Suffolk County Council

Suffolk Pension Board

(Quorum 2 – 1 member of each representative group)

Scheme Employer Representatives:

Councillor Richard Smith MVO, representing Suffolk County Council.

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

Thomas Jarrett, representing all other employers in the Fund.

Scheme Member Representatives:

Pauline Bacon, representing the Unions.

Richard Blackwell, representing Pensioners.

Kay Davidson, representing Active Members.

Date: Wednesday, 4 December 2024

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

Time: 11:00 am

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

Business to be taken in public:

1.	**Apologies for Absence** To note and record any apologies for absence.	
2.	**Declarations of Interest and Dispensations** To receive any declarations of interests, and the nature of that interest, in respect of any matter to be considered at this meeting.	
3.	**Minutes of the Previous Meeting** To approve as a correct record, the minutes of the meeting held on 16 October 2024.	Pages 5-11
4.	**Pensions Administration Performance** To receive a report summarising the compliments, complaints and administration performance of the Fund.	Pages 13-16
5.	**Government Pension Review** To provide an update on the Government Pension Review.	Pages 17-42
6.	**Path to Net Zero** To receive a report on how the fund is going to achieve Net Zero.	Pages 43-53
7.	**Administration System Contract** To provide an update on the new contract.	Pages 55-56
8.	**ACCESS Pool update** To receive a verbal update on the progress of the ACCESS pool.	*No papers*
9.	**Information Bulletin** To receive an information bulletin on some recent developments that will be of interest to the Board.	Pages 57-66
10.	**Forward Work Programme** To consider whether there are any matters which the Board would wish to have included in its Forward Work Programme.	Pages 67-69

Date of next scheduled meeting: Friday, 7 March 2025 at 11:00 am

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Nicola Beach
Chief Executive

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Suffolk County Council

Agenda Item 3
Unconfirmed

Minutes of the Suffolk Pension Board Meeting held on Wednesday 16 October 2024 at 11:00 am in the Rose Mead Room, Endeavour House, Ipswich.

Present:	Councillor Richard Smith MVO (Chairman) (representing Suffolk County Council), Pauline Bacon (representing the Unions), Richard Blackwell (representing Pensioners), Ian Blofield (representing all Borough, District, Town and Parish Councils), Kay Davidson (representing Active Members), and Thomas Jarrett (representing all other employers in the Fund).
Supporting officers present:	Rebekah Butcher (Democratic Services Officer), Stuart Potter (Pensions Operations Manager), Sharon Tan (Lead Accountant, Pensions), and Tracey Woods (Head of Pensions).

14. Apologies for Absence

No apologies for absence were received; however, Thomas Jarrett extended his apologies for his delayed arrival.

15. 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.

16. Minutes of the Previous Meeting

The minutes of the meeting held on 23 July 2024 were confirmed as a correct record and signed by the Chairman.

17. 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.

Members were advised that updates on the McCloud remedy for the Local Government Pension Scheme (LGPS) would continue, as there was no statutory deadline for its implementation. Currently, efforts were focused on meeting the statutory deadline for the Firefighters Pension Scheme by 31 March 2025, after which retired LGPS members would be reviewed.

Members discussed the issue of late contribution payments. Officers confirmed that repeat late-paying employers would receive formal warnings, indicating potential financial penalties under the Fund’s Administration Strategy. While late payments from some small parish councils, due to their cheque-based payment processes, were noted by members as low risk, one Academy Trust's refusal to meet the Fund’s deadlines could result in interest charges to ensure fairness across the Fund.

The Board also commended the officers for their effective performance, noting the low number of complaints despite the large membership.

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 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.

18. 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 the Joint Committee met in early September where it reviewed the business plan and had ongoing discussions on optimising the number of sub-funds within ACCESS, a topic of particular government interest. Updated voting guidelines were approved to align with industry best practices. ACCESS was also working towards becoming a signatory to the UK Stewardship Code, something the Suffolk Pension Fund Committee was also taking forward. The ACCESS submission was expected to be made to the Financial Reporting Council by the end of October.

The Joint Committee also received its standard performance reports and updates on the development of new sub-funds, particularly in alternative investments, where product offerings were still needed. Currently, 91% of Suffolk’s investments were pooled. Progress on complex investments was noted, though these required significant time to implement. Additionally, the Joint Committee awarded a new operator contract, which was later ratified by all individual committees, including the Suffolk Pension Fund Committee.

In response to a member's question about the Government’s plans for infrastructure investment by Funds, the Board noted it was awaiting the outcomes of the upcoming Budget and pensions investment review.

Decision: The Board noted the update.

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

Alternative options: There were none considered.

Declarations of interest: Richard Blackwell and Councillor Richard Smith MVO declared an interest by virtue of the fact they were 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.

19. Annual Report and Accounts 2023-24

At Agenda Item 6, the Board received a report which presented the Audit Results Report compiled by Ernst & Young (EY) on the key findings and outcomes from the audit of the Pension Fund Annual Report and Accounts for 2023-2024, and the draft Annual Report and Accounts.

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

Members were informed that the Pension Fund Accounts were included within Suffolk County Council's accounts and were expected to be signed off by the Audit Committee in November 2024. The delay was due to pending legislation on disclaimed opinions for the 2022-23 accounts, and it was anticipated that external auditors would revisit them for eventual resolution.

Thomas Jarrett entered the meeting at 11:33 am.

Decision: The Board:

a) noted the Audit Results Report.

b) noted the Fund's Annual Report and Accounts, subject to minor amendments to the captions of photographs within the report.

Reason for decision: The audit results report summarised the findings from the 2023-2024 audit of the Pension Fund Annual Report and Accounts.

Members were aware the Pension Fund Annual Report and Accounts was an important channel of communication, reporting on the Pension Fund's activities to employers, scheme members and other stakeholders.

The Board received information about the Annual Report and Accounts of the Fund to fulfil its remit to secure the effective and efficient governance and administration of the Suffolk Pension Fund.

A member noted that some captions used with the photographs within the Annual Report were misrepresented. It was agreed that any changes could be sent to the Lead Accountant (Pensions) to be implemented.

An observation was made regarding the risk of additional errors when implementing corrections for minor issues and agreed with the Officer's decision not to amend the accounts.

A discussion also arose regarding the long-term sustainability of the pension fund and the balance between cash flow, investment returns, and employer contribution rates. The officers clarified that they have been closely monitoring cash flow and anticipated it going negative. The Fund remained in a positive position and Officers were prepared to adjust investments over time to increase the Fund's income.

A member also asked about references within the reports to a Virgin Media court judgement, wondering if it might impact the LGPS. Officers explained that this judgement required proof of documentation for pension scheme changes, affecting public sector schemes overseen by the Government Actuary's Department (GAD). Officers added that while this case began with a private scheme, it now impacted all pension schemes. If documentation proving past changes was found to be missing, the Department for Work and Pensions (DWP) might step in. Auditors flagged this as a risk, although it was currently unquantifiable.

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 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.

20. Actuarial Valuation Preparation

At Agenda Item 7, the Board received a report which provided an outline of the next valuation exercise which would commence on 31 March 2025.

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

Decision: The Board:

a) noted the process for the March 2025 triennial valuation.

b) would receive updates on the progress of the actuarial valuation over the course of the year.

Reason for decision: In line with other UK Pension Funds, each LGPS Fund was required to undertake an actuarial valuation every three years. The Pension Fund Committee was responsible for the results and impact of the triennial valuation as set out in the Suffolk County Council's Constitution.

The Board represented the Employers in the Fund and should have appropriate oversight to fulfil their duties.

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 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.

21. Pensions Investment Review

The Board received a report at Agenda Item 8, which provided members with the scope of the Pensions Investment Review, expected timelines and how the Suffolk Pension Fund was engaging with the review. The response attached at Appendix 1 was agreed by the Pension Fund Committee at its meeting on 25 September 2024.

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

Decision: The Board noted the report.

Reason for decision: This paper was brought to the Board to keep members informed about the Pensions Investment Review.

At the national level, the Local Government Pension Scheme (LGPS) was governed by the Ministry of Housing, Communities and Local Government (MHCLG) and the LGPS Advisory Board. The investment and management of LGPS assets, the collection of employer and employee contributions, and payment of pension benefits was the responsibility of LGPS administering authorities.

The Pension Board assisted the County Council as Administering Authority to secure compliance and ensure the effective and efficient governance and administration of the LGPS in line with the requirements set out in legislation.

Members were informed of a recent meeting with civil servants from HM Treasury, MHCLG, and the Government Actuary’s Department. Government representatives sought feedback on pooling arrangements and the approach to UK investments. While officials showed interest in increasing UK-based investments, HM Treasury acknowledged the necessity of global equities to meet fiduciary obligations and achieve optimal returns. Treasury officials also enquired about potential duplication of advisory roles, which Officers clarified was minimised by utilising the pool. Civil servants also explored barriers to achieving 100% pooled investments. Members heard that this meeting marked heightened government engagement, with an interim report expected in late autumn.

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 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.

22. Pension Board Risk Register

At Agenda Item 9, 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 is 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:

a) reviewed the implementation of the risk control measures set out in Appendix 1.

b) reviewed and approved the Pension Board Risk Register set out in Appendix 3.

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.

Members also received and commented on the Pension Fund Committee's Risk Register. In response to a question about the presentation and priority order of the Pension Fund Committee's Risk Register, members were informed that this was aligned to the Risk Categories as noted in the Risk Management Strategy. A summary sheet would be provided in the Information Bulletin at the Board's December meeting.

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 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.

23. Information Bulletin

The Board noted the Information Bulletin at Agenda Item 10.

In response to an enquiry from a member on the latest position of the Fund's new AVC offering, the Board was informed that the transition of assets from Clerical Medical, Standard Life, and Utmost to Legal & General took place over the summer. Clerical Medical completed the transition last, following a system update delay. Some employers experienced issues with contribution implementations, though most were now resolved. Feedback from certain employers had been positive, with several organisations expressing satisfaction with the Legal & General scheme. An upcoming employer meeting in December would further promote this option to members.

