79,293	2,358	1,107	21,519	24,983
ACCESS Ave.	5.891	399	110,359	2,911	1,240	29,289	33,440

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24. These funds have been benchmarked below. It should be noted there has been long standing discrepancies between funds on how costs are reported and as the figures used in the SF3 have not been verified, it is not known how comparable the figures are with those reported by Suffolk.

Fund	Admin cost per Member	Invest Costs	Total Costs
	£	%	%
Fund A	20.65	0.25	0.32
Fund B	37.86	0.46	0.56
Fund C	28.34	0.46	0.53
Fund D	36.35	0.71	0.81
Fund E	22.70	0.36	0.42
Suffolk	22.69	0.29	0.34
Average	28.43	0.42	0.50
LGPS Average	29.73	0.47	0.54
ACCESS Ave.	26.37	0.50	0.57

25. The Suffolk Pension Fund in general, has lower than average costs within the LGPS as a whole and within a peer group of similar asset sized funds.

Sources of further information

- a) SF3 statistical return Ministry of Housing, Communities and Local Government

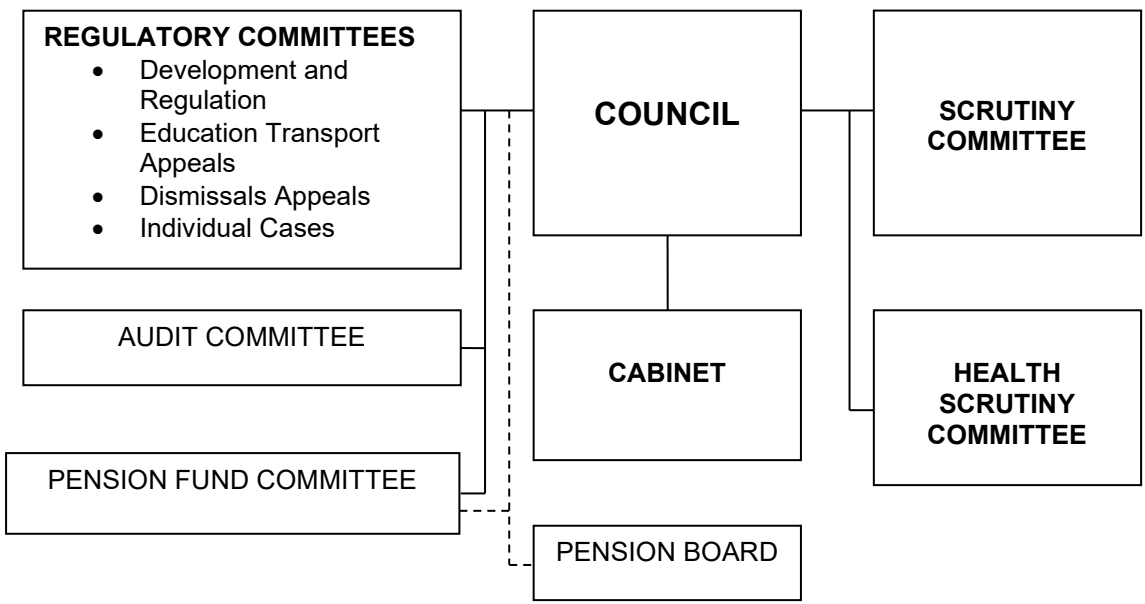
Suffolk Pension Fund
Governance Policy Statement 2023/24

Purpose

1. Pension Fund administering authorities are required to prepare and publish a governance policy statement. The policy statement must set out:
“whether the administering authority delegates its functions in relation to the pension fund to a committee, a sub-committee or an officer of the Council; and where this is the case, details of:
 - (i) the frequency of any committee’s meetings;
 - (ii) the terms of reference, structure and operational procedures in relation to the use of delegated powers;
 - (iii) whether the committee includes representatives of employers or scheme members; and if so, whether they have voting rights.”
2. This policy statement sets out Suffolk County Council’s arrangements for discharging its responsibilities for Pension Fund matters.

Governance of the Suffolk Pension Fund

3. Under the Cabinet structure in local government, management of the Pension Fund is a non-executive function and this is reflected in the Suffolk governance structure that is set out below:



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Pension Fund Committee Terms of Reference

4. The terms of reference for the Pension Fund committee are set out below:
 - (a) To be responsible for the effective and prudent management of the Suffolk Pension Fund, having proper regard to the professional advice that it receives.
 - (b) To approve and maintain the fund's investment strategy statement.
 - (c) To consider and approve the fund's funding strategy statement.
 - (d) To review and set the Pension Fund's asset allocation and investment objectives.
 - (e) To appoint providers of professional services for the Fund and to review from time to time their terms of appointment.
 - (f) To regularly review with the investment advisers, the performance of the Fund and its investment managers and to consider future changes in asset allocation and investment strategy.
 - (g) To consider the results and impact of the triennial actuarial valuation and any interim valuation reports.
 - (h) To publicise their stewardship role to all scheduled and admitted bodies of the Pension Fund and to all contributors and beneficiaries by means of an annual report and annual meeting for employers and other stakeholders.
 - (i) To consider and approve if appropriate, the applications of organisations to be admitted bodies of the fund.
 - (j) To consider any other relevant matters on the administration of the Pension Fund investments.
 - (k) To receive regular training to enable committee members to make effective decisions and be fully aware of their statutory and fiduciary responsibilities and their stewardship role.
 - (l) To be responsible for any other matters which fall within the Council's responsibilities as the administering authority for the Pension Fund.

Membership of Pension Fund Committee

5. The Pension Fund committee will consist of seven county councillors. Its membership will reflect the political balance of the County Council.
6. There will be in addition two co-opted district or borough councillors, with voting rights, who will be nominated annually by the Suffolk Public Sector Leaders Group.
7. There will also be one co-opted scheme member representative, who will have voting rights, and who will be nominated by UNISON. The scheme member representative will represent the interests of employee members, pensioners and deferred pensioners.

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Operational Procedures

8. The committee shall have at least four regular meetings scheduled each year. At these meetings the committee will receive a report on the investment performance of the fund in the quarter.
9. The committee will receive an annual report from the fund's independent performance measurement adviser to review the long-term performance of the fund and the fund's investment managers. In addition, the committee will hold meetings as required, to discuss specific issues, such as the actuarial results, to review the overall investment strategy of the fund and to examine manager performance in greater depth.
10. If a vacancy occurs on the committee, it will not be filled until the nominated member has received appropriate training. Substitutes will only be allowed if they have received appropriate training in the business and responsibilities of the committee.

Communication and Reporting

11. An annual meeting will be held for all employers and stakeholders of the Fund to receive information relating to the activities of the Suffolk Pension Fund and discuss developments relating to the LGPS.
12. The Pension Fund website will publish all relevant documents relating to the Pension Fund, including the Annual Report and Accounts, administrative forms and guides, and all policies.

