

Minutes of the Suffolk Pension Board Meeting held on Friday 10 March 2023 at 11:00 am in the Rose Mead Room, Endeavour House, Ipswich.

Present: David Rowe (Vice Chair, representing Active Members), Pauline Bacon (representing the Unions), Ian Blofield (representing all Borough, District, Town and Parish Councils), Thomas Jarrett (representing all other employers in the Fund), and Eric Prince (representing Pensioners).

Supporting officers present: Susan Cassedy (Democratic Services Officer), Paul Finbow (Head of Pensions), Stuart Potter (Pensions Operations Manager) (Items 8-13) and Sharon Tan (Lead Accountant, Pensions).

31. Apologies for Absence

Apologies for absence were received from Councillor Richard Rout (Chairman, representing Suffolk County Council).

32. Declarations of Interest and Dispensations

Eric Prince declared an interest by virtue of the fact he was in receipt of a local government pension.

Ian Blofield, Pauline Bacon, Thomas Jarrett, and David Rowe declared an interest by virtue of the fact they were active members of the pension scheme.

33. Minutes of the Previous Meeting

The minutes of the meeting held on 7 December 2022 were confirmed as a correct record and signed by the Vice Chair.

34. Pensions Administration Performance

The Board received a report at Agenda Item 4, which provided members with an update on the performance of the Pensions Administration Team. This report also included details of compliments and complaints and contribution payments.

The report was introduced by the Head of Pensions and the Lead Accountant, Pensions. Members had an opportunity to ask questions.

In relation to the backlog, the Board was advised that although the numbers of older undecided leavers had dropped, newer cases had been added to the outstanding list. The expectation was to substantially reduce this unprocessed work by the summer of 2024.

The Head of Pensions confirmed that records of people who could not be found would be kept open and the money held. He referred to the Pensions Dashboard national scheme which provided people with their own log in so that they could view all their pensions in one place. This had been due to come out in August but had been delayed with no known date. The I-Connect file would resolve the

address problems and would put the Fund in a better position for active members but the issue with deferred pensions would remain.

In the event of the death of the main recipient, the Board was advised that having a named beneficiary speeded up the process and there was no need to wait for probate. If, however, there were no nominations, this would get to the right person via probate but would slow up any payments.

It was suggested that an article be placed in Inside SCC and the active members newsletter stressing the importance of members keeping their information up to date.

Decision: The Board noted the report.

Reason for decision: The Board wanted to be provided with regular updates on the performance of the Pensions Administration Team including updates on statutory requirements and Service Level Agreements.

Alternative options: There were none considered.

Declarations of interest: Eric Prince declared an interest by virtue of the fact he was in receipt of a local government pension.

Ian Blofield, Pauline Bacon, Thomas Jarrett, and David Rowe declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

35. Review of the Actuarial Valuation of the Fund

The Board received a report at Agenda Item 5, which updated members on the progress made in completing the Actuarial Valuation and the decisions that the Pension Fund Committee made on 28 February 2023.

The report was introduced by the Head of Pensions who advised that it had been a successful valuation process and that the rates and adjustments certificate would be issued in the next few days. Members had an opportunity to ask questions.

With regards to the reduction in Suffolk County Council's rate of contribution, the Head of Pensions advised that all employers were in different positions and had made different decisions about their contributions. He explained that the Council would be paying 23% for the current year and 19.4% for the next three years due to being above 100%. The Head of Pensions advised that the more paid in, the higher the certainty that the employer would remain 100% funded going forward.

It was explained that one of the elements used by the Actuary to calculate liabilities in the valuation was bond yields (interest rates) and as interest rates had gone up less money was needed to pay benefits in the future as the money would earn more.

The Head of Pensions stated that the revised number from the Actuary had not yet been received but it was expected to have improved.

Decision: The Board:

- a) noted the Funding Strategy Statement for the Pension Fund set out in Appendix 1; and

- b) noted the contribution rates for the employers in the Fund (set out in Valuation Report in Appendix 2).

Reason for decision: To provide the Board with an update on the process for agreeing employer contribution rates for the next three years.

Alternative options: There were none considered.

Declarations of interest: Eric Prince declared an interest by virtue of the fact he was in receipt of a local government pension.

Ian Blofield, Pauline Bacon, Thomas Jarrett, and David Rowe declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There was none granted.

36. Board member reflection on the ACCESS Joint Committee Meeting 6 March 2023

The Board received an update from Ian Blofield and Eric Prince on their recent attendance at the ACCESS Joint Committee meeting.

Ian Blofield described it as an interesting experience with 14 items on the agenda covering various aspects expected of a committee that might affect the fund. He advised that there was representation from 11 funds with 35 representatives made up of a mix of councillors and officers. He had been reassured to note the serious and rigorous debate that had taken place and it was not just a case of nodding through papers. Ian Blofield advised that the six representatives from three pension boards provided feedback to the Committee at the end of the meeting and he considered it well worth doing as it had provided a sense of scale and range of issues on operational aspects. He added that due to the size of the committee it had access to good technical support.

Eric Prince advised that he went to see if it would operate effectively or if it would be just a rubber stamping operation. He described the reports considered as probably unusually challenging and how impressed he had been in the way it was operated. He considered there to be a lot of challenge with one item getting deferred. Eric Prince still retained his concerns regarding the size of the Committee and raised concern about it becoming a bureaucracy.

The Board was advised that it had been the first time observers had officially attended following the signing of the Inter Authority Agreement however there had been observers at the two previous meetings.

Decision: The Board noted the update.

