

## Suffolk Pension Board

(Quorum 2 – 1 member of each representative group)

### Scheme Employer Representatives:

Councillor Richard Rout, 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.

David Rowe, representing Active Members.

Eric Prince, representing Pensioners.

**Date:** Wednesday, 20 July 2022

**Venue:** Elisabeth Frink Room  
Endeavour House  
8 Russell Road  
Ipswich  
Suffolk  
IP1 2BX

**Time:** 2:00 pm

**Business to be taken in public:**

1. **Election of Chairman and Vice Chairman**

The Committee is invited to elect a Chairman and Vice Chairman for the 2022/23 Municipal Year.

2. **Apologies for Absence**

To note and record any apologies for absence.

3. **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.

4. **Minutes of the Previous Meeting**

Pages 5-10

To approve as a correct record, the minutes of the meeting held on 23 March 2022.

5. **Investment Performance 2021/22**

Pages 11-39

To receive a report on the investment performance of the Fund in 2021/22.

6. **Pensions Administration Performance**

Pages 41-45

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

7. **ACCESS Pool update**

To receive a verbal update on the progress of the ACCESS pool.

8. **Information Bulletin**

Pages 47-56

To receive an information bulletin on some recent developments that will be of interest to the Board.

9. **Board Training Programme**

Pages 57-68

To consider the Board's training programme for the next 12 months.

10. **Dates of Future Meetings**

The following dates are suggested for future meetings:

2022/2023 Municipal Year:

- Monday, 17 October 2022 (2pm)
- Wednesday, 7 December 2022 (11am)
- Friday, 10 March 2023 (11am)

2023/2024 Municipal Year

- Tuesday, 25 July 2023 (11am)
- Tuesday, 3 October 2023 (11am)
- Tuesday, 6 December 2023 (11am)
- Friday, 8 March 2024 (11am)

11. **Forward Work Programme**

Pages 69-71

To consider whether there are any matters which the Board would wish to have included in its Forward Work Programme.

**Date of next scheduled meeting (to be confirmed):** Monday, 17 October 2022 at 2:00 pm

## Access to Meetings

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For more information about this meeting, including access arrangements and facilities for people with disabilities, or if you find any of the content of this agenda pack to be unsuitable for users of assistive technology, please contact Democratic Services on:

Telephone: 01473 264371;

Email: [committee.services@suffolk.gov.uk](mailto:committee.services@suffolk.gov.uk); or by writing to:

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

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[www.suffolk.gov.uk/council-and-democracy/the-council-and-its-committees/apply-to-take-part-in-a-public-meeting#filming](http://www.suffolk.gov.uk/council-and-democracy/the-council-and-its-committees/apply-to-take-part-in-a-public-meeting#filming).

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1. Leave the building immediately via the nearest Fire Exit and make your way to the Assembly point.
2. Use the stairs, NOT the lifts.
3. Do not re-enter the building until told it is safe to do so.

**Nicola Beach**  
**Chief Executive**

Minutes of the Suffolk Pension Board Meeting held on 23 March 2022 at 11:00 am in the King Edmund Chamber, Endeavour House, Ipswich.

Present: Councillor Richard Rout (Chairman) (representing Suffolk County Council), Pauline Bacon (representing the Unions), Ian Blofield (representing all Borough, District, Town and Parish Councils), and Eric Prince (representing Pensioners).

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

### **35. Apologies for Absence**

Apologies for absence were received from Thomas Jarrett (representing all other employers in the Fund), and David Rowe (representing Active Members) who was unable to attend the change in meeting date at the time the Board was consulted about the change.

### **36. Declarations of Interest and Dispensations**

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

Ian Blofield and Pauline Bacon declared a non-pecuniary interest by virtue of the fact they were active members of the pension scheme.

### **37. Minutes of the Previous Meeting**

The minutes of the meeting held on 10 December 2021 were confirmed as a correct record and signed by the Chairman.