24. Forward Work Programme

The Board received a copy of its Forward Work Programme at Agenda Item 11.

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

a) a report on the progress of the Pensions Dashboard implementation at the Board's October 2025 meeting, with brief updates on any advancements or challenges to be included in the Information Bulletin at upcoming meetings as needed.

b) to receive updates on the Valuation process throughout the year (as noted at Minute 20).

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

The meeting closed at 12:48 pm.

Chairman

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Suffolk County Council

Agenda Item 4

Suffolk Pension Board

Report Title:	Pensions Administration Performance
Meeting Date:	4 December 2024
Lead Councillor(s):	Councillor Richard Smith MVO
Director:	Stephen Meah-Sims, Deputy Chief Executive & Executive Director of Corporate Services
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 report

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

Action recommended

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 16 October 2024.

Service Level Agreements

6. The Service Level Agreements for our ‘key’ processes from June to August 2024 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 **72** percentage completed in SLA **93%**

b) Estimates are issued to members or employers within 10 working days of receipt of all information – Total cases **94,** percentage completed in SLA **86%**

c) Retiring employees are notified of their options within 5 working days of receipt of all information – Total cases **334**, 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 **282,** percentage completed in SLA **98%**

e) Notification of survivor benefits will be issued within 10 working days of receipt of all information – Total cases **36,** 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 **60** percentage completed in SLA **100%**

I-Connect Implementation

7. I-Connect is continuing to be tested and rolled out to employers, with 52% of all employers now sending monthly data. This equates to just over 40% of all active members. We are continuing to work with Vertas, who provide payroll services to a lot of Suffolk schools, to develop an I-connect report.

Undecided Leavers

8. The ongoing work to clear the historic backlog of undecided leavers has been continuing. At the last meeting it was reported that the total number of undecided leavers was at 8600. This has now reduced to 8400 as the team continue to clear as many as possible.

McCloud

9. As a priority the team have continued to focus on the calculations required to implement the McCloud remedy for the Fire Pension scheme as these have a statutory deadline to be completed by 31 March 2025.

10. The team are now starting to review the additional data that has been provided for all LGPS employers who were using Suffolk Payroll systems in the relevant period. This covers nearly half the in-scope LGPS members. Once the team are satisfied that it is complete it will be loaded into the pensions system and functionality to complete calculations for impacted LGPS members will be switched on. This approach will enable us to maximise the use of the bulk calculations that are available in the system and therefore complete the work as efficiently as possible.

11. Members are being kept up to date with progress via the newsletter communications.

Newsletters

12. The October edition of the biannual Pensioner Member newsletter has been issued. This included articles from the Head of Pensions and the pensioner representative on the Pension Board, along with information on the National Fraud Initiative, McCloud, Winter Fuel payments and spotting scams. All pensioners registered on Member Self Service have been sent a personal copy.

13. The latest Employer newsletter has also been published. This included information about updates to the Suffolk Pension Fund website and some of the forms, the annual employers meeting, and Ill Health retirement criteria.

Compliments and Complaints

14. During this reporting period since the previous Board meeting there have been two compliments above and beyond the usual thanks received for the service we provide.

15. The first of these was from a customer who e-mailed to thank an individual for clarifying things for them. The customer stated *'that's great, thank you so much. I appreciate all the help your team has given me.'* The second compliment was received via a telephone call from a member who had some questions regarding their pension. The compliment stated, *'you have made it all so clear, thank you ever so much.'*

16. During this period there have been two complaints received.

17. The first of these was from a member unhappy that their AVC payment from Standard Life hadn't been paid when they left an employment position. The Pensions team have been in agreement with the member regarding this matter, and have made that clear to Standard Life, however at this stage they have not agreed to put this into payment. The member has also complained directly to Standard Life and via IDRP about this matter. This is the only new IDRP Stage 1 complaint since the last report.

18. The second complaint was from a member unhappy that they needed to provide so much personal data when they reached retirement age and their concerns around identify theft. The team have responded to the member explaining why data is needed, and how to provide things in a secure manner. The team also took the opportunity to explain that as we develop and introduce the new member self-service software 'Engage' there will be more opportunities for members to upload information directly to this as opposed to more traditional communication methods.

Contribution payments

19. The administration strategy requires contributions from employers to be received by the Pension Fund within 5 working days of the month end in which the contributions were deducted. The table below summarises the timeliness of receipts received during quarter 1 and quarter 2 2024/25:

	2024/25 Quarter 1			**2024/25 Quarter 2**		
	Employer	Contributions		Employer	Contributions	
	%	£'m	%	%	£'m	%
On Time	92	35.372	98.9	93	34.580	99.5
Up to 1 week late	4	0.238	0.7	4	0.088	0.2
Over 1 week late	4	0.155	0.4	3	0.098	0.3
Total		**35.655**			**34.766**	

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

Suffolk County Council

Agenda Item 5

Suffolk Pension Board

Report Title:	Government Pension Review
Meeting Date:	4 December 2024
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Stephen Meah-Sims, Deputy Chief Executive and Executive Director of Corporate Services
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial (S151) Officer
Author:	Tracey Woods, Head of Pensions, Telephone: 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of report

1. This report includes the interim report of Pensions Investment Review outlined in the Mansion House speech delivered on 14 November 2024 and the consultation in regard to the proposed reforms.

Action recommended

2. The Board is recommended to note the interim report of the Pensions Investment Review.

Reason for recommendation

3. To keep the Board informed about the Pensions Investment Review.
4. Government has published the interim report of its Pensions Investment review which sets out proposals it is consulting on to deliver scale and consolidation of the LGPS.
5. The final report will be published once the consultation responses have been considered and this report will then form the basis of the Pension Bill which will be laid before Parliament in Spring 2025.

Alternative options

6. There are no alternative options.

Main body of report

Introduction

7. 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.

8. Government also published an interim report of the Pensions Investment Review which is attached as **Appendix 1**. The LGPS is workstream 2 and is set out on pages 11 and 12 (31-32).

9. The focus of the Review for the LGPS is to look at how tackling fragmentation and inefficiency can unlock the investment potential of the scheme, including through further consolidation.

Reforms

10. The Pension Investment Review interim report includes:

    a) The requirement for all Funds to delegate the management of all their assets to their asset pool, alongside requiring pools to conform to a rigorous and universal set of standards.

    b) The requirement for administering authorities to work with local strategic authorities to identify local investment opportunities, and to have regard to local growth plans and priorities when setting their investment strategy. LGPS asset pools would be required to carry out due diligence on local investment proposals, to make the decision to invest in these opportunities where they deem it to be in the interest of the fund and its members, and to manage such local investments.

    c) A biennial independent review to assess whether funds are meeting the expected standards on governance. Further measures are also proposed to ensure that the governance of funds and pools adapt to the proposed new remit of the Pools.

Consultation

11. The consultation seeks views on proposals relating to the investments of the LGPS and covers asset pooling, UK and local investment and governance, to strengthen the management of LGPS investments through:

12. **Reforming the LGPS asset pools** by mandating certain minimum standards deemed necessary for an optimal and consistent model in line with international best practice. The minimum standards proposed are:

    a) Pension Fund’s would be required to fully delegate the implementation of investment strategy to the pool, and to take their principal advice on their investment strategy from the pool;

    b) Pools would be required to be investment management companies authorised and regulated by the Financial Conduct Authority (FCA), with the expertise and capacity to implement investment strategies;

    c) Pension Fund’s would be required to transfer legacy assets to the management of the pool.

13. **Boosting LGPS investment in their localities and regions in the UK**, by requiring Pension Fund’s to:

    a) Set out their approach to local investment in their investment strategy including a target range for the allocation and having regard to local growth plans and priorities,

    b) To work with local authorities, Combined Authorities, Mayoral Combined Authorities, Combined County Authorities and the Greater London Authority to identify local investment opportunities; in Wales, AAs would work with relevant Corporate Joint Committees on their proposed economic development priorities and plans, and with local authorities more broadly to identify investment opportunities.

c) To set out their local investment and its impact in their annual reports.

d) Pools would be required to conduct suitable due diligence on potential investments and make the final decision on whether to invest.

14. **Strengthening the governance of both LGPS Pension Funds and LGPS pools** in the following ways, building on the recommendations of the Scheme Advisory Board (SAB) in their 2021 Good Governance Review:

a) Committee members would be required to have the appropriate knowledge and skills.

b) Pension Fund's would be required to publish a governance and training strategy (including a conflicts of interest policy) and an administration strategy, to appoint a senior LGPS officer, and to undertake independent biennial reviews to consider whether AAs are fully equipped to fulfil their responsibilities.

c) Pool Boards would be required to include representatives of their shareholders and to improve transparency.

15. The proposals and questions are set out as **Appendix 2**. The consultation will last for 9 weeks until 16 January 2025.

16. The Pension Fund Committee has been asked to delegate the response to the consultation to the officers of the Fund with sign off delegated to the Chairman of the Pension Fund and Chief Financial Officer.

Next Steps

17. A response to the consultation from the Suffolk Fund will be submitted by 16 January 2025.

18. All LGPS Pools and Pension Fund's will be required to make a submission on how they will meet Governments expectations by 28 February 2025. The Joint Committee Meeting on 2 December 2024 is being replaced by a strategy session which will focus on planning for the end of February submission. The Pension Fund Committee will review the Fund's submission at its meeting on 28 February 2025.

19. Compliance with the new legislation is currently expected to be required by March 2026.

Conclusion

20. Government has published the interim report of its Pensions Investment review which sets out proposals it is consulting on to deliver scale and consolidation of the LGPS.

21. A consultation has been launched seeking views on proposals relating to the investments of the LGPS and covers asset pooling, UK and local investment and governance. A response to the consultation from the Suffolk Fund will be submitted by 16 January 2025.