Pension Board Terms of Reference

13. The role of the Pension Board as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to –
 - a) Assist the Council as Scheme Manager:
 - i. to secure compliance with the Local Government Pension Scheme (LGPS) Regulations and any other legislation relating to the governance and administration of the LGPS;
 - ii. to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator;
 - iii. in such other matters as the LGPS Regulations may specify.
 - b) Secure the effective and efficient governance and administration of the LGPS of the Suffolk Pension Fund

Membership of Pension Board

14. The Board will consist of six members - three Pension Fund employer representatives, and three Pension Fund member representatives. No Board member may also be a member of the Pension Fund committee.

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15. The Council will arrange for the selection of the employer and member representatives, ensuring that any vacancies are advertised appropriately in order to provide an opportunity for all to apply, including those from minority groups.

Operational Procedures

16. The Pension Board is to effectively and efficiently comply with the code of practice on the governance and administration of public service pension schemes.
17. The Pension Board will also help ensure that the Suffolk Pension Fund is managed and administered effectively and efficiently and complies with guidance issued by the Pension Regulator.
18. The Pension Board will receive regular training to enable Board members to make effective decisions and be fully aware of their statutory and fiduciary responsibilities and their stewardship role.
19. The Pension Board shall have access to the Council, Pension Fund committee, or any other body or officer that it considers appropriate, in order to fulfil its obligations.

Responsibilities of the Section 151 Officer (Chief Financial Officer)

20. The Council's Chief Financial Officer, the responsible financial officer under section 151 of the Local Government Act 1972, is responsible for all arrangements concerning the Pension Fund within the scope of the policies that are approved by the Pension Fund committee.
21. The Chief Financial Officer will ensure that the Pension Fund complies with the regulations governing the administration and the investment of the Local Government Pension Fund Scheme as amended from time to time by the Secretary of State for the Ministry of Housing, Communities and Local Government.
22. The Chief Financial Officer will ensure that the Pension Fund complies with Council's Financial Regulations.
23. The Chief Financial Officer has delegated responsibility for the implementation of the CIPFA Code of Practice

ACCESS Investment Pool

24. The Pension Fund is committed to pooling its assets as per the Governments requirements laid out in the Local Government Pension Scheme: investment reform criteria and guidance.

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25. The Pension Fund is a member of ACCESS (A Collaboration of Central, Eastern and Southern Shires) which is made up of 11 LGPS Administering Authorities who are committed to working together to optimise benefits and efficiencies on behalf of their individual and collective stakeholders, operating within a clear set of objectives and principles that drives the decision making process.
26. The ACCESS Pool is not a legal entity in itself but is governed by an Inter Authority Agreement signed by each Administering Authority. The Inter Authority Agreement sets out the terms of reference and constitution of ACCESS.
27. The formal decision-making body within the ACCESS Pool is the Joint Committee. The Joint Committee has been appointed by the 11 Administering Authorities under s102 of the Local Government Act 1972, with delegated authority from the Full Council of each Administering Authority to exercise specific functions in relation to the Pooling of Pension Fund assets.
28. The Joint Committee is responsible for ongoing contract management and budget management for the Pool and is supported by the Officer Working Group and the ACCESS Support Unit (ASU).
29. The Officer Working Group are officers representing the Administering Authorities whose role is to provide a central resource for advice, assistance, guidance and support for the Joint Committee.
30. The ACCESS Support Unit (ASU) provides the day-to-day support for running the ACCESS Pool and has responsibility for programme management, contract management, administration and technical support services. The permanent staff roles within the ASU are employed by the Host Authority (Essex) with additional technical support from Officers of the ACCESS Pension Funds.
31. The Section 151 Officers of each authority provide advice to the Joint Committee and in response to decisions made by the Joint Committee ensure appropriate resourcing and support is available to implement the decisions and to run the ACCESS Pool.
32. Strategic oversight and scrutiny responsibilities remain with the Administering Authorities as does all decision making on their individual Funds asset allocation and the timing of transfers of assets from each Fund into the arrangements developed by the ACCESS Pool.

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GOVERNANCE POLICY STATEMENT

COMPLIANCE WITH BEST PRACTICE GUIDELINES

BEST PRACTICE GUIDELINES		SUFFOLK COUNTY COUNCIL POLICY	COMPLIANT?
STRUCTURE			
1	The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	<i>Suffolk County Council has delegated the management of the Suffolk Pension Fund to the Pension Fund committee.</i>	Yes
2	That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	<p><i>The Pension Fund committee includes two representatives of participating district council employers and a representative of scheme members nominated by UNISON. The Pension Fund committee does not include representatives of other scheduled bodies (e.g. further education colleges), admitted bodies, or specific representatives of either pensioners or deferred members.</i></p> <p><i>No changes to the current arrangements for representation of participating employers are proposed, as the committee has alternative channels of communication for reporting to employers on its stewardship of the Pension Fund.</i></p>	Partially compliant

BEST PRACTICE GUIDELINES	SUFFOLK COUNTY COUNCIL POLICY	COMPLIANT?
3 That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	<i>Not applicable * (see note)</i>	Not applicable
4 That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	<i>Not applicable * (see note)</i>	Not applicable
<p>REPRESENTATION</p> <p>5 That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include :-</p> <ul style="list-style-type: none"> i) employing authorities (including non-scheme employers, e.g., admitted bodies); ii) scheme members (including deferred and pensioner scheme members); iii) independent professional advisers, and iv) expert advisers (on an ad-hoc basis). 	<p><i>The Pension Fund committee does not include representatives of all scheme employers or of deferred members and pensioners.</i></p> <p><i>No changes to the current arrangements for representation of participating employers are proposed, as the committee has alternative channels of communication for reporting to employers on its stewardship of the Pension Fund.</i></p> <p><i>The committee agreed at its meeting on 15 November 2007 to adopt a standing role for its investment advisers, Hymans Robertson, in attending future committee meetings. The activities which the CLG envisage might be undertaken by an independent observer are covered by the terms of reference for Hymans Robertson. In addition, the Pension Fund committee has engaged the services of an independent investment adviser who also attends the committee meetings.</i></p>	Partially compliant

BEST PRACTICE GUIDELINES	SUFFOLK COUNTY COUNCIL POLICY	COMPLIANT?
<p>6 That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers, meetings and training and are given full opportunity to contribute to the decision making process, with or without voting rights.</p>	<p><i>All Pension Fund committee members have equal access to all papers and meetings, are able to participate in training, and are able to contribute to the committee's decision-making process.</i></p>	<p>Yes</p>
<p>SELECTION AND ROLE OF LAY MEMBERS</p> <p>7 That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.</p> <p>VOTING</p> <p>8 The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.</p>	<p><i>All Pension Fund committee members are given training on their responsibilities and are aware of the terms of reference and remit of the Pension Fund committee.</i></p> <p><i>The co-opted elected district councillor representatives and the co-opted employee representative on the Pension Fund committee have voting rights. The Council set out its policy on voting rights for co-opted members in the report on the Governance Policy Statement to Suffolk County Council on 27 March 2008.</i></p>	<p>Yes</p>