### **38. Matters Arising**

Eric Prince requested an update to minute 26 b). Members were told that it was not presently possible to attach the pensioners newsletter to an email using the current system, however if this were to become an option in the future, it could be looked at. The Board was reminded that the pensioners newsletter was available via Members Self Service, the pension fund website, and paper copies could also be issued where requested. Eric Prince reiterated his desire to improve communications with pensioners, stating that he believed the newsletter would be read by more people if it was provided as an attachment to an email, rather than to expect elderly pensioners to find their way using passwords on to an IT system.

### **39. Pensions Administration Performance**

At Agenda Item 4, the Board received a report which provided an update on the performance of the Pensions Administration Team. The report also included details of the compliments and complaints and receipt of contribution payments from employers.

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

In response to questions from members, Officers said that there was funding in place to recruit to the fixed term positions within the Pensions Administration Team. Officers confirmed that a recruitment process would soon be taking place to search for a new permanent employee, in addition to the fixed-term posts as noted at paragraph 12 of the report, because an individual had been recently resigned for personal reasons.

The Board also heard as part of the pension administration team's general reviews, several pensioners had been identified who did not receive increases on their second and third pensioner contracts in April 2021. Members were assured that the issue had now been resolved, and arrears had been paid in March 2022 to everybody due. Further information on this would be included in the paper coming to the Board's June meeting.

**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.

**Alternative options:** There were none considered.

**Declarations of interest:** There were none declared.

**Dispensations:** There were none granted.

### **40. Administration and Management Expenses**

The Board received a report at Agenda Item 5, which set out the proposed administration and management expenses for the Pension Fund as presented to the Pension Fund Committee at its meeting on 28 February 2022.

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

In response to a question from a member, Officers confirmed that the Governance and Oversight costs were unlikely to increase throughout 2022-23 due to a rise in inflation, partly because the contracts with the Actuary and investment advice had been re-tendered through a procurement exercise earlier this year, with Hymans Robertson winning the contract at a competitive price. It was also noted that the investment advice was calculated on what Officers believed the Committee might ask for throughout the year, however costs could increase if the Committee decided to do something different or request extensive advice on certain subjects.

**Decision:** The Board noted the report and wished to pass on its compliments to all Officers involved.

**Reason for decision:** Members were aware that the 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 the effective and efficient governance

**Alternative options:** There were none considered.

**Declarations of interest:** There were none declared.

**Dispensations:** There were none granted.

#### 41. **ACCESS Update**

At Agenda Item 6, the Board received an update from Paul Finbow, Head of Pensions, in relation to the ACCESS pool and the progress of pooling of assets.

Members were informed that there had been two meetings of the Joint Committee since the Board last received an update.

Members heard that the M&G Alpha Opportunities sub-fund opened on 1 December 2021 which was one that Suffolk had been waiting several years to invest in. This meant that Suffolk had now invested through three of the pooling sub-funds, including Black Rock and Newton. Additionally, the UBS passive mandate meant that 60% of Suffolk's funds were now pooled with ACCESS. Members also noted that there were presently 25 sub-funds that Suffolk could invest in with a plan for a further 10 sub-funds to be created over the next 18 months.

The Board was informed that the Chair of Joint Committee would soon be issuing a progress update which would be shared with members in due course. This would cover several topics, including information about the agreement for pension board members to attend meetings of the Joint Committee. This would be in an observer role, with the only direction from the Joint Committee being that it should include at least one scheme member representative. This would be arranged on a rotational basis over the year; each of the 11 funds would be given one meeting date for two of their pension board members to attend. Up to six observers, from three funds, would be invited to attend each Joint Committee meeting. Members noted that this was a positive change however as it required a change to the Inter-Authority Agreement (IAA), this could mean that this new approach might not start until the Joint Committee's September 2022 meeting. Suffolk was in the third meeting tranche, as they had arranged it alphabetically, so it was hoped the Board would decide on two representatives to attend the March 2023 meeting of the Joint Committee at a future meeting.