Sources of further information

a) Mansion House speech [Mansion House 2024 speech - GOV.UK (www.gov.uk)]

HM Treasury | Department for Work & Pensions | Ministry of Housing, Communities & Local Government

Pensions Investment Review

Interim Report

November 2024

HM Treasury | Department for Work & Pensions | Ministry of Housing, Communities & Local Government

Pensions Investment Review

Interim Report

November 2024

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Any enquiries regarding this publication should be sent to us at public.enquiries@hmtreasury.gov.uk

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Ministerial Foreword

The UK's world leading £3 trillion pensions industry has the third largest stock of pension assets in the world. The foremost purpose of these assets is and will always be to provide security in retirement. That is why as part of this Review we have looked at how to increase saver returns and tackle waste in the pensions system. They have also historically played a second important role as a major source of domestic investment. Investment is vital to help achieve growth, which is the number one mission of this government, and pension scheme funds have a role to play in that.

Our Manifesto set out that we will adopt reforms to ensure that workplace pension schemes take advantage of scale and consolidation, to deliver greater investment in UK productive assets and better returns for UK savers. This Interim Report starts to set out our long-term vision for a defined contribution pensions system with fewer, larger and less fragmented schemes that are more able to invest for the longer term and in the UK, and that can boost returns for UK savers.

It is essential that we start setting out our vision now, in time for the upcoming Pension Schemes Bill, for a new and potentially simplified system rather than make piecemeal reforms over time. This vision will give industry the clarity and certainty it needs to plan for the future.

The same approach applies to the £392bn Local Government Pension Scheme in England and Wales (LGPS). This Interim Report sets out a consistent and sustainable approach to ensure the investment potential, from a consolidated LGPS, is fully realised. The Minister for Local Government is jointly leading this aspect of the Review and is bringing forward a consultation on these proposals following extensive engagement with LGPS stakeholders.

The Call for Evidence received over 200 responses, and throughout the preparation of this report the contribution of firms, representative bodies, individual experts, local government and wider industry stakeholders has been exceptional. We want to thank them for their input and time. Though this is only the Interim Report, the expertise and insight gathered has been integral in the development of the Review so far.

Together, with major programmes to unlock the potential of the UK economy such as planning reform, the modern industrial strategy and the National Wealth Fund, these proposed reforms have the potential to boost UK growth and improve pension saver outcomes.

Emma Reynolds MP

Minister for Pensions

The Local Government Pension Scheme exists to provide financial security and dignity in retirement for its 6.7 million members, who have dedicated their working lives to serving local communities. With an asset value of £392 billion, the scheme is one of the largest in the world and the largest funded pension scheme in the UK. The Pensions Review has been looking at how we can strengthen the LGPS to harness its full investment potential as an engine of UK and local growth, and ensure that in delivering for its members it also delivers all it can for their communities.

This report and the accompanying consultation set out a pathway to a reformed LGPS that has been informed through extensive engagement with LGPS stakeholders over recent weeks. We have been struck in those conversations by the good work that LGPS administering authorities and pools are already doing to consolidate assets, collaborate, and to support their local communities. The LGPS is leading the way in investing in UK assets and, in some cases, already provides a blueprint for how excellence in pensions investment can result from prioritising scale, strong governance and capability, and this has earned the sector a commendable reputation which we are keen to champion. However, it has also been clear that progress is not equal everywhere and that reform is needed if we are to realise our vision of the LGPS as a world-leading exemplar of best practice in pensions investment and governance.

My vision for the LGPS is that it plays a significant part of the government's growth mission, sitting alongside our major programmes to rebuild Britain's infrastructure and boost the supply of investible opportunities in the UK. In particular, we want to see the LGPS working closely with Mayoral Combined Authorities alongside Local Authorities to identify and develop investable opportunities appropriate for pensions investment.

I look forward to continuing the conversation with stakeholders over the coming months as we finalise our proposals.

Jim McMahon MP

Minister for Local Government

Introduction

The Labour Manifesto committed the government to undertake a review of the pensions landscape to consider what further steps are needed to improve pension outcomes and increase investment in UK markets.

The Labour Manifesto also committed that the government adopt reforms to ensure that workplace pension schemes take advantage of consolidation and scale, to deliver better returns for UK savers and greater investment for UK PLC.

On 20 July 2024 the Chancellor launched Phase One of the Pensions Review: the Pensions Investment Review, as led by the Joint Minister for Pensions working closely with the Minister for Local Government.

The terms of reference for phase one were published on 16 August 2024. These note the scope of the report being limited to defined contribution workplace schemes and the Local Government Pension Scheme and set out the four areas of the policy remit of phase one. A Call for Evidence was also published on 4 September 2024, closing on 25 September 2024.

This is the Interim Report setting out the initial findings of phase one. A final report will be published in the Spring.

There are two consultations accompanying this report:

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

We are also publishing an analytical publication: Pension fund investment and the UK economy, looking at the historic investment trends of pension funds and international examples and the role of pension funds in economic growth.

An Interim Report and consultations have been produced to allow a full and thorough consultation process ahead of the Pension Schemes Bill which will be introduced next year. The final report will further consider domestic investment from pension funds.

The scope of Phase Two of the Review will be published in due course. It will broaden out the Review and consider further steps to improve pension outcomes, including assessing retirement adequacy.

Workstream 1

Scale and Consolidation in the Defined Contribution Workplace Market

1.1. The introduction of Automatic Enrolment (AE) has led to substantial growth in Defined Contribution (DC) pension schemes and the Master Trust (MT) market with the vast majority of savers within multi-employer arrangements; contract arrangements such as group personal pensions (GPPs) and trust-based arrangements. Most future asset growth is expected to be concentrated in these arrangements.

1.2. The responses to the Call for Evidence demonstrated wide support and agreement that scale leads to economies and efficiencies, as well as enabling greater expertise and diversification in investments. There is also clear evidence that larger consolidated schemes are more able to invest in more productive asset classes.

1.3. At present there remains, however, wide variation in member outcomes and limited diversity in how pension providers can and do invest. Many schemes are either not making use of scale, or are not of sufficient scale, to help seek better returns for members and to invest in productive assets, including in the UK.

1.4. The consultation paper, ‘Pensions Investment Review: Unlocking the UK pensions market for growth’ accompanying this report proposes measures designed to accelerate and help enable scale and consolidation in the DC market.

Achieving Scale and Reducing fragmentation

1.5. The government is clear that the future of the workplace DC market lies in fewer, bigger, better run schemes, with the scale and capability to invest in a wide range of asset classes, such as private equity and infrastructure, that can deliver better returns for savers long term and boost investment in the UK, which benefits savers and their communities.

1.6. The government recognises, and several respondents to the Call for Evidence acknowledged, that the DC workplace market is already consolidating. However, the reduction in the number of schemes has been most prominent for very small schemes. At the large end of the market, there is variation in size across both MTs and GPPs, and there can be fragmentation with GPPs often having many default arrangements[1] and default funds, meaning the average assets per default can be lower. This impacts the ability of schemes to invest into productive assets from these fragmented default funds.

1.7. Scale and consolidation among the larger schemes can therefore drive additional benefits. To help achieve this, we are seeking views on two proposals for multi-employer schemes - to introduce minimum size requirements for default funds and to place limits on the number of default funds.

1.8. We recognise that these are significant market changes and will not be achievable without a sufficient lead-in time. Careful consideration is required of the approach to implementation, for example, to ensure innovation is maintained in occupational pensions and that pension products meet the needs of all employers and employees.

1.9. We propose that such a requirement would not apply before 2030 at the earliest. The minimum size and maximum default numbers will be set following consultation, at a level at which these efficiencies, economies, and investment benefits are realised and that addresses the current fragmentation within the pensions system.

Facilitating the transfer of assets

1.10. We are also consulting on measures to enable the transfer of assets for contract-based schemes to either other contract- or trust-based schemes.

1.11. The Call for Evidence responses highlighted that a barrier to greater consolidation for contract-based workplace pensions is the requirement for providers to get individual consent before transferring savers from one arrangement to another.

1.12. To enable this, as well as allow for disengaged members to be transferred to better performing arrangements, and to establish equivalence with the trust-based DC market, we are proposing to legislate to allow contractual overrides without individual consent for contract-based pensions, with appropriate protections that would be set out in FCA rules.

1.13. This action will support the introduction of the upcoming Value for Money Framework and small pot default consolidators. Alongside this, there may be wider circumstances in which pensions arrangements may be considered as not delivering for its savers and it is therefore in the best interest of savers to transfer to a new arrangement. The detailed rules on the use of contractual override and transfer without consent would be developed by the FCA and consulted on in the usual way.

1 2220922-the-dc-future-book-2022-final.pdf

Workstream 2

The Local Government Pension Scheme

2.1. The Local Government Pension Scheme in England and Wales (LGPS) is one of the world's largest funded pension schemes, managing the pensions of 6.7m members and investing £392bn worldwide, as at March 2024. Its scale makes it a significant investor with the potential to boost growth up and down the country, while delivering its core duty to make long-term stable returns to pay the pensions of those who have delivered vital local services.

2.2. The focus of the Review for the LGPS is to look at how tackling fragmentation and inefficiency can unlock the investment potential of the scheme, including through further consolidation. This is in the best interests of members, employers, local communities and the wider UK economy.

2.3. We are consulting on proposals to put the LGPS on a clearer, firmer long-term trajectory to scale and consolidation that has so far been suggested but not delivered, as well as measures to improve LGPS fund and pool governance and drive local investment. Together, these changes will put the scheme on the strongest possible footing for the future.

Consistent approach to asset pooling

2.4. Since 2015, the 86 administering authorities (AAs) have come together in eight groups of their own choosing to move towards managing their investments through eight LGPS asset pools.

2.5. Most respondents to the Call for Evidence were positive about LGPS pooling, and thought that it was delivering scale, diversification of assets and cost savings. More than half of responses also recognised greater collaboration between funds in the same pool since the introduction of pooling.