BEST PRACTICE GUIDELINES	SUFFOLK COUNTY COUNCIL POLICY	COMPLIANT?
<p>TRAINING/ FACILITY TIME/ EXPENSES</p> <p>9 That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.</p> <p>10 That where such a policy exists, it applies equally to all members of committee, sub-committees, advisory panels or any other form of secondary forum.</p>		<p>Yes</p> <p>Not applicable</p>
<p>MEETINGS (FREQUENCY/QUORUM)</p> <p>11 That an administering authority's main committee or committees meet at least quarterly.</p> <p>12 That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.</p> <p>13 That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented</p>		<p>Yes</p> <p>Not applicable</p> <p>Yes</p>

BEST PRACTICE GUIDELINES	SUFFOLK COUNTY COUNCIL POLICY	COMPLIANT?
<p>ACCESS TO INFORMATION, DOCUMENTS AND ADVICE</p> <p>14 That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.</p>	<p><i>All Pension Fund committee members have equal access to all papers and meetings.</i></p>	<p>Yes</p>
<p>SCOPE</p> <p>15 That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements</p> <p>PUBLICITY</p> <p>16 That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.</p>	<p><i>The Pension Fund committee's terms of reference include all matters that fall within the Council's responsibility as the administering authority for the Pension Funds.</i></p> <p><i>The Pension Board's terms of reference include all matters regarding compliance with the code of practice in the governance of public service schemes issued by the Pension Regulator</i></p> <p><i>The Pension Fund Governance Policy Statement is published on the Suffolk Pension Fund website.</i></p>	<p>Yes</p> <p>Yes</p>

Note: A number of administering authorities manage the discharge of their responsibilities for the Pension Fund through an investment panel, or some other form of secondary committee. The Suffolk Pension Fund Committee is a main committee of the Council, formally constituted under section 101 of the Local Government Act 1972. Therefore references to arrangements where secondary committees or panels are in place are not relevant to the Council.

Suffolk Pension Fund Communication Strategy

The Suffolk Pension Fund liaises with over 340 employers and around 75,000 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, up to date and delivered on a timely basis.

Delivery

When deciding how to communicate, the Fund takes into consideration the audience and aims to use the most appropriate means of communication for the recipients of the information. The fund will:

- use the most efficient and effective delivery media for each communication
- make all communications available in another language upon request.
- Make use of digital communication methods wherever possible.

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 the Engage member self-service facility (www.pensions.suffolk.gov.uk)

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, links to related sites such as www.lgpsmember.org and contact information.

The website material is recorded and reviewed to ensure it is current and up to date.

The Engage self-service system for members allows them to access their pension information, update their contact details and nominations, obtain and upload documents and run various calculations in respect of their future predicted pension benefits. Pensioner members can also view their payslips and P60's.

Electronic means of communicating are complemented by paper-based communication where appropriate. In person and online meetings, either one-to-one or groups are also provided.

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 Employer and 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. Factsheets are produced as required on specific topics.

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. For 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.

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 Helpdesk

The helpdesk has a dedicated email box pensions@suffolk.gov.uk and helpline for scheme members. The team support members on all areas of membership and benefits.

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



Active Members

There are close to 24,000 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 and other membership benefits are valuable.
- 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.

A biannual newsletter covers the key messages, relevant updates about the scheme and an update from either the Pension Board active member or union representative.

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 and keeping pace with inflation.
- They will be informed 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 21,000 members, this includes retired members, spouses, eligible partners and children of deceased members.

Key Messages

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

A biannual newsletter covers the key messages, relevant updates about the scheme and an update from the Pension Board pensioner representative.



Communication with Scheme Employers and Promotion of the Scheme to Prospective Members

There are over 340 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. The Fund also works with employers to encourage prospective members to join.

Key Messages

- A 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.

A biannual newsletter covers the key messages and relevant updates about the scheme to ensure employers are kept fully informed.

Employers are invited to attend an annual employers meeting, held either virtually or in person. This provides an opportunity to hear from and ask questions of pension fund officers, committee and board members, and advisers.

Employers are issued a valuation report every three years setting out the estimated assets and liabilities of the Fund as a whole and for the employer. This also provides them with the employer contribution rates for a three-year period commencing one year from the valuation date.

Other Interested Parties

There is a wide range of other parties who have a legitimate interest in the Fund. These include council taxpayers, 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.

The Fund will issue press releases or respond to questions setting out the Fund's position on matters raised by these parties as appropriate. The Pension Fund Annual Report and Accounts is relevant to all interested parties as it provides details of the value of the Pension Fund during the financial year, income and expenditure. It also provides information about investments, scheme employers and membership numbers.

Suffolk Pension Fund

Provisional Audit Planning Report
Year ended 31 March 2025
30 April 2025





Private and Confidential

30 April 2025

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

Dear Audit Committee / Pension Fund Committee Members,

Provisional Audit Planning Report

Attached is the audit planning report for the upcoming meeting of the Audit Committee. This report aims to provide the Audit Committee of Suffolk Pension Fund (the Fund) with a basis to review the proposed audit approach and scope for the 2024/25 audit. This is in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2024 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards, and other professional requirements. This report summarises our evaluation of the key issues driving the development of an effective audit. We have aligned our audit approach and scope accordingly. The report also addresses the broader impact of Government proposals aimed at establishing a sustainable local audit system.

As the Fund's body charged with governance, the Audit Committee plays a crucial role in ensuring assurance over both the quality of the draft financial statements prepared by management and the Fund's wider arrangements to support a timely and efficient audit. Failure to achieve this will affect the level of resources required to fulfil our responsibilities. We will report on any issues identified in the Fund's external financial reporting arrangements as part of our Audit Results Reports and communications with those charged with governance. We direct Audit Committee members and officers to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) for expectations on preparing financial statements (see Appendix A).

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

We welcome the opportunity to discuss this report with you on 18 June 2025 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

David Riglar

For and on behalf of Ernst & Young LLP

Enc

Contents

- 1 Overview of our 2024/25 audit strategy
- 2 Audit risks
- 3 Audit materiality
- 4 Scope of our audit
- 5 Audit team
- 6 Audit timeline
- 7 Independence
- 8 Appendices

Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA (<https://www.psaa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/>) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice 2024 (the NAO Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

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



01 2024/25 audit strategy overview

2024/25 audit strategy overview

Context

Timely, high-quality financial reporting and audit of local bodies play a crucial role in our democratic system. It aids in effective decision-making by local bodies and ensures transparency and accountability to local taxpayers. There is a consensus that the delay in publishing audited financial statements by local bodies has reached an unacceptable level, and it is acknowledged that cooperation among all stakeholders in the sector is necessary to address this issue. The reasons for the backlog are well-documented and include:

- Insufficient capacity within the local authority financial accounting profession.
- Increased complexity of reporting requirements within the sector.
- Insufficient capacity within audit firms with public sector experience.
- Heightened regulatory pressure on auditors, leading to an expanded scope and extent of audit procedures performed.