Members also noted that there were two other changes needing to be made to the IAA: one relating to the Responsible Investment guidelines as discussed by the Board at its December 2021 meeting. The second being that clarity needed to be made to the IAA on who could be a Joint Committee member. Members heard that presently, only administration authority councillors were able to attend meetings, however in Suffolk's case, a member appointed by the district council had been elected as the Vice Chairman of the Suffolk Pension Fund Committee, which meant he was unable to substitute for the Chairman at meetings of the Joint Committee. The change would make it so any councillor member of a

pension committee would be able to attend a meeting of the Joint Committee, and not restricted to an administration authority councillor.

The Board was also informed that MJ Hudson, who had been appointed to advise ACCESS on Alternatives, had started to work with all the individual funds. A decision was taken on 7 March for Property to be the first sub-fund of the four Alternative asset classes, the others being Private Equity, Private Debt and Infrastructure, with some further work being undertaken to decide which of the other three mandates would be looked at next. Members heard that this would give the Fund opportunities to transfer further monies into the pool. It was likely that the work on the Property asset class would take 9 months to a year to be put in place. In response to a question from a member, the Head of Pensions confirmed that the Property offering would likely include a residential property offering within it, as well as a global offering, and the core UK corporate property offering.

**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:** There were none declared.

**Dispensations:** There were none granted.

#### **42. Risk Register**

At Agenda Item 7, the Board received a report which set out the Risk Register and how the risk control measures had been implemented against the risks.

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

In response to questions from members, the Board was informed that Suffolk only had some funding invested in Russia as part of its emerging markets fund. The Fund had 1% of its assets invested in emerging markets, and of that less than 10% had been invested in Russia. The Board noted that the Fund's value dropped by £140 million in a short space of time following the invasion of Ukraine, however the markets had fluctuated daily, and the Fund had seen a return of £60m since the end of February. Because of the broad range of assets, the Fund was invested in geographically and the types of assets meant that any one change in one area did not necessarily knock the value of all the assets, although it would have some effect. At the point of the Valuation, an assumption would be made that Russian assets would not be tradeable, and it would be marked as zero in terms of the asset values. Also, index providers were removing Russian assets from the index and so the Fund would not end up with Russian holdings going forward.

Members also heard that the high levels of inflation would be played out on the liabilities side, because pensions were guaranteed to rise with inflation. The Actuary would be taking that into account when it looked at the valuation of the Fund. Members were reminded that the Fund was an open, long-term fund, so the Actuary would be considering inflation costs over the next 20 years. Although most commentators were suggesting a massive rise in inflation, higher than had



been experienced in many years, they were not expecting it to remain high. So, over a 20-year period, the high inflation costs were unlikely to make a major difference to the valuation of the Fund. As of today, the Fund's value was at £3.665 billion, and had risen by £300 million since last year, when the Fund was valued at £3.3 billion. At the last Valuation in 2019, the Fund was just below £3 billion, and so the assets had appreciated significantly, and the Actuary's last estimate was that the Fund would be funded at 118%. With the drop in value since February 2022, the Fund would probably have been funded at 113%, which was the same as it had been valued in September 2021. This number was very volatile and moved around a lot. However, if commentators believed that a rise in inflation would be a shorter-term hit, the Fund already had some buffer in it to help cope with that by the time of the valuation on 31 March 2022.

**Decision:** On the proposition of Eric Prince, seconded by Pauline Bacon, the Board unanimously agreed to approve the Pension Board Risk Register as published and noted the implementation of the risk control measures.

**Reason for decision:** The Board considered 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 understanding 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:** There were none declared.

**Dispensations:** There were none granted.

#### **43. Information Bulletin**

The Board noted the Information Bulletin at Agenda Item 8.

#### **44. Forward Work Programme**

The Board received a copy of its Forward Work Programme at Agenda Item 9.

**Decision:** The Board approved its Forward Work Programme as published.

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

#### **45. 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 11 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.

**46. Exempt Minutes of the Previous Meeting**

The exempt minutes of the meeting held on 10 December 2021 were confirmed as a correct record and signed by the Chairman.