2.6. However, it is clear that approaches and outcomes vary significantly across the LGPS. Some parts of the scheme have made very limited progress with transferring assets to the pool, where others are almost fully transferred. Some have delegated and compromised in order to enable benefits of scale at the pool level, whereas others have continued to require bespoke arrangements, preventing scale. Although each pool has reported successes to date, they are not equal in their ability to continue to develop to meet future challenges.

2.7. It is clear that a strong and consistent approach is needed to achieve the change required. Therefore, we are consulting on a series of measures which will require all LGPS funds to delegate the management of all their assets to their asset pool, alongside requiring that pools conform to a rigorous and universal set of standards. This model is informed by international best practice.

2.8. These measures would formalise standards for delegation, with the asset pools taking responsibility for all areas of investment implementation, whilst funds focus their attention on setting the overarching investment strategy, taking into account their membership and funding requirements. Pools would be required to develop the capability to provide their partner funds with investment advice to support their strategic decisions.

Local investment

2.9. The LGPS is a committed investor in projects which support local growth – around 5% of LGPS assets is estimated to be allocated to such projects as at March 2024.

2.10. The measures put forward would require administering authorities to work with local, mayoral and strategic authorities to identify local investment opportunities, and to have regard for local growth plans and priorities when setting their investment strategy. LGPS asset pools would be required to carry out due diligence on local investment proposals, to make the decision to invest in these opportunities where they deem it to be in the interest of the fund and its members, and to manage such local investments.

2.11. Pooling has played an important role in this story so far, and pooling has the potential to address many of the specific factors which make local investment harder for pensions committees. The reformed asset pools would be at the heart of the ability of the LGPS to continue to deliver investment in local economies.

Strengthening governance

2.12. LGPS membership and assets have tripled in the last decade – it is more important than ever that the scheme is effectively governed.

2.13. The reforms proposed in the consultation aim to ensure consistently high standards across the scheme and deliver the robust and resilient governance and administration which members and employers expect at both the pool and fund level.

2.14. Our proposals build on the report submitted by the LGPS Scheme Advisory Board in February 2021.[2] This includes the proposal of a biennial independent review to assess whether funds are meeting the expected standards on governance. Further measures are also proposed to ensure that the governance of funds and pools adapt to the proposed new remit of pools.

2.15. Taken together, these measures build on the successes which pooling has delivered to date, to put the scheme on a stronger more sustainable footing, working in partnerships with local institutions, in the interest of members, employers and local taxpayers.

2 Good Governance Review Final Report.pdf

Workstream 3

Cost vs Value in the Defined Contribution Workplace Market

3.1. A key objective of the Pensions Investment Review is to promote a greater focus on the value provided by workplace DC pension funds rather than their cost.

3.2. There has been a consensus for some time that the DC market is not operating effectively. An excessive focus on keeping costs down has come at the expense of considering a broader range of metrics of scheme quality such as effective governance and net investment returns. This view was echoed throughout the responses we received to the Call for Evidence.

3.3. To an extent low costs are beneficial. It is right that pension providers face competitive pressure so that savers are protected from excessive or unfair charging practices, with workplace DC schemes used for automatic enrolment already subject to restrictions, including a cap on charges.

3.4. However, low investment budgets also make it harder for pension schemes to invest in more productive asset classes which may carry higher upfront investment costs but also offer higher net returns. This has consequences for scheme members and for investment in the economy.

3.5. Investment performance is critical for savers. Net returns account for 60% of the final pension pot[3] that individuals can hope to accrue over the course of their lifetime (alongside other important factors such as saving persistence and contribution levels).

3.6. However, there can be significant variation across pension providers – for example there is around an 8 percentage point difference in investment returns between the highest and lowest performing schemes.[4] Yet only around 5% of employers have switched their workplace pension schemes.[5]

3.7. To address these challenges the government has already announced plans to introduce a Value for Money (VFM) Framework and regulatory regime covering DC pension schemes in the upcoming Pension Schemes Bill. The VFM Framework looks to ensure that schemes deliver the

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3 Pension fund investment and the UK economy - GOV.UK

4 capaDATA

5 dwp-employer-survey-2022-data-tables.xlsx

best possible value and better long-term outcomes for savers. While respondents to the Call for Evidence were broadly supportive of the framework, some indicated concerns that it might not deliver the culture shift required unless all participants in the pensions ecosystem, particularly employers and advisers, were sufficiently incentivised to focus on value rather than cost.

3.8. The accompanying consultation document 'Unlocking the UK pensions market for growth' is seeking further evidence on measures that could seek to address this and support interventions like the VFM Framework. We will ensure that any changes we make are reflected in the design of the upcoming VFM Framework. We want to create space for innovation and ensure all measures build on and complement each other.

The role of employers

3.9. Employers are a key actor in the pensions market. Since 2012 they have played a crucial role in the success of AE, ensuring 9 out of 10 eligible people[6] are now saving into a workplace pension.

3.10. Many employers recognise the importance of their pension arrangements for their employees, sponsoring good quality provision and often acting as a force for good to drive up standards in the pensions industry more broadly.

3.11. The consensus amongst respondents to the Call for Evidence was that employers, particularly small employers, make scheme decisions based on costs rather than an informed long-term strategy and scheme performance, with operational simplicity also often a factor. Existing evidence[7] suggests that employers consider a range of factors when selecting a scheme - the top three factors for those selecting a DC scheme include ease or convenience of the provider (64%), advice from a professional body or formal advice from colleagues or other employers (51%) and the fees on the employer themselves (49%).

3.12. Some respondents to the Call for Evidence cited examples of decisions by employers around tendering coming down to a difference of charges of just a few basis points and many noted that there was significant room for manoeuvre for industry under the existing charge cap of 75 basis points to enable investment in more productive assets - average charges in DC workplace pensions sit at c.48 basis points.[8] Respondents also often indicated that the focus on cost in part related to the relative ease of comparing charges rather than other potentially less transparent metrics of value.

3.13. The upcoming VFM framework will help support employers (and their advisers) to make more informed decisions about pension provision by

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6 Workplace pension participation and savings trends of eligible employees: 2009 to 2023 - GOV.UK

7 Evolving the regulatory approach to master trusts - GOV.UK

8 Pension charges survey 2020: charges in defined contribution pension schemes - GOV.UK

providing timely, consistent, detailed and publicly available information on the relative performance of similar default arrangements.

3.14. One proposal that was suggested by respondents to the Call for Evidence was to place a requirement such as a duty on employers to consider value, at scheme selection decisions or at regular intervals.

3.15. The Pension Schemes Act 2008 places duties upon employers to automatically enrol eligible employees into a qualifying pension scheme (which satisfy some minimum requirements). While limits have been set on the level (and some types) of charges that can be levied on members by schemes, there are no value requirements that must be met for employers to discharge their duties. Any additional duties would need to consider the impacts on business and whether the duties should be targeted, either by types of employer or at specific decision-making points. The government is seeking views on the efficacy and impact of such a measure.

The role of consultants and advisers

3.16. To support their decision making, some employers seek advice from third party advisers, typically when they are selecting a scheme or seeking to move from an existing scheme to a new one. There are also other important participants in the market including investment consultants, who provide advice to pension scheme trustees about investment strategy and related matters.

3.17. Respondents to the Call for Evidence indicated that professional advisers and consultants can play a significant role in influencing the decisions taken by multi-employer pension schemes and employers in relation to cost and investments.

3.18. Specifically, some stakeholders have raised concerns that professional advice, especially advice provided to employers, may be placing excessive weight on cost savings, aggravating the problem described above. The government wants to understand the prevalence of this, recognising that these advisers are ultimately driven by their clients' preferences.

3.19. At present, there is no specific regulatory regime regulating pension scheme selection advice or investment consultancy. There were some suggestions in the Call for Evidence to bring advisers into FCA regulation. Some respondents noted that this form of regulation would mean that advisers are required to consider the value of schemes or investment strategies in their advice, which could address the excessive focus on cost.

3.20. Therefore, the government wants to understand exactly to what end and how new regulation would play a role in ensuring that advice consistently considers returns alongside costs to ensure that the best interests of pensions savers are being served.

Workstream 4

UK Investment

4.1. Growth is the number one mission of this government. Had the UK grown at the OECD average over the past 14 years, our economy would now be £140 billion larger. That would have generated £58 billion more in tax revenues in the last year alone to sustain our public services.

4.2. If growth is the challenge, then investment is the solution.

4.3. As the DWP analytical publication 'Pension fund investment and the UK economy' shows, domestic pension fund investment can benefit UK growth in numerous ways.

4.4. The measures in this Interim Report will achieve this by priming pension schemes for additional investment in productive asset classes such as infrastructure and private equity, for example through increased scale.

4.5. The reforms will complement key government growth programmes aimed at creating an attractive pipeline of investment opportunities such as the National Wealth Fund and the British Growth Partnership. These programmes are the first step to drive greater alignment and coherence across the UK's public finance institutions, enabling a more strategic and impact focused approach to mobilising capital.

4.6. Their impact on growth will, however, depend on how much of this expected additional investment takes place in the UK and from where any additional investment is diverted.

4.7. As emphasised by some respondents to the Call for Evidence, while scale and interventions to prioritise value may be effective in unlocking additional investment in productive finance, it is not guaranteed that this investment will take place in the domestic market. Consolidation and scale will allow funds to manage assets more efficiently and at reduced risk. Greater in-house expertise and capacity will allow investment in a diverse set of asset classes, particularly in private markets assets.

4.8. The Review is encouraged by clear evidence that where pension schemes are managing private market portfolios, they tend to operate a significantly higher domestic weighting than in more liquid asset classes. This strengthens the case that these reforms driving scale and unlocking greater alternative investments will benefit UK growth. Furthermore, as outlined in Workstream 3, proposals for the LGPS will enhance the capacity and capability for the £392bn scheme to continue to drive national, local and regional investment and will help to ensure investments are able to reach all corners of the nation.