The Ministry for Housing, Communities and Local Government (MHCLG) has collaborated with the Financial Reporting Council (FRC) and other system partners to develop and implement measures to address the backlog. SI 2024/907, along with the NAO Code and the Local Authority Reset and Recovery Implementation Guidance, have been created to ensure auditor compliance with International Standards on Auditing (UK) (ISAs (UK)). In February 2025, responsibilities for leadership of the local audit system transferred from the FRC back to MHCLG. This change follows the December 2024 launch of the Government's strategy for reforming the local audit system in England, which includes plans to establish a Local Audit Office. The approach to addressing the backlog consists of three phases:

- Phase 1: Reset; clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024. This is largely complete.
- Phase 2: Recovery from Phase 1; from 2023/24, use backstop dates to prevent a recurrence of the backlog and allow assurance to be rebuilt over multiple audit cycles. The backstop date for the audit of the 2024/25 financial statements is 27 February 2026. Auditors are waiting for guidance from the system leader to effectively, efficiently and consistently build back assurance over disclaimed audit periods.
- Phase 3: Reform; involving addressing systemic challenges in the system and embedding timely financial reporting and audit.

2024/25 audit strategy overview (cont'd)

Responsibilities of management and those charged with governance

The Section 151 Officer of the Administering Body, Suffolk County Council, is responsible for preparing financial statements of the Fund in accordance with proper practices and confirming that they give a true and fair view as of the 31 March 2025. To complete the audit in a timely and efficient manner, it is essential that the financial statements are supported by high-quality working papers and audit evidence, and that Council resources are available to support the audit process within agreed deadlines. The Audit Committee has an essential role in ensuring that it has assurance over both the quality of the financial statements and the Council's wider arrangements to support the delivery of a timely and efficient audit. Where these conditions are not met, we will:

- Consider and report on the adequacy of the Fund's external financial reporting arrangements as part of our Audit Results Report and other communications with those charged with governance.
- Assess the impact on available audit resource and where additional resources are deployed, seek a fee variation from PSAA. We have set out the factors that will lead to a fee variation at Appendix B, together with, at Appendix A, paragraphs 26-28 of PSAA's Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements.

2024/25 audit strategy overview (cont'd)

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

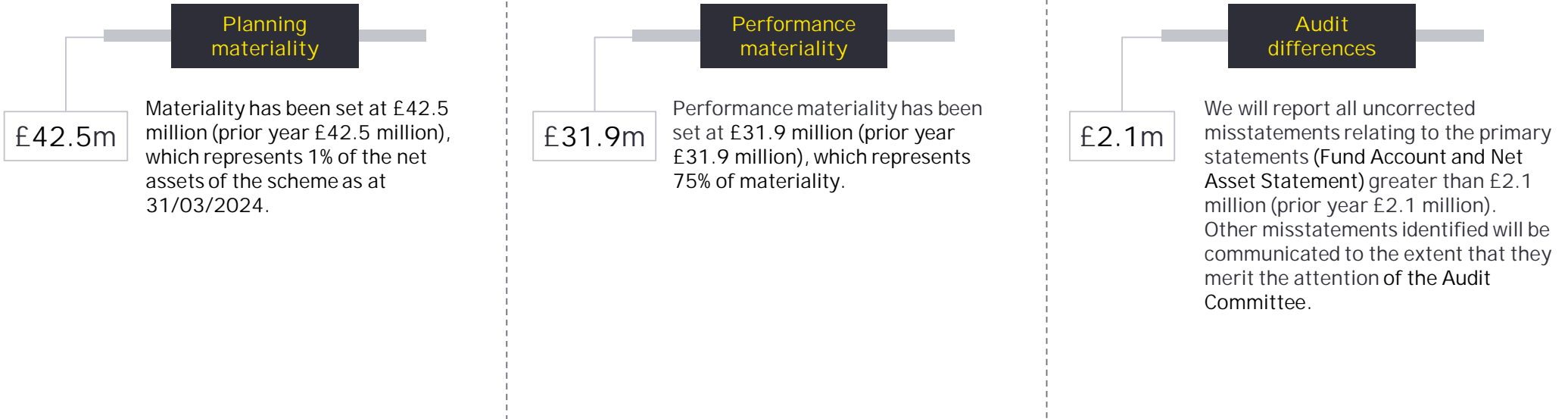
Audit risks and areas of focus

Risk/area of focus	Risk identified	Change from PY	Details
Presumptive risk of management override of controls	Fraud risk	No change in risk or focus	There is a risk that the financial statements as a whole are not free from material misstatement whether caused by fraud or error. We perform mandatory procedures regardless of specifically identified fraud risks.
Valuation of Hard to Value Investments (Level 3 Investments)	Significant risk	No change in risk or focus	<p>The Fund's Investments includes a significant balance of Hard to Value Level 3 investments such as unquoted pooled investment vehicles, property and private equity. The Pension Fund held Level 3 assets valued at £956 million as at 31 March 2024 per the audited 2023/24 accounts. Judgements are taken by Investment Managers to value those investments whose prices are not publicly available.</p> <p>There is a risk that these are materially misstated given the complexity of the measurement and degree of estimation involved.</p>
IAS26 Disclosure – Actuarial Present Value of Promised Retirement Benefits	Other area of audit focus	No change in risk or focus	<p>Every three years, a formal valuation of the whole Fund is carried out under the Local Government Pension Scheme Regulations 2013 to assess and examine the ongoing financial position of the Fund. The last fund valuation was 31 March 2022 as the fund's liability was recalculated by the actuary and was used to set employer contribution rates and underpin investment management strategy.</p> <p>IAS26 requires post-employment benefits plans to disclose annually the basis used to determine the actuarial present value of promised retirement benefits, including demographic and financial key assumptions.</p> <p>The estimate is based on a roll-forward of data from the previous triennial valuation, updated where necessary, and takes into account various factors such as mortality rates and expected pay rises along with other assumptions around inflation and investment yields.</p> <p>We consider there is a risk around the estimation process, data used and assumptions used by the actuary when estimating the Actuarial Present Value of Promised Retirement Benefits.</p>

We will continue to keep the Audit Committee updated on our assessment of any changes to audit risk.

2024/25 audit strategy overview (cont'd)

Materiality



We will continue to keep the Audit Committee updated on our assessment of any changes to audit risk.