*The meeting closed at 12:09 pm.*

Chairman

## Suffolk Pension Board

<b>Report Title:</b>	Investment Performance 2021/22
<b>Meeting Date:</b>	20 July 2022
<b>Lead Councillor(s):</b>	Councillor Richard Rout
<b>Director:</b>	Chris Bally, Deputy Chief Executive and Executive Director of Corporate Services
<b>Assistant Director or Head of Service:</b>	Louise Aynsley, Chief Financial Officer (S151 Officer)
<b>Author:</b>	Paul Finbow, Head of Pensions, Telephone: 01473 265288 Email: <a href="mailto:paul.finbow@suffolk.gov.uk">paul.finbow@suffolk.gov.uk</a>

### Brief summary of report

1. This report provides a summary of the performance of the Suffolk Pension Fund for 2021-22 and performance benchmarking against other local authority Pension Funds.

### Action recommended

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

### Reason for recommendation

3. The Board receives an annual update on the investment performance of the Fund.

### Alternative options

4. There are no alternative options.

### Main body of report

5. The performance of the Pension Fund has been analysed by Northern Trust and measured against market index returns and the Fund's benchmark. The performance analysis is attached as **Appendix 1**.
6. The annual return of 10.14%, was slightly behind the Fund's specific benchmark by 0.11%, with the three years return of 8.25% p.a. slightly ahead by 0.10%.
7. The Pension Fund also subscribes to the Local Authority Pension Performance Analytics service offered by Pensions & Investment Research Consultants (PIRC). Also included in **Appendix 1** is the Suffolk Fund's performance against the overall performance of 62 Local Authority Funds whose data is collected by PIRC.

8. Compared with other local authority funds, the Fund's lower weighting to equities and higher weighting to alternatives resulted in a higher return than the average return of 8.6% calculated by PIRC.
9. The Pension Fund Committee reviewed and discussed the performance of the Fund during its meeting held on 20 July 2022.

### **Conclusion**

10. The Fund returned a performance of 10.14% for the 2021-22 financial year.
11. The Board is asked to note the investment performance of the Fund.

<b>Sources of further information</b>
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No other documents have been relied on to a material extent in preparing this report
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# INVESTMENT PERFORMANCE REVIEW

*Prepared for the Suffolk County Council committee  
and board meetings 2021-2022 Financial Year*

*Wednesday 20<sup>th</sup> July 2022*

*Endeavour House, 8 Russell Road, Ipswich*

**Scott Douglas**

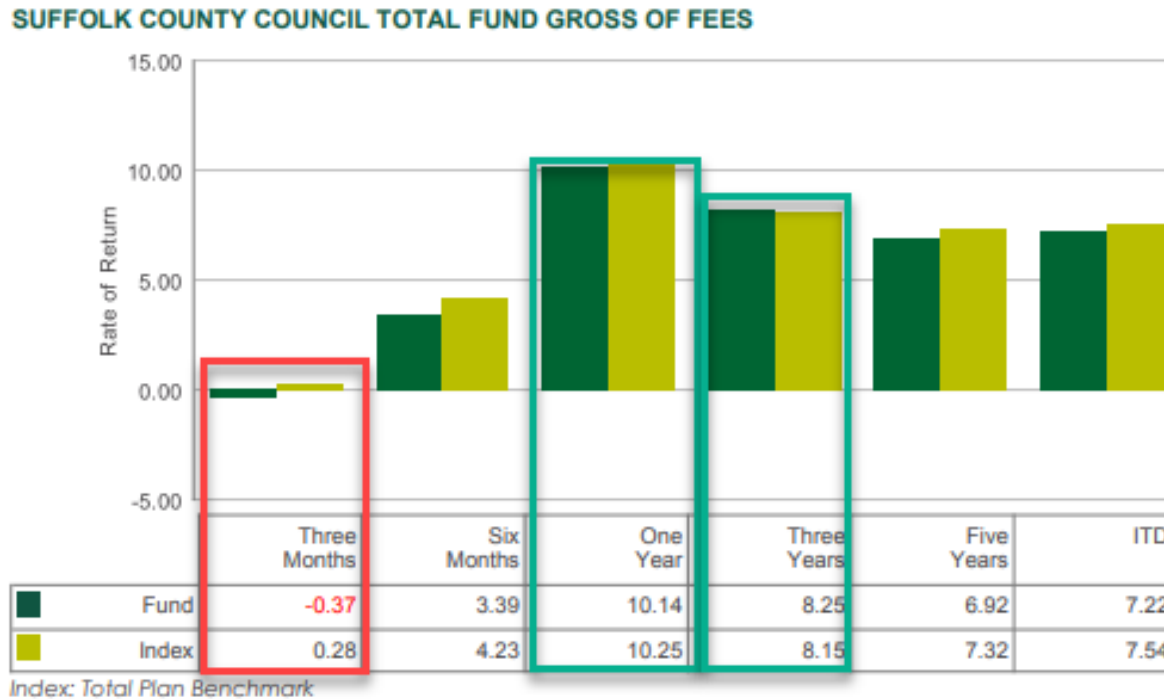
*Vice President,  
Senior Investment Performance Consultant  
Investment Risk & Analytical Services*