4.9. At this stage the Review has decided not to make specific recommendations in relation to UK investment, beyond those outlined in the LGPS chapter relating to local investments.

4.10. However, the government is concerned by the evidence that UK pension funds are investing significantly less in the domestic economy than overseas counterparts.

4.11. For example, DWP analysis has found that there is a 30-percentage point gap in the amount of home investment across asset classes in UK DC funds compared to Australia. And there is clear evidence of a sustained pattern of withdrawal by DC and LGPS pension schemes from UK listed equities for at least the last decade.

4.12. The Review will therefore use its next stage to consider whether further interventions may be needed by the government to ensure that these reforms, and the significant predicted growth in DC and LGPS fund assets over the coming years, are benefiting UK growth.

HM Treasury contacts

This document can be downloaded from www.gov.uk

If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

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Consultation Proposals and Questions

LGPS pooling

Proposal 1: Requirement on AAs to fully delegate the implementation of their investment strategy to their pool.

Proposal 2: Requirement on AAs to take their principal investment advice from the pool.

Proposal 3: Requirement for pools to be established as investment management companies authorised and regulated by the FCA, with the expertise and capacity to implement investment strategies.

Proposal 4: Requirement for AAs to transfer legacy assets to the management of their pool.

Question 1

Do you agree that all pools should be required to meet the minimum standards of pooling set out above?

Question 2

Do you agree that the investment strategy set by the administering authority should include high-level investment objectives, and optionally, a high-level strategic asset allocation, with all implementation activity delegated to the pool?

Question 3

Do you agree that an investment strategy on this basis would be sufficient to meet the administering authority's fiduciary duty?

Question 4

What are your views on the proposed template for strategic asset allocation in the investment strategy statement?

Question 5

Do you agree that the pool should provide principal investment advice on the investment strategies of its partner AAs? Do you see that further advice or input would be necessary to be able to consider advice provided by the pool – if so, what form do you envisage this taking?

Question 6

Do you agree that all pools should be established as investment management companies authorised by the FCA, and authorised to provide relevant advice?

Question 7

Do you agree that AAs should be required to transfer all listed assets into pooled vehicles managed by their pool company?

Question 8

Do you agree that administering authorities should be required to transfer legacy illiquid investments to the management of the pool?

Question 9

What capacity and expertise would the pools need to develop to take on management of legacy assets of the partner funds?

Other developments

Question 11: What scope is there to increase collaboration between pools, including the sharing of specialisms or specific local expertise? Are there any barriers to such collaboration?

Question 12: What potential is there for collaboration between partner funds in the same pool on issues such as administration and training? Are there other areas where greater collaboration could be beneficial?

Local investment

Proposal 5: Requirement on AAs to set out their approach to local investment, including a target range for investment, in their Investment Strategy Statement, and to have regard to local growth plans and local economic priorities in setting their investment strategy.

Proposal 6: Requirement on AAs to work with CAs, MCAs, CCAs, and local authorities in other areas to identify suitable local investment opportunities,

Proposal 7: Requirement for the pools to develop the capability to carry out due diligence on local investment opportunities.

Proposal 8: Requirement on AAs to include in their annual report a report on the extent and impact of their local investments.

Question 13: What are your views on the appropriate definition of ‘local investment’ for reporting purposes ?

Question 14: Do you agree that administering authorities should work with their Combined Authority, Mayoral Combined Authority, Combined County Authority, Corporate Joint Committee or with local authorities in areas where these do not exist, to identify suitable local investment opportunities, and to have regard to local growth plans and local growth priorities in setting their investment strategy? How would you envisage your pool would seek to achieve this?

Question 15: Do you agree that administering authorities should set out their objectives on local investment, including a target range in their investment strategy statement?

Question 16: Do you agree that pools should be required to develop the capability to carry out due diligence on local investment opportunities and to manage such investments?

Question 17: Do you agree that administering authorities should report on their local investments and their impact in their annual reports? What should be included in this reporting?

Governance of funds and pools

Proposal 9: Requirement to prepare and publish a governance and training strategy (replacing the governance compliance statement), including a conflicts of interest policy.

Proposal 10: Requirement to appoint a senior LGPS officer with overall delegated responsibility for the management and administration of the Scheme.

Proposal 11: Requirement to prepare and publish an administration strategy.

Proposal 12: Changes to the way in which strategies on governance and training, funding, administration and investments are published

Proposal 13: Requirement for AAs to participate in a biennial independent governance review and, if applicable, produce an improvement plan to address any issues identified.

Proposal 14: 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.

Proposal 15: Requirement for AAs 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.

Proposal 16: Requirement for pension committees to include an independent person who is a pensions professional, whether as a voting member or as an adviser.

Proposal 17: Requirement for boards to include one or two representatives of shareholder AAs, such as the chair of the shareholder committee or equivalent.

Proposal 18: Requirement for pools to publish asset performance and transaction costs

Fund governance

Question 18: Do you agree with the overall approach to governance, which builds on the SAB's Good Governance recommendations?

Question 19: Do you agree that administering authorities should be required to prepare and publish a governance and training strategy, including a conflict of interest policy?

Question 20: Do you agree with the proposals regarding the appointment of a senior LGPS officer?

Question 21: Do you agree that administering authorities should be required to prepare and publish an administration strategy?

Question 22: Do you agree with the proposal to change the way in which strategies on governance and training, funding, administration and investments are published?

Question 23: Do you agree with the proposals regarding biennial independent governance reviews? What are your views on the format and assessment criteria?

Question 24: Do you agree with the proposal to require pension committee members to have appropriate knowledge and understanding?

Question 25: Do you agree with the proposal to require AAs to set out in their governance and training strategy how they will ensure that the new requirements on knowledge and understanding are met?

Question 26: What are your views on whether to require administering authorities to appoint an independent person as adviser or member of the pension committee, or other ways to achieve the aim?

Pool governance

Question 27: Do you agree that pool company boards should include one or two shareholder representatives?

Question 28: What are your views on the best way to ensure that members' views and interests are taken into account by the pools?

Question 29: Do you agree that pools should report consistently and with greater transparency including on performance and costs? What metrics do you think would be beneficial to include in this reporting?

Suffolk County Council

Agenda Item 6

Suffolk Pension Board

Report Title:	Path to Net Zero
Meeting Date:	4 December 2024
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Stephen Meah-Sims, Deputy Chief Executive and Executive Director of Corporate Services
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial (S151) Officer
Author:	Tracey Woods, Head of Pensions, Telephone: 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of report

1. The Path to Net Zero document sets out the strategy and a high-level action plan on how the Path to Net Zero will be achieved and monitored.

Action recommended

2. The Board is recommended to note the Path to Net Zero.

Reason for recommendation

3. The Pension Fund is committed to aligning the portfolio to the Paris Agreement and set a net zero target for 2050 or earlier. The Path to Net Zero document sets out the strategy and a high-level action plan on how the Path to Net Zero will be achieved and monitored.

Alternative options

4. There are no alternative options.

Main body of report

Introduction

5. The Paris Agreement is an international treaty on climate change signed in 2016. It has a long-term temperature goal to keep the rise in global surface temperature to well below 2c. The lower the temperature increase, the smaller the effects of climate change can be expected. To achieve this temperature goal, greenhouse gas emissions should be reduced to net zero by the middle of the 21st century.
6. The Pension Fund is committed to aligning the portfolio to the Paris Agreement and set a net zero target for 2050 or earlier.
7. The Path to Net Zero sets out the strategy and a high-level action plan, which includes timelines, interim targets and how this target can be achieved. This also includes monitoring to enable the Fund to report progress.

Next Steps

8. The first objective is to analyse the level of climate risk within the Fund's investment portfolio. An estimated starting baseline for the portfolio is to be established as at 2019 and an accurate baseline for 2024. Once this work has been carried out by Hymans Robertson these will be presented to Committee and the Board.
9. An annual position will be calculated at the end of each financial year and presented to the Pension Fund Committee and the Board to monitor progress.

Conclusion

10. The Pension Fund is committed to aligning the portfolio to the Paris Agreement and set a net zero target for 2050 or earlier.
11. The Path to Net Zero sets out the strategy and a high-level action plan, which includes timelines, interim targets and how this target can be achieved. This also includes monitoring to enable the Fund to report progress.
12. The first objective is to analyse the level of climate risk within the Fund's investment portfolio. An estimated starting baseline for the portfolio is to be established as at 2019 and an accurate baseline for 2024. Once this work has been carried out by Hymans Robertson these will be presented to Committee and the Board.

Sources of further information

No further information has been relied on to a material extent in preparing this report.

Suffolk Pension Fund
Path to Net Zero

The Pension Fund Committee is committed to aligning the portfolio to the Paris Agreement and set a net zero target for 2050 or earlier. This document sets out the strategy and a high-level action plan, which includes timelines, interim targets and how this target can be achieved. This also includes monitoring to enable the Fund to report progress.

The Pension Fund Committee is aware of the need to generate a sufficient level of return whilst managing potential investment risks and therefore has developed a clear set of fundamental investment beliefs covering both investment and environmental, social and governance (ESG) considerations which provides a clear framework for all investment decisions.

The Committee's main objective is to deliver an investment return consistent with funding plans that does not compromise future generation's ability to meet their own needs.

In addition, the Committee identifies climate change, pollution and company stewardship as the priorities for responsible investments and ESG.

Strategy

Vision

To have net zero carbon emissions from the investments in the Fund from 2050 or earlier.

Objectives

- To understand the level of Climate Risk within the Fund's investment portfolio.
- Monitoring and reporting the progress towards net zero carbon emissions to enable the Pension Fund Committee to make informed decisions.
- To reassure stakeholders.

Achieved through:

- Carry out baseline analysis for investments to understand the starting position and progress made to date based on investment at 31 March 2024.
- Monitor and report on the delivery of the Net Zero commitment on an annual basis
- Evaluate progress against timeline targets to demonstrate progress.
- Identifying investments which are not aligned to achieving net zero carbon emissions by 2050 and making informed decisions on continuance.