2024/25 audit strategy overview (cont'd)

Audit scope

This audit planning report covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements of Suffolk Pension Fund (the Pension Fund) give a true and fair view of the financial transactions during the year ended 31 March 2025 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2025; and
- Our opinion on the consistency of the Pension Fund financial statements within the Pension Fund annual report with the published financial statements of Suffolk County Council.

Our audit will also include the required mandatory procedures in accordance with applicable laws and auditing standards.

When planning the audit we consider several key inputs:

- strategic, operational and financial risks relevant to the financial statements;
- developments in financial reporting and auditing standards;
- the quality of systems and processes;
- changes in the business and regulatory environment; and
- management's views on all the above.

By considering these inputs, our audit is focused on the areas that matter, and our feedback is more likely to be relevant.

Considering the above, our professional duties require us to independently assess audit risks and take appropriate actions. The Terms of Appointment with the PSAA permit fee adjustments based on 'the auditor's assessment of risk and the work needed to meet their professional responsibilities'. Therefore, we outline these risks in this audit planning report and will discuss any impact on the proposed scale fee with management.

2024/25 audit strategy overview (cont'd)

Audit scope (cont'd)

Effects of climate-related matters on financial statements

Public interest in climate change is growing. We recognize that climate-related risks may span a long timeframe, and while these risks exist, their impact on the current financial statements may not be immediately significant. However, it remains essential to understand these risks to conduct a proper evaluation. Additionally, comprehending climate-related risks may be pertinent in the context of qualitative disclosures in the notes to the financial statements.

We inquire about climate-related risks during every audit as part of our understanding of the entity and its environment. As we continually re-evaluate our risk assessments throughout the audit, we consider the information obtained to help us assess the level of inherent risk.

Audit approach

We plan to adopt a substantive audit approach.

Timeline

An audit timetable has been agreed with management. In Section 6 we include a provisional timeline for the audit. It is essential that all parties collaborate to ensure compliance with this timeline.



02 Audit risks

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.



What is the risk?

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

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

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

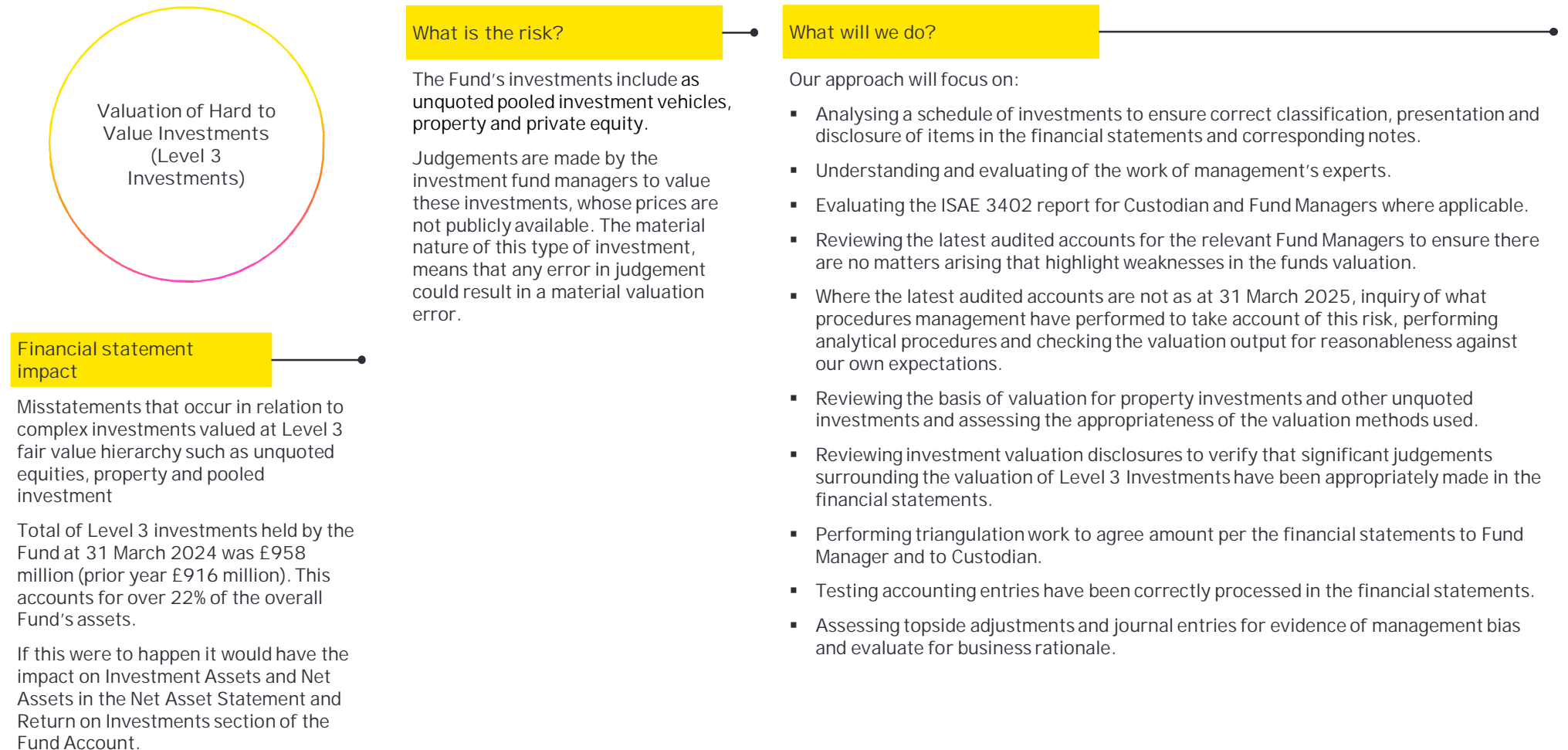
What will we do?

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

Having evaluated this risk we have considered whether we need to perform other audit procedures not referred to above. We concluded that no other procedures are required.

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.



Other areas of audit focus example area of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus, and the key judgements and estimates?

IAS26 Disclosure – Actuarial Present Value of Promised Retirement Benefits

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

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

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

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

Our response: Key areas of challenge and professional judgement

We will:

- Assess the work of the pension fund actuary including the assumptions they have used by relying on the work of the Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considering any relevant reviews by the EY actuarial team; and
- Evaluate the reasonableness of the Pension Fund actuary's calculations by comparing them to the outputs of our own auditor's specialist's model

What else will we do?

We will also ensure that the IAS 26 disclosure is in line with the relevant standards and consistent with the valuation provided by the Actuary.