Reason for decision: The Board was interested to hear reflections on how the Joint Committee was running.

Alternative options: There were none considered.

Declarations of interest: There were none declared.

Dispensations: There were none granted.

37. ACCESS Pool update

At Agenda Item 7, the Board received an update from the Head of Pensions, and members had an opportunity to ask questions.

The Board was advised of the discussion which had taken place at the ACCESS Joint Committee.

The Head of Pension referred to the Link Fund Solutions sale and the buyer was now working on putting a deal together by the end of March. The Board heard that the FCA had been involved and that the team providing the service would transfer to the buyer, with services continuing until March 2025 which was the end of the existing Link contract period.

The Head of Pensions advised that a delegation to the Chief Financial Officer was in place should there be a need for an earlier procurement.

Decision: The Board noted the update.

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

Alternative options: There were none considered.

Declarations of interest: Eric Prince declared an interest by virtue of the fact he was in receipt of a local government pension.

Ian Blofield, Pauline Bacon, Thomas Jarrett, and David Rowe declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

The Board adjourned at 12.05 pm and reconvened at 12.11 pm.

38. Administration and Management Expenses

At Agenda Item 8, the Board considered a report setting out the proposed management expenses for the Pension Fund as presented to the Pension Fund Committee at its meeting on 28 February 2023.

The report was introduced by the Lead Accountant, Pensions, and members had an opportunity to ask questions.

In response to concerns raised regarding the £117,000 for three additional posts the Head of Pensions advised that this amount included pay awards and incremental progression for the current team.

In noting that fixed term 1 year contract was not always popular, the Head of Pensions considered that this depended on the timing on when the advert went out. He suggested that it might interest those coming to the end of their academic year and looking for employment but not having made up their minds on a long-term career.

The Head of Finance advised that there was one fixed term member of staff whose contract had been extended and that the budget was based on those colleagues working full time, using the underspend to fund the additional Grade 4 post.

In respect of concerns raised on whether the allowance of £4,000 being sufficient for the Pension Board and a query on the cost of sending Board Members to the ACCESS Joint Committee, the Lead Accountant, Pensions advised that the only cost with regards to attending was the train tickets and that overall costs of administering the Board were low.

Decision: The Board noted the report.

Reason for decision: The Board noted that costs incurred by the Pension Fund in managing the Fund were related to administration, investment management and governance costs. Some of the costs were incurred by Suffolk County Council as administering authority of the Pension Fund.

The Pension Board was required to ensure effective and efficient governance of the Suffolk Pension Fund.

Alternative options: There were none considered.

Declarations of interest: Eric Prince declared an interest by virtue of the fact he was in receipt of a local government pension.

Ian Blofield, Pauline Bacon, Thomas Jarrett, and David Rowe declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

39. Pension Board Risk Register

At Agenda Item 9, the Board received a report which set out its Risk Register and how the risk control measures had been implemented against the risks.

The report was introduced by the Lead Accountant, Pensions, and members had an opportunity to ask questions.

The Board was advised that the Pension Fund Committee had received and approved the new Risk Register at its September 2022 meeting. A working group had met at the end of January 2023 to go through every line to review the risks. The Lead Accountant, Pensions highlighted the changes made including two risks being merged and moving one from Assets and Investments to Reputational.

A Board member suggested changing the Asset Pooling risk to low risk as the appropriate governance arrangements were now in place and effective.

Clarification was given that SPF14, Funding and Liabilities had not changed and had previously been 'red'.

Decision: The Board:

- a) reviewed the implementation of the risk control measures; and
- b) reviewed and approved the Pension Board Risk Register.

Reason for decision: The Board recognised that 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 which was covered within the CIPFA Knowledge and Skills framework which recognised the importance of having an understanding of the risks that could have an impact on the Pension Fund and what steps could be taken to mitigate such risks.

Alternative options: There were none considered.

Declarations of interest: Eric Prince declared an interest by virtue of the fact he was in receipt of a local government pension.

Ian Blofield, Pauline Bacon, Thomas Jarrett, and David Rowe declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

40. Information Bulletin

The Board noted the Information Bulletin at Agenda Item 10.

41. 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.

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

42. Exclusion of the Press and Public

Decision: The Committee agreed that the public (including the press) should be excluded from the meeting during the consideration of Agenda Item 13 on the grounds that:

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

43. Cyber Security

At Agenda Item 13, the Board considered an exempt report setting out the cybersecurity measures undertaken by Suffolk County Council, Heywood, Northern Trust and Link Fund Solutions.

The report was introduced by the Lead Accountant, Pensions, and members had an opportunity to ask questions.

Board members were of the opinion that the report provided great detail of reassurance particularly with regards to resilience testing.

Decision: The Board noted the cybersecurity measures implemented by Suffolk County Council, Heywood, Northern Trust, and Link Fund Solutions which applied to the Suffolk Pension Fund.

Reason for decision: The Pension Board was responsible for assisting the administering authority in securing effective and efficient governance of the Fund which would include an assurance that the Suffolk Pension Fund data was suitably protected through measures implemented by Suffolk County Council, Heywood, Northern Trust and Link Fund Solutions.

Alternative options: There were none considered.

Declarations of interest: Eric Prince declared an interest by virtue of the fact he was in receipt of a local government pension.

Ian Blofield, Pauline Bacon, Thomas Jarrett, and David Rowe declared an interest by virtue of the fact they were active members of the pension scheme.

Dispensations: There were none granted.

The meeting closed at 12.58 pm.

Chairman