Engagement

The Committee believes that engagement and voting are influential and promotes good practice in the corporate governance and management of the companies that they invest in. They can be effective in changing behaviour and improving the Fund's performance as well as having a positive impact on the environment and society and is more effective than disinvesting from the company.

The Fund where possible will participate in collaborative initiatives to strengthen the Fund's engagement outcomes.

The Suffolk Pension Fund has an investment managers engagement framework which sets how the elements of the process are identified and addressed, and to aid discussion, measurement of outcomes and reporting. This policy is set out in Annex 1 of this document.

Investment Strategy

The Committee recognises Environmental, Social and Governance (ESG) issues can impact on the Fund's investment returns and is committed to responsible investing to develop a sustainable investment approach to protect future Fund performance.

The Committee believes that having a responsible investment policy should lead to better financial outcomes for the Fund as businesses with more sustainable practices should outperform over the long term and lead to better outcomes for society.

The Fund should consider securities that deliver a positive environmental outcome only when there is evidence of the positive impact on risk and return and avoid exposure to securities where environmental aspects will be financially detrimental to the Fund.

Investment Managers

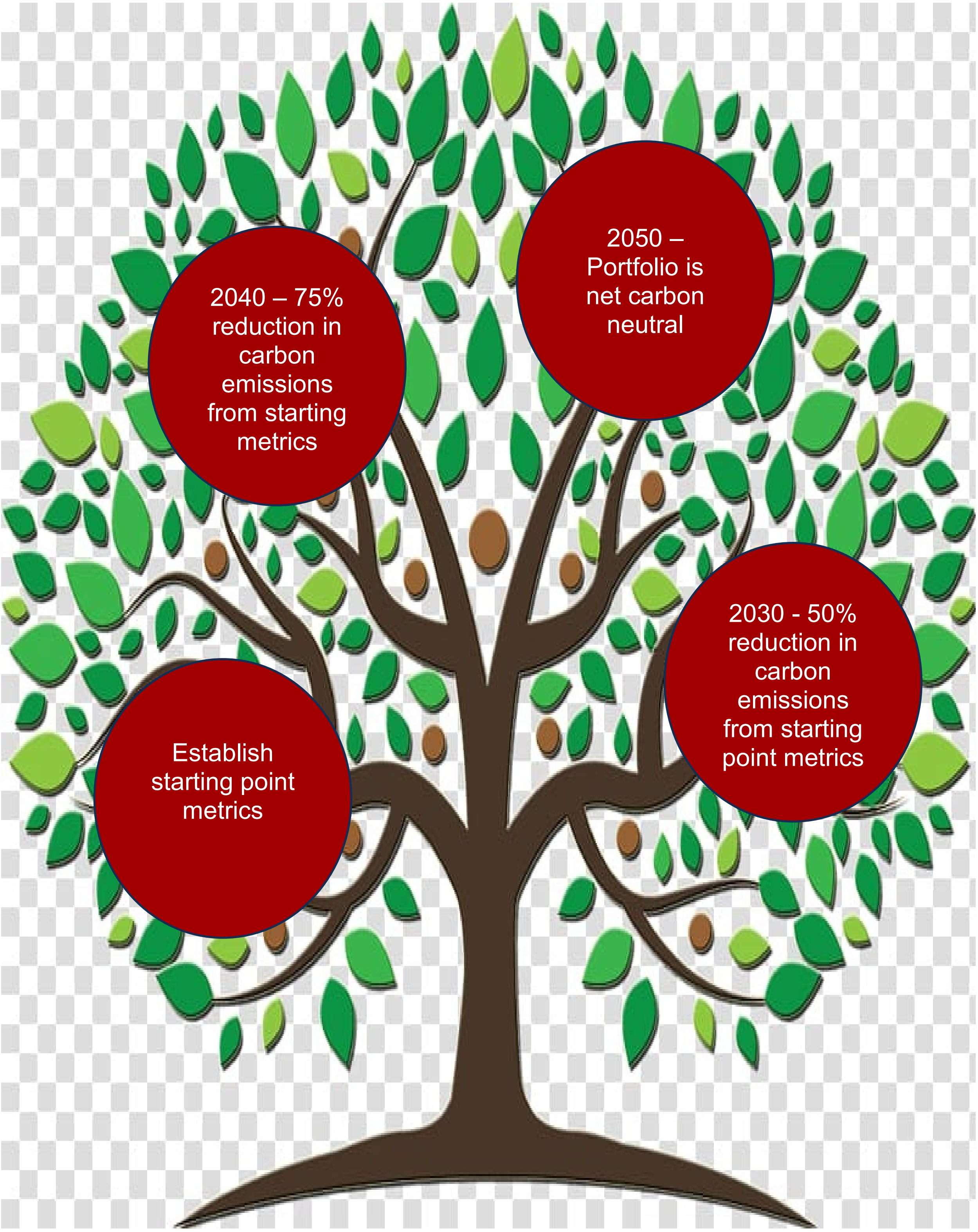
The Fund's investment managers are required to embed the consideration of Environmental, Social and Governance (ESG) factors into their investment process and decision making and to report on how these are implemented. ESG factors will evolve and the Fund's investment managers should seek to take a long-term view which evaluates the direction of travel of the invested companies.

The Committee does not restrict the investment managers' choice of investments by reference to social, environmental or ethical criteria except where restrictions have been put in place by Government. All investments that are made for the Fund comply with the legal and regulatory requirements that apply to the LGPS.

The Fund's investment managers are required to invest in line with the Fund's investment beliefs and to demonstrate how these beliefs are met.

Timeline

The timeline is a high-level journey plan, indicating the key milestones.



Measurement

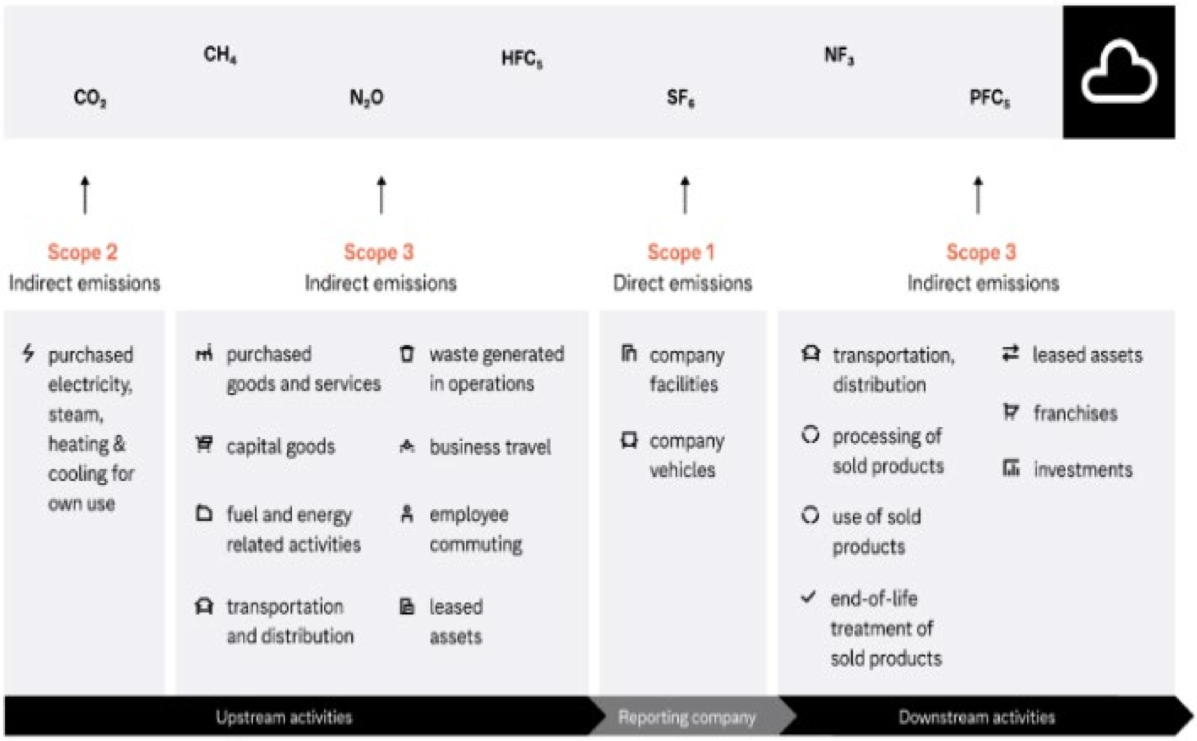
The carbon footprint of investments are reported as scope 1, 2 and 3 emissions, which categorises the different types of greenhouse gas emissions created by a company, its suppliers and customers. These are set out as follows:

- Scope 1 covers emissions from sources that an organisation owns or directly controls – such as driving non-electric vehicles.
- Scope 2 are emissions that a company causes indirectly and come from where the energy it purchases and uses is produced, such as electricity used in company buildings.
- Scope 3 are emissions that are not produced by the company itself and are not a result of activities from assets owned or controlled by them, but by those that it's indirectly responsible for up and down its value chain such as the use and disposing of products to its suppliers.

Upstream emissions occur during the production of goods or services that a business purchases or uses such as a retail business using plastic to produce its products, it's the emissions from the production of that plastic.

Downstream emissions result from the use or disposal of a businesses' s product or service such as the use and disposal of a washing machine.

The infographic below displays a business's upstream and downstream activities and the 15 categories of scope 3 emissions as defined by the Greenhouse Gas Protocol.



There is a lot to be taken into consideration to reduce emissions such as cost and practicality. A company can chose whether their fleet of vehicles are low or zero emissions, can determine how the energy for their buildings is sourced and how their products are produced and these are easily quantifiable in scope 1 and 2.

However, scope 3 emissions are the hardest to reduce because a soft drinks maker can’t control how a consumer will dispose of their empty bottle and a washing machine manufacturer can’t dictate to a customer that they can only use their appliance in eco mode and dispose of it responsibly.