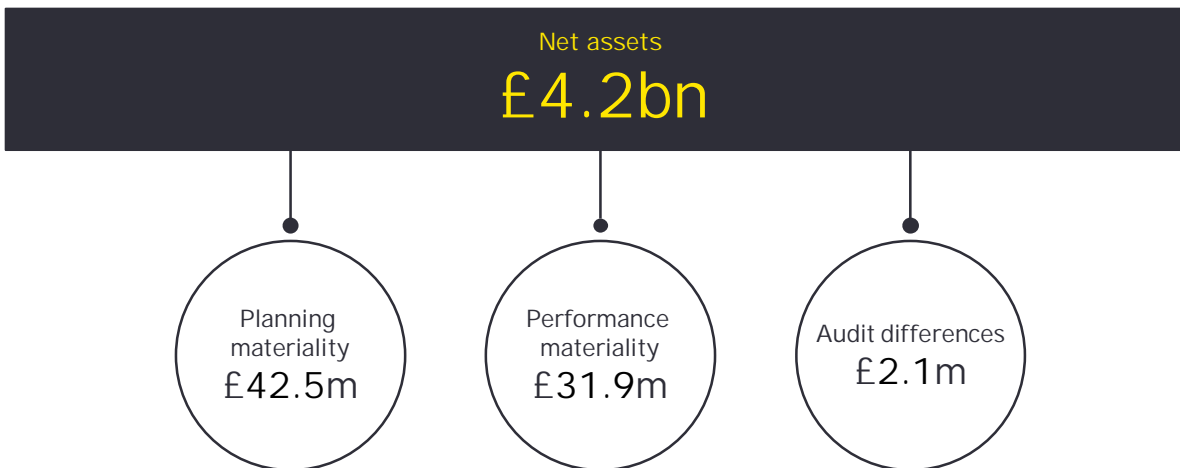


03 Audit materiality

Materiality

Materiality

For planning purposes, materiality for 2024/25 has been set at £42.5 million (prior year £42.5 million). This represents 1% of the Pension Fund's net assets as at 31/03/2024. It will be reassessed on the receipt of the 2024/25 draft financial statement and throughout the audit process. In an audit of a Pension Fund, we consider the net assets to be the appropriate basis for setting the materiality as they represent the best measure of the schemes' ability to meet obligations rising from the pension liabilities.



We will keep the Audit Committee updated on any changes to materiality levels as the audit progresses.

We request that the Audit Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality – the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £31.9 million (prior year £31.9 million) which represents 75% of materiality.

Audit difference threshold – we propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the Fund Account and Net Asset Statement.

Other uncorrected misstatements, such as reclassifications and misstatements in disclosures and corrected misstatements will be communicated to the extent that they merit the attention of the audit committee or are important from a qualitative perspective.



04 Scope of our audit

Audit process and strategy

Objective and Scope of our Audit scoping

In accordance with the NAO Code, our primary objectives are to conduct work that supports the delivery of our audit report to the Council. We issue an audit report that covers:

1. Financial statement audit

Our opinion on the financial statements:

- Whether the financial statements give a true and fair view of the Fund Account and Net Asset Statement for the Pension Fund for the period in question, including on the consistency of the Pension Fund financial statements within the Pension Fund Annual Report with the published financial statements of Suffolk County Council; and
- Whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction.

Our opinion on other matters:

- Whether other information published together with the audited financial statements is consistent with the financial statements.

Other procedures required by the Code:

- Reviewing and reporting on matters on which we report by exception as required.

Audit process and strategy (cont'd)

Audit Process Overview

Our audit involves:

- Identifying and understanding the key processes and internal controls; and
- Substantive tests of detail of transactions and amounts.
- Reliance on the work of other auditors where appropriate;
- Reliance on the work of experts in relation to areas, such as valuation of the Pension Fund.

Our initial assessment of the key processes across the Fund has not identified any processes where we will seek to test key controls, either manual or IT. Our audit strategy will, as in previous years, follow a fully substantive approach. This will involve testing the figures within the financial statements rather than looking to place reliance on the controls within the financial systems. We assess this as the most efficient way of carrying out our work and obtaining the level of audit assurance required to conclude that the financial statements are not materially misstated.

Analytics

We will use a data driven approach to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- Give greater likelihood of identifying errors than random sampling techniques.

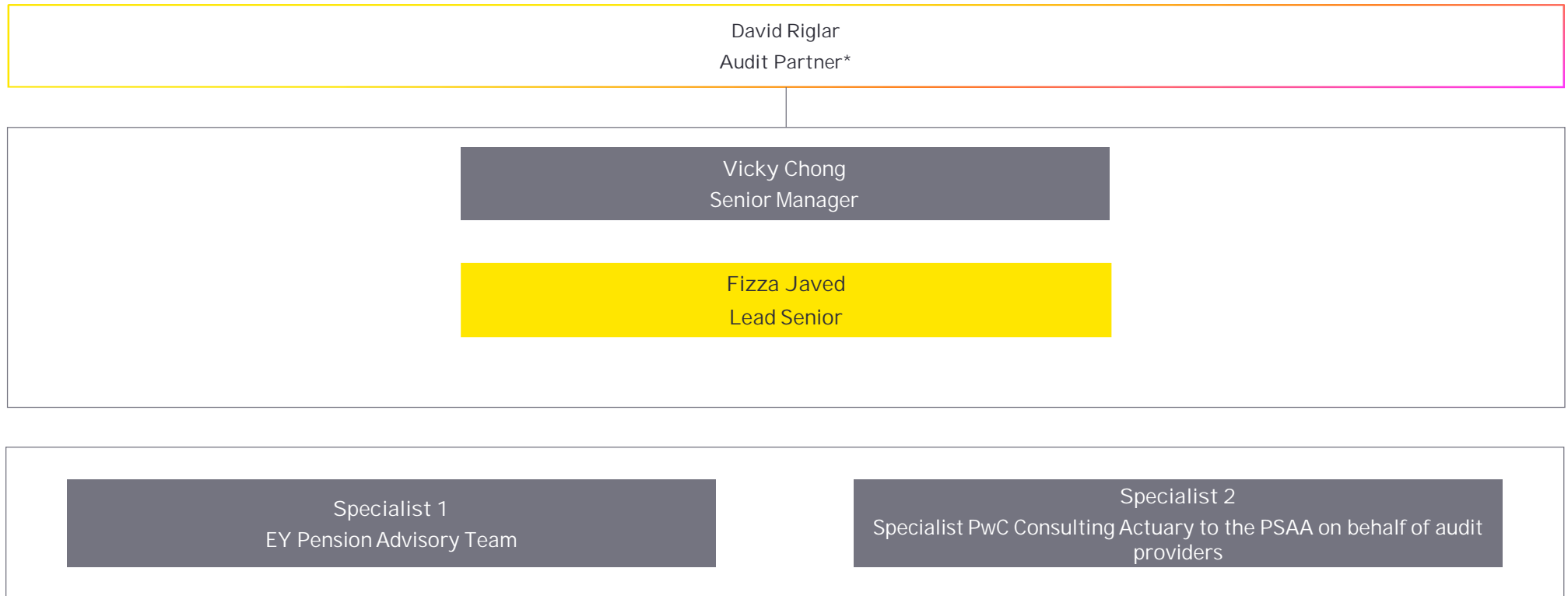
Internal audit

We will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.