**Richard Smith**

*Vice President,  
Relationship Manager  
Institutional Investor Group*




# SUFFOLK COUNTY COUNCIL 2021-2022 – PERIODIC RETURNS



- The Total Fund returned -0.4% gross of fees (GOF) over the March quarter, underperforming the benchmark by -0.7%. For the full financial year to the end of March, the one year return was 10.1% vs 10.3% from the benchmark.
- The fund remains ahead over the key 3 year period and returns in excess of 10% over the year to March 2022, GOF.
- 5 year returns have deteriorated since March 2019 (3 years ago) from +8.8% pa to +6.9% pa GOF. The 10 year return is now +8.8% pa, in line with the benchmark.

# SUFFOLK COUNTY COUNCIL 2021-2022 – ASSET CLASS RETURNS

Suffolk County Council

Group/Account 	Historical Returns								
	MV Last Month End	% of Total Last Month End	ROR						
			3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	ITD
<b>▼ Suffolk County Council</b> <b>Total Plan Benchmark</b> <b>Excess</b>	3,751,459,341	100.00	-0.37	3.39	10.14	8.25	6.92	8.78	7.22
			0.28	4.23	10.25	8.15	7.32	8.74	7.54
			-0.65	-0.84	-0.10	0.10	-0.40	0.03	-0.32
> Total Equities	1,706,710,720	45.49	-2.48	2.90	12.31	11.34	9.11	--	11.94
Total Equities			-0.98	4.35	12.95	10.49	8.42	--	11.58
Excess			-1.50	-1.45	-0.64	0.85	0.69	--	0.36
> Total Bonds	902,783,272	24.06	-2.45	-1.98	0.04	3.52	2.83	--	3.89
Total Bonds			-0.45	0.89	2.75	3.12	3.97	--	4.89
Excess			-2.00	-2.88	-2.71	0.40	-1.14	--	-1.00
> Property	360,425,728	9.61	5.69	11.58	17.99	6.01	6.25	--	6.38
Property All Balanced Funds			5.79	13.94	23.57	8.17	7.85	--	7.16
Excess			-0.11	-2.36	-5.58	-2.16	-1.60	--	-0.77
> Total Private Equity	179,292,539	4.78	5.78	11.84	38.56	19.98	18.52	--	19.90
Private Equity MSCI ACWI			-2.64	3.39	13.41	14.26	11.19	--	14.54
Excess			8.42	8.45	25.16	5.72	7.33	--	5.36
> Total Infrastructure	288,478,507	7.69	7.62	10.66	18.79	12.11	13.55	--	16.68
Infrastructure 8% Absolute			1.94	3.92	8.00	8.00	8.00	--	8.00
Excess			5.67	6.74	10.79	4.11	5.55	--	8.68
> Total Absolute Return	178,808,160	4.77	1.44	2.55	3.67	2.84	1.84	--	2.33
Absolute Return GBP Sonia+5%			1.39	2.69	5.27	5.39	5.48	--	5.47
Excess			0.05	-0.14	-1.60	-2.55	-3.63	--	-3.14
> Illiquid Debt	95,673,134	2.55	-0.41	12.21	3.52	3.09	2.16	--	4.28
Illiquid Debt 8% Absolute			1.94	3.92	8.00	8.00	8.00	--	8.00
Excess			-2.36	8.29	-4.48	-4.91	-5.84	--	-3.72
> Timber	8,061,311	0.21	0.28	0.04	5.42	5.04	6.12	--	9.48
Timber 8% Absolute Return			1.94	3.92	8.00	8.00	8.00	--	8.00
Excess			-1.66	-3.89	-2.58	-2.96	-1.88	--	1.48
> Cash	31,225,971	0.83	1.40	1.23	2.55	2.96	3.09	--	3.53