Annex 1

Investment Management Engagement Framework

Format

The investment managers engagement process is a continuous cycle of:

- engagement with the investment managers and other investment professionals,
- Identification of responsible investment beliefs,
- Analysis and assessment,
- Review investments
- Monitor investments
- Report on investments

The investment managers engagement framework sets out how each of these elements of the process are identified and addressed and to aid discussion, measurement of outcomes and reporting.

Framework

Investment Managers Engagement Framework

Engagement

The Suffolk Pension Fund will meet with each investment manager at least once a year. Active equity funds and investments that are causing concern will be met with on a more frequent basis.

Identify Responsible Investment Beliefs

The Funds responsible investment belief are set out in the Investment Strategy Statement alongside how the principal responsible investment beliefs and priorities will be achieved.

The key responsible investment beliefs are as follows:

- Responsible Investment considerations are important across all time horizons, but especially in the medium and long term. This is true not just in terms of protecting and enhancing long term investment return, but also increasingly in terms of the interests of stakeholders.
- Responsible investment considerations are important irrespective of asset class.
- Responsible management of responsible investment issues is considered a reputationally important issue.
- The consideration of ESG factors is to be incorporated into the portfolio construction process of all investments made by the Fund's investment managers.
- ESG factors are relevant in the context of benchmarking, risk analysis and investment opportunity identification.
- Climate risk and the issues which contribute to it are of significant concern to all stakeholders and as a result it is the prominent area of concern
- The Fund advocates the use of engagement over divestment as the means to promote its Responsible Investment beliefs however, selling an asset remains an option when it comes to unaddressed ESG concerns.
- The Fund recognises the value in engaging collaboratively to leverage greater influence together with other investors who share the Fund's priorities through joint initiatives and organisations.
- The exercise of ownership rights through voting.

Analyse and Assess

The Fund will utilise a variety of methods to assess the Fund's Investment Managers implementation of ESG which covers:

- the overall approach to ESG risks and how they apply this to the mandate they manage Fund's behalf.

- implementation within the Fund's portfolio, identifying portfolio exposures to a range of ESG themes.

Review Investments

An agenda is prepared to promote ESG specific discussion for each meeting comprising of a set of questions based on the outcome and findings from the analysis. The investment manager should be able to demonstrate how the investments made measure up in terms of responsible investment and the stewardship activities undertaken that enhance sustainability.

The agenda will cover:

- An outline of how ESG is embedded into their investment decision making process and day to day investment activities
- justification for holding stocks that perform poorly in ESG analysis to gain sufficient comfort that the overall expected long-term financial gain is not compromised
- overall ESG scores and direction of travel
- climate change risk metrics
- What stewardship engagements activities have been carried out in relation to the mandate and the outcomes from that engagement
- The organisations path to net zero

Monitor Investments

Each of the Fund's Investment Managers is monitored and reviewed on a quarterly basis in terms of its overall investment capability and its RI rating.

Where a Manager has been flagged the Fund will meet and engage with the manager more frequently and provide appropriate challenge in the expectation that meaningful improvements will be achieved.

Report on Investments

The Pension Fund Committee receives a report on the outcomes from the investment managers meetings on a quarterly basis.

The Pension Fund Committee receives a quarterly ESG report which covers how the responsible investment beliefs in the investment strategy statement are being met. This includes how ESG is imbedded in the investment managers mandates, climate risk metrics, voting and stewardship.

The Fund requires each of its Investment Managers to provide an annual responsible investment report which outlines their policy, how the policy has been implemented and their outcomes.

Escalation Policy

Investment Managers are expected to invest inline with the Fund's responsible investment beliefs and to demonstrate how this has been implemented. They are expected to provide suitable reporting to meet the Fund's needs.

The Fund will monitor progress periodically and escalate any shortfall in expectations to the Pension Fund Committee.

If all avenues of engagement are exhausted, then the Pension Fund Committee, following professional advice, may decide to divest its mandate from the Investment Manager.

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Suffolk County Council

Agenda Item 7

Suffolk Pension Board

Report Title:	Administration System Contract
Meeting Date:	4 December 2024
Lead Councillor(s):	Councillor Richard Smith MVO, Cabinet Member for Finance, Economic Development and Skills
Director:	Stephen Meah-Sims, Deputy Chief Executive and Executive Director of Corporate Services
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial (S151) Officer
Author:	Tracey Woods, Head of Pensions, Telephone: 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of report

1. This report provides the Pension Board with an update of the changes that will be made to the Pensions Administration System as part of a new contract.

Action recommended

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

Reason for recommendation

3. The Pensions Administration System is fundamental to the Suffolk Pension Fund delivering effective and efficient services to members.

Alternative options

4. There are no alternative options.

Main body of report

Introduction

5. The Suffolk Pension Fund has put in place a new five-year contract with Heywood Ltd, the provider of the Altair system that is used for all Pensions Administration functions.

6. The new contract provides the team with new functionality. This ensures that the service has the platform to keep continuously improving services to members and meet statutory requirements with an increasing workload.

7. The new functionality includes:

   a) An upgrade to Engage, the new version of Member Self-Service. This provides additional security through electronic verification of identification and a wider range of tools to help members with retirement planning. This will help to remove some paper-based processes.

b) New standard reports to help us ensure we have all the necessary data in place to be ready to connect to the Pensions Dashboard, and the ability to connect to the Dashboard.

c) New dashboard reports to allow us to monitor and report on all areas of administration activity more effectively.

8. The first priority under the new contract is to implement Engage. This project has now started, and it is expected that the system will be ready to start rolling out to members from February 2025.

9. The project is focused on keeping the switch from Member Self-Service to Engage as seamless as possible for members. All members will be notified of changes via newsletters. Those already registered on Member Self-Service will be notified via emails.

10. In the new calendar year, work on the project to connect to the Pensions Dashboard will commence.

11. The Board will be kept up to date on progress and the impact of these improvements via the administration report.

Conclusion

12. The Suffolk Pension Fund has put in place a new contract for the Pensions Administration System and developments to the system will be made over the coming months.

Sources of further information

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

Suffolk County Council

Agenda Item 9

Suffolk Pension Board, 4 December 2024

Information Bulletin

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

This Information Bulletin covers the following items:

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1. Administration Strategy

1.1 The Administration Strategy will be presented to the Pension Fund Committee on 26 November 2024 (attached as **Appendix 1**).

1.2 The Administration Strategy sets out the quality and performance standards expected from the Pension Fund and the Employers.

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2. Annual Employers Meeting

2.1 The Annual Employers meeting will be held virtually on 10 December 2024, 10 am to noon.

2.2 The Fund's actuary will be taking the Employers through the valuation exercise, Tracey Woods will be covering performance of the Fund and the Government Pension Review, and finally there will be a number of administration updates including McCloud and AVC scheme.

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3. Property investment with CBRE

3.1 CBRE called for £37.5m on 24 October 2024, for the first two initial investments in the Global Property investment. Due to the short notice period this funding was sourced from the 5-year gilts held with UBS, (which is being disinvested).

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4. TPR Single Code of Practice

4.1 In January 2024, The Pensions Regulator (TPR) published a new Single Code of Practice which sets out the governance standards for pension schemes.

The code was laid in Parliament on 10 January 2024 and came into force on 27 March 2024.

4.2 The new code consolidates ten existing codes of practice and takes into account recent legislative changes which set new requirements for the trustees and management of pension schemes to establish and operate an effective system of governance.

4.3 The code sets out the standards of conduct and practice expected when carrying put functions under pension legislation and assists with compliance with the legal requirements.

4.4 Trustees of a scheme must conduct an Own Risk Assessment (ORA) to evaluate the scheme's governance, within 2 years. Suffolk Pension Fund will need to evaluate its governance and policies with the code modules and plan to meet the requirements of the first ORA.

4.5 The Pension Fund has been utilising a tool produced by Hymans Robertson to assist in evaluating compliance and monitoring progress on any areas which need further work to meet the code.

4.6 Two areas have been completed:

- The Governing Body and Board structure and activities
- Administration: Information handling

4.7 As a result of the officer's evaluation, some minor improvements have been implemented. No major discrepancies to the code compliance have been revealed.

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 Administration Strategy November 2024

Suffolk Pension Fund Administration Strategy

The aim of this Administration Strategy is to set out the quality and performance standards expected of scheme employers in the fund as well as the Suffolk Pension Fund. It seeks to promote good working relationships, improve efficiency and enforce quality amongst these parties.

The Suffolk Pension Fund has prepared this administration strategy in line with regulation 59 of the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended)

This strategy is subject to review at least every three years or at such time there is a change in legislation or policies that affect this document.

The Pension Fund Committee will consult with Employers in the Fund on any material changes to the Administration Strategy.

Strategy

Vision

The quality of service to members of the scheme relies on the supply of accurate and timely information from both their Employer and the Suffolk Pension Fund. This is best achieved when each party is clear about their roles and responsibilities and work in partnership. The purpose of the strategy is:

- To provide a high quality and low-cost pension service to members of the scheme
- To ensure pension benefits are paid accurately and on time
- To ensure performance and service delivery comply with LGPS regulations and The Pensions Regulator Single Code of Practice.

Principles

This strategy is an agreement between Suffolk Pension Fund and all participating Employers. All parties commit to the following principles:

- Continually develop efficient working arrangements
- Meet the service standards set out
- Take responsibility to provide accurate and timely information

Suffolk Pension Fund Responsibilities

Suffolk County Council has the overriding responsibility to maintain and administer the Suffolk Pension Fund in accordance with the regulations.

Set out in **Appendix 1** are the target timeframes the Fund aims to work within and which the Fund believes achieves an optimal balance between customer expectation, achievability and cost.

Employer Responsibilities

The below details the key requirements each Employer in the Fund must adhere to. Where issues are identified by the Employer or Administering Authority, both parties must work together to resolve them at the first available opportunity.