05 Audit team

Audit team



* Key Audit Partner

Use of specialists

When auditing key judgements, we are often required to use the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where EY specialists are expected to provide input for the current year audit are:

Area	Specialists
Pension Fund Valuation and Disclosures	Management specialist – Hymans Robertson (Suffolk Pension Fund’s Actuary) EY specialist – EY Pensions Advisory, PwC (Consulting Actuary to the PSAA)
Investment valuation	Management specialist – Pension Fund’s Custodian and Fund Managers

In accordance with Auditing Standards, we will evaluate each specialist’s professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Fund’s business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable
- Assess the reasonableness of the assumptions and methods used
- Consider the appropriateness of the timing of when the specialist carried out the work
- Assess whether the substance of the specialist’s findings are properly reflected in the financial statements

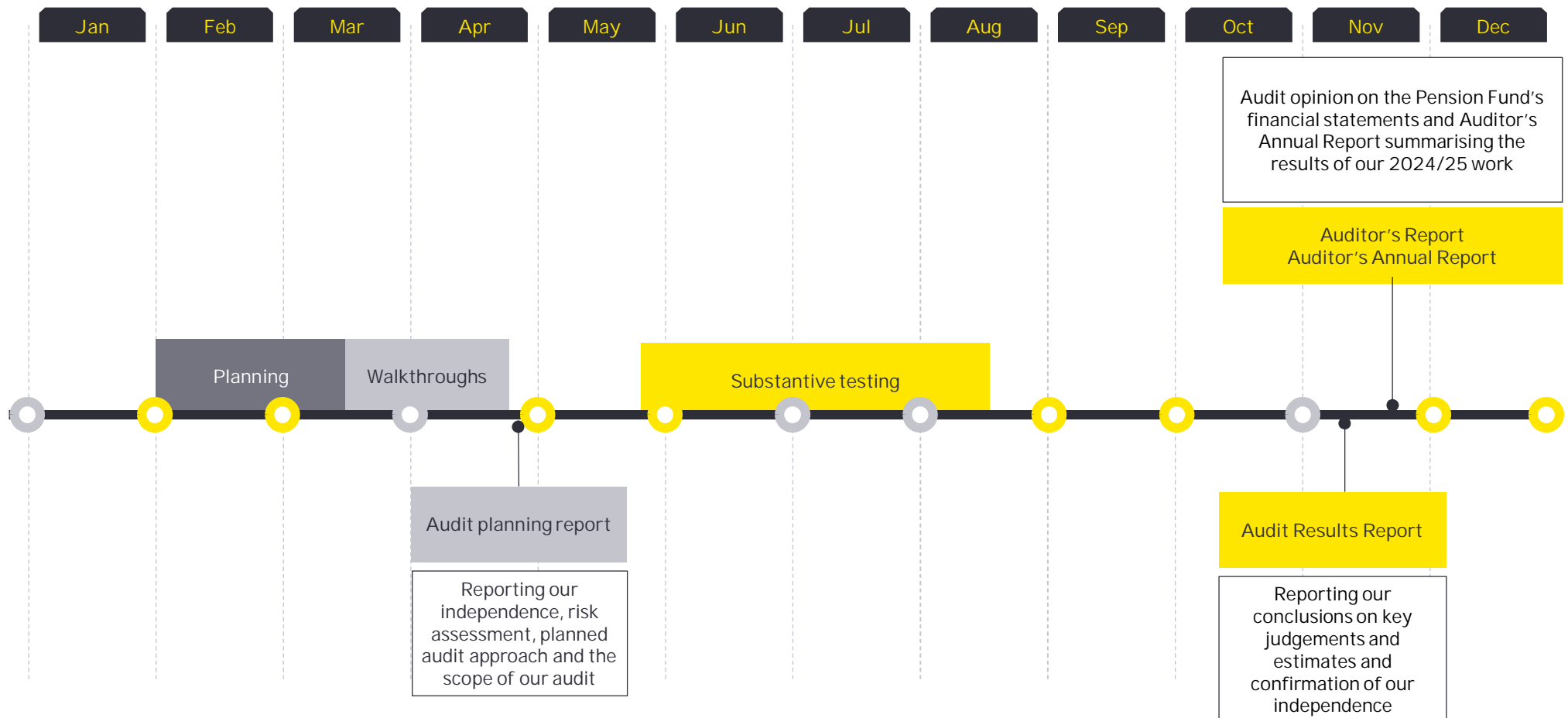


06 Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the 2024/25 audit cycle. From time to time matters may arise that require immediate communication with the Audit Committee and we will discuss them with the Audit Committee Chair as appropriate.





07 Independence

Introduction

The FRC Ethical Standard 2024 and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications	
Planning stage	Final stage
<ul style="list-style-type: none"> The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us; The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review; The overall assessment of threats and safeguards; Information about the general policies and process within EY to maintain objectivity and independence The IESBA Code requires EY to provide an independence assessment of any proposed non-audit service (NAS) to the PIE audit client and will need to obtain and document pre-concurrence from the audit committee/those charged with governance for the provision of all NAS prior to the commencement of the service (i.e., similar to obtaining a "pre-approval" to provide the service). All proposed NAS for PIE audit clients will be subject to a determination of whether the service might create a self-review threat (SRT), with no allowance for services related to amounts that are immaterial to the audited financial statements. 	<ul style="list-style-type: none"> In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; Details of non-audit/additional services provided and the fees charged in relation thereto; Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us; Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy; Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence (for breaches of the FRC Ethical Standard include details of its significance); and An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of David Riglar, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in the Council. Examples include where we have an investment in the Council; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake those permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2024 (FRC ES), and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES and the services have been approved in accordance with your policy on pre-approval. In addition, when the ratio of non-audit fees to audit fees exceeds 1:1, we are required to discuss this with our Ethics Partner, as set out by the FRC ES, and if necessary agree additional safeguards or not accept the non-audit engagement. We will also discuss this with you.

At the time of writing, there are no non-audit fees. No additional safeguards are required.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with FRC ES Section 4.

There are no other self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your company. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

Other communications

EY Transparency Report 2024

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2024 and can be found here: [EY UK 2024 Transparency Report](#).



08 Appendices

Appendix A – PSAA Statement of Responsibilities

As set out on the next page our fee is based on the assumption that the Pension Fund complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Pension Fund should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements. We set out these paragraphs in full below:

Preparation of the statement of accounts

26. Audited bodies are expected to follow Good Industry Practice and applicable recommendations and guidance from CIPFA and, as applicable, other relevant organisations as to proper accounting procedures and controls, including in the preparation and review of working papers and financial statements.