Firstly, the scheme Employer must nominate a person who will act as the Administering Authorities primary contact. This should be completed within one month of becoming an Employer in the Fund and future changes must be notified to the Fund immediately.

In addition, each scheme Employer must have a person nominated to oversee Stage 1 complaints for the Pensions Dispute Resolution Process. Employers should always ensure the Administering Authority has up to date details for this person.

Each Employer must also ensure they have appointed an independent Medical Practitioner qualified in Occupational health medicine, to advise on all ill health retirement applications. This appointment needs to be agreed with the Administering Authority.

Each employer that is not using iConnect must ensure that the annual year-end return is sent to the Administering Authority by 21 April, or the next working day where this falls on a non-working day. This return will be completed in the requested format of the Administering Authority and contain accurate information in the relevant fields for each employment.

Employers using iConnect are responsible for ensuring that the monthly iConnect submissions contain accurate data. Employers are required to upload files by the end of the week following the month to which they relate.

All other Employer administration requirements are detailed in **Appendix 2.**

Unsatisfactory performance

Failure by any party to adhere to the service standards set out in this strategy can have a number of implications. These include unsatisfactory service to members of the scheme, providing inaccurate information, inefficiency and incorrect calculations of payments.

The Suffolk Pension Fund is committed to working with all Employers to achieve the performance standards set out in this strategy but when an Employer materially fails to operate in accordance with these standards and this leads to extra costs being incurred by the Pension Fund, then a written notice will be issued to recover these extra costs in accordance with regulation 70 of the LGPS 2013 regulations.

Any penalties, fines or compensation payments imposed on the Fund by the Pensions Regulator, the Pensions Ombudsman or any other party as a consequence of Employer error or inaction will be charged to the Employer.

Any Employer who regularly pays the pension contributions later than the requirement set out in this administration strategy will be issued with a notice of improvement. Any late payment within 12 months of a notice of improvement being issued can be subject to a late payment charge at a daily rate equal to the Bank of England's base rate plus 1%.

The Suffolk Pension Fund is required to report its performance to the Pensions Board and it is published in the Pension Fund Annual Report and Accounts.

Any material breaches of administration will be reported to the Pensions Regulator.

Appendix 1

Suffolk Pension Fund Administration Responsibilities

Work Function	SLA
Issue latest Employer Manual to Employers in Fund	Within one month of Employer admission or changes being made
Provide the link to the current scheme guide for employees	Within one month of Employer admission or changes being made
Formulate and publish policies in respect of where the administering authority has discretion in the scheme	Within one month of the policy being agreed by Pensions Committee
Host Employers Meeting	Annually
Notify Employers and Scheme Members of changes to Scheme rules	Within three months of changes taking place
Issue Annual Benefit Statements to Active and Deferred Members	By 31st August each year
Issue formal valuation results which include individual employer details	Within one month of receipt of results from the fund actuary, but in any event no later than 31st March following the valuation date
Set up new admitted bodies including admission agreements and notification to Secretary of State	Within three months of agreement to be an admitted body in fund
Publish and keep under review the Pension Funds Funding Strategy statement	To be reviewed at each triennial valuation, following consultation with the scheme employers and the funds actuary. Revised Statement issued with the final valuation report
Publish the Pension Fund annual report	By 30th November following the year end
Provide responses, or updates, to scheme members/representatives or employers	10 working days from the receipt of the enquiry
Process New starter information	With one month of receipt from Scheme employer
Process Change in Details	Within one month of receipt from Scheme Employer
Issue Annual Allowance Statements	By 6th October following end of year or in line with HMRC requirements if they change.
All estimate requests	Within 10 working days of receipt of all information*
Provide details of estimated transfers out	Within one month of receipt of all necessary information
Payment of transfers out	Processed within 10 working days of receipt of all the necessary information
Provide Transfer-in quote to scheme member	Within 10 working days of receipt of the estimated transfer value
Confirm Transfer-in payment and membership change to scheme member	Within 10 working days of receipt of payment and transfer of value
Arrange for the transfer of additional voluntary contributions (AVC) into in-house arrangement	Within 10 working days of receipt of all information

Notify Scheme employer of members election to pay additional pension contributions and/or additional voluntary contributions	Within 10 working days of receipt of election form and all required information
Notify retiring scheme members of options	Within 5 working days of receipt of all the necessary information
Payment of Retirement Lump sum and pension	Processed within 10 working days of receipt of all necessary information**. Pension to be paid in the next available pay run and thereafter paid on the last banking day of each month
Issue correspondence in relation to death notifications	Within 5 working days following notification of death and all required information
Notification of survivor benefits	Within 10 working days of receipt of all necessary information
Pay balance of deceased pensions and any death grant due	Processed within 10 working days of receipt of all necessary information
Changes to pensioner bank details	Will be made by payroll cut-off date
Appoint nominated person for the purposes of the stage 2 pension dispute process and notify scheme employers of the appointment	Within one month following the resignation of the current appointed person
Process all stage 2 pension dispute applications	Within two months of receipt of the application, or longer if further information or clarification is required (ensuring member is updated)

*Please note for bulk estimate requests a longer timescale may be required and will be agreed on an ad hoc basis with the employer

** Or processed in sufficient time for payments to be made when due, if the member is not retiring immediately, ensuring there is no detriment to the member.

Appendix 2

Suffolk Pension Fund Employer's Administration Responsibilities

Employer Function	Employer SLA
Employer Discretion Policies:- Employers are required to formulate, publish and keep under review a policy statement in relation to a number of discretions in the LGPS. Suffolk Pension fund must hold an up to date copy of this. Any revisions to the policies must be published and a copy provided to the Suffolk Pension Fund	Copy of revised policies need to be with Suffolk Pension fund within one month of a change
All employee and employer contributions will be deducted at the correct rate, including contributions due on leave of absence with reduced or nil pay and paid to the Suffolk Pension fund. This does not include additional voluntary contributions.	Remit and provide details of all contributions by 5th working day of month after deduction
Arrange for the deduction and payment of Additional voluntary contributions (AVC) to the AVC provider	By 19th of month following deduction
Cease deduction of employee contributions where a scheme member opts to leave the scheme	Month following election or future specified date from member
Refund any contributions when employees opt out of the pension scheme before 3 months	Month following receipt of opt out
Employers must provide all new employees eligible to join the LGPS with a copy of the members guide to the pension scheme	At the time of appointment provide a link to the guide on the Suffolk Pension fund website or download the latest version and provide directly to the member
Notify Suffolk Pension fund of all new members in the scheme	Within 6 weeks of starting to ensure automatic enrolment obligations are met
iConnect Submissions (for employers using iConnect to submit monthly returns)	Upload files by the end of the week following the month to which they relate.
Notify Suffolk Pension fund with details of all material changes in employee circumstances, including marital or civil partnership status, or hour changes through agreed electronic interface	Within one month of change happening
Admitted body employers must review the level of bond or indemnity required to protect the other employers in the Suffolk Pension Fund	Annually, or as agreed individually with the fund
Pay additional fund payments in relation to early payments of ill health, flexible retirement, redundancy or business efficiency retirement	Within one month of invoice date or as notified on individual case
Respond to enquiries from the administering authority	Within 10 working days of receipt of enquiry
Respond to any end of year queries	Within 10 working days or agreed timescale with the fund. Annual allowance queries must be resolved by 6th July at latest as per HMRC requirement
Provide written advance notification of leavers who are immediate payment cases including general	One month prior to effective date

retirements, ill-health, redundancy, efficiency and flexible* retirements	
Provide all information linked to death in service of members	Within 5 days of having all information
For all leavers reason for leaving and confirmation of final pay information must be provided in correct format	Within one month of member leaving

* Notification must be received by one month after date of change as per LGPS 2013 regulations (32) and the Disclosure regulations 2013.

For employers who will be joining the Suffolk Pension fund under admitted body status, please refer to the new employer information that will be provided to you separately.

Suffolk County Council

Agenda Item 10

Suffolk Pension Board Forward Work Programme

Purpose

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

Terms of reference

The terms of reference of the Suffolk Pension Board are:

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

Meeting date (see Note)	Date added	Subject	Short description	How is it anticipated the Committee will deal with this issue?
Friday 7 March 2025	16 October 2024	Complaints, Compliments and Administration Performance	To receive a report on the administration performance of the fund, including complaints and compliments.	Written Report
	4 December 2024	**Government Pension Review**	**To update on the Government Pension Review**	**Written Report**
	16 October 2024	Suffolk's progress on Pooling of Assets	To receive an update on the progress of pooling assets.	Verbal Report
	16 October 2024	Administration and investment management costs	To receive a report on the administration and investment management costs for 2025/26.	Written Report
	16 October 2024	Pension Board Risk Register	To review the Pension Board Risk Register.	Written Report
	4 December 2024	**Recent Developments**	**To receive an information bulletin covering recent developments that the Board has an interest in.**	**Written Report**
	16 October 2024	Forward Work Programme	To approve the Forward Work Programme for the Suffolk Pension Board.	Written Report

Meeting date (see Note)	Date added	Subject	Short description	How is it anticipated the Committee will deal with this issue?
Tuesday 29 July 2025	**4 December 2024**	**Complaints, Compliments and Administration Performance**	**To receive a report on the administration performance of the fund, including complaints and compliments.**	**Written Report**
	4 December 2024	**Annual Investment Performance Review**	**To review the Investment performance of the Fund in 2024/25**	**Written Report**
	4 December 2024	**Government Pension Review**	**To update on the Government Pension Review**	**Written Report**
	4 December 2024	**Suffolk's progress on Pooling of Assets**	**To receive an update on the progress of pooling assets.**	**Verbal Report**
	4 December 2024	**Internal Audit Report**	**To receive a report on internal audit work completed during 2024/25**	**Written Report**
	4 December 2024	**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: December 2024

Items for consideration/scheduling:

- Pensions Dashboard update in October 2025