27. In preparing their statement of accounts, audited bodies are expected to:

- Prepare realistic plans that include clear targets and achievable timetables for the production of the financial statements;
- Ensure that finance staff have access to appropriate resources to enable compliance with the requirements of the applicable financial framework, including having access to the current copy of the CIPFA/LASAAC Code, applicable disclosure checklists, and any other relevant CIPFA Codes.
- Assign responsibilities clearly to staff with the appropriate expertise and experience;
- Provide necessary resources to enable delivery of the plan;
- Maintain adequate documentation in support of the financial statements and, at the start of the audit, providing a complete set of working papers that provide an adequate explanation of the entries in those financial statements including the appropriateness of the accounting policies used and the judgements and estimates made by management;
- Ensure that senior management monitors, supervises and reviews work to meet agreed standards and deadlines;
- Ensure that a senior individual at top management level personally reviews and approves the financial statements before presentation to the auditor; and
- During the course of the audit provide responses to auditor queries on a timely basis.

28. If draft financial statements and supporting working papers of appropriate quality are not available at the agreed start date of the audit, the auditor may be unable to meet the planned audit timetable and the start date of the audit will be delayed.

Appendix B – Fees

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

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

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

The agreed fee presented is based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our financial statement opinion being unqualified;
- Appropriate quality of documentation is provided by the Fund;
- An effective control environment; and
- Compliance with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Pension Fund should have regard to paragraphs 26 - 28 of the Statement of Responsibilities which clearly sets out what is expected of audited bodies in preparing their financial statements. These are set out in full on the previous page.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Pension Fund in advance.

	2024/25 Current Year	2023/24 Prior Year
	£	£
Code Work – scale fee	103,586	92,340
Proposed scale fee variation	TBC (Note 2)	22,646 (Note 1)
Total fees	103,586	114,986

All fees exclude VAT

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

- IAS19 protocol work = £6,922 (Pension Fund can recharge this fee to the relevant admitted bodies)
- The revisions to IAS315 = £9,500
- Inherent risk in relation to IAS26 actuarial valuation = £6,224

(2) The scale fee may be impacted by a range of other factors which will result in additional work, which include but are not limited to:

- Non-compliance with law and regulation with an impact on the financial statements.
- Prior period adjustments.

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

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

Appendix C – Required communications with the Audit Committee

We have detailed the communications that we must provide to the audit committee.

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	<p>Communication of:</p> <ul style="list-style-type: none"> ▪ The planned scope and timing of the audit ▪ Any limitations on the planned work to be undertaken ▪ The planned use of internal audit ▪ The significant risks identified <p>When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team</p>	Provisional Audit Planning Report – 18 June 2025 Audit Committee
Significant findings from the audit	<ul style="list-style-type: none"> ▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Significant matters, if any, arising from the audit that were discussed with management ▪ Written representations that we are seeking ▪ Expected modifications to the audit report ▪ Other matters if any, significant to the oversight of the financial reporting process 	Audit results report – Date TBC

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

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> Whether the events or conditions constitute a material uncertainty Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements The adequacy of related disclosures in the financial statements 	Audit results report – Date TBC
Misstatements	<ul style="list-style-type: none"> Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation The effect of uncorrected misstatements related to prior periods A request that any uncorrected misstatement be corrected Material misstatements corrected by management 	Audit results report – Date TBC
Fraud	<ul style="list-style-type: none"> Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity Any fraud that we have identified or information we have obtained that indicates that a fraud may exist Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud Any other matters related to fraud, relevant to Audit Committee responsibility 	Audit results report – Date TBC

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

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▪ Non-disclosure by management ▪ Inappropriate authorisation and approval of transactions ▪ Disagreement over disclosures ▪ Non-compliance with laws and regulations ▪ Difficulty in identifying the party that ultimately controls the entity 	Audit results report – Date TBC
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence</p> <ul style="list-style-type: none"> ▪ Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence <p>Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Provisional Audit Planning Report – 18 June 2025 Audit Committee</p> <p>Audit results report – Date TBC</p>

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

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	<ul style="list-style-type: none"> Management's refusal for us to request confirmations Inability to obtain relevant and reliable audit evidence from other procedures 	Audit results report – Date TBC
Consideration of laws and regulations	<ul style="list-style-type: none"> Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	Audit results report – Date TBC
Internal controls	<ul style="list-style-type: none"> Significant deficiencies in internal controls identified during the audit 	Audit results report – Date TBC
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report – Date TBC
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	Audit results report – Date TBC
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report – Date TBC
Auditors report	<ul style="list-style-type: none"> Key audit matters that we will include in our auditor's report Any circumstances identified that affect the form and content of our auditor's report 	Audit results report – Date TBC

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Suffolk Pension Board Forward Work Programme

Purpose

The purpose of this forward work programme is to support the Pension Board in promoting and strengthening corporate governance across the Council.

Terms of reference

The terms of reference of the Suffolk Pension Board are:

- a) to secure compliance with the Local Government Pension Scheme (LGPS) regulations and any other legislation relating to the governance and administration of the LGPS
- b) to secure compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator
- c) to secure the effective and efficient governance and administration of the LGPS for the Suffolk Pension Fund
- d) in such other matters as the LGPS regulations may specify
- e) to provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest

Meeting date (see Note)	Date added	Subject	Short description	How is it anticipated the Committee will deal with this issue?
Tuesday 17 October 2025	Added 7 March 2025	Complaints, Compliments and Administration Performance	To receive a report on the administration performance of the fund, including complaints and compliments.	Written Report
	Added 7 March 2025	Government Pension Review	To update on the Government Pension Review	Written Report
	Added 7 March 2025	Pension Dashboard	To receive a report on progress with connection to the Pension Dashboard	Written Report
	Added 7 March 2025	Triennial Valuation Update	To receive a report on progress with the Triennial Valuation	Written Report
	Added 7 March 2025	Recent Developments	To receive an information bulletin covering recent developments that the Board has an interest in.	Written Report
	Added 29 July 2025	Annual Report and Accounts	To receive the Annual Reports & Accounts for 2024-25	Written Report
	Added 29 July 2025	Pension Board Risk Register	To review the Pension Board Risk Register	Written Report
Tuesday 10 December 2025	Added 29 July 2025	Complaints, Compliments and	To receive a report on the administration performance of the fund,	Written Report

Meeting date (see Note)	Date added	Subject	Short description	How is it anticipated the Committee will deal with this issue?
		Administration Performance	including complaints and compliments.	
	Added 7 March 2025	McCloud Update	To receive a report on progress with implementing the McCloud remedy	Written Report
	Added 7 March 2025	Gender Pension Gap Analysis	To receive a report on the Gender Pension Gap	Written Report
	Added 29 July 2025	Government Pension Review	To update on the Government Pension Review	Written Report
	Added 29 July 2025	Recent Developments	To receive an information bulletin covering recent developments that the Board has an interest in.	Written Report

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

If you have any questions or queries, please contact Tracey Woods. Email: tracey.woods@suffolk.gov.uk, Telephone: 01473 265639.

Revised: July 2025

Items for consideration/scheduling:

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