• Equity returns turned negative over the start of 2022, affecting the total fund return significantly. Total equity performance is behind the benchmark and continues behind up to 1 year. UBS Global losing least over the March quarter and Newton Link has the strongest 3 year performance (+13.9% pa matching BM).

• The Global equity returns continue to be strong over the longer term driving performance through the larger allocation.

• The Bond allocation appears to have played its role well, providing a steady return, balancing risk and beating the bmrk. Outperformance is driven by M&G Alpha Opps (+4.5% psa vs +2.9% pa over 3 years).

# SUFFOLK COUNTY COUNCIL – MARCH 2022 QTD ATTRIBUTION

## Policy Level Attribution - Three Months

	Weights						Rate of Returns			Attribution Effects		
	Beginning Weights	Beginning Excess Weight	Average Weights	Average Excess Weight	Ending Weights	Ending Excess Weight	Return	Excess Return	Contribution	Relative Asset Allocation	Relative Stock Selection	Total Effect
<b>Suffolk County Council</b>	100.00	0.00	100.00	0.00	100.00	0.00	-0.37	-0.65	-0.37	-0.21	-0.44	-0.65
<i>Total Plan Benchmark</i>	100.00		100.00		100.00		0.28		0.28			
<b>UK Equities</b>	8.13	0.13	8.05	0.05	7.85	-0.15	-3.69	-4.18	-0.30	0.00	-0.34	-0.34
<i>FTSE All Share</i>	8.00		8.00		8.00		0.49		0.04			
<b>Overseas Equities</b>	38.40	4.40	37.90	3.90	37.64	3.64	-2.22	-0.90	-0.87	-0.08	-0.35	-0.43
<i>Overseas Equity</i>	34.00		34.00		34.00		-1.32		-0.42			
<b>Total Bonds</b>	24.61	-1.39	24.93	-1.07	24.06	-1.94	-2.45	-2.00	-0.61	0.00	-0.50	-0.50
<i>Total Bonds</i>	26.00		26.00		26.00		-0.45		-0.12			
<b>Property</b>	9.14	-0.86	8.97	-1.03	9.61	-0.39	5.69	-0.11	0.53	-0.05	0.01	-0.05
<i>Property All Balanced Funds</i>	10.00		10.00		10.00		5.79		0.57			
<b>Total Private Equity</b>	4.67	0.67	4.62	0.62	4.78	0.78	5.78	8.42	0.27	-0.02	0.39	0.37
<i>Private Equity MSCI ACWI</i>	4.00		4.00		4.00		-2.64		-0.10			
<b>Total Infrastructure</b>	7.32	-2.68	7.38	-2.62	7.69	-2.31	7.62	5.67	0.56	-0.05	0.41	0.36
<i>Infrastructure 8% Absolute</i>	10.00		10.00		10.00		1.94		0.19			
<b>Total Absolute Return</b>	4.68	-0.32	4.78	-0.22	4.77	-0.23	1.44	0.05	0.07	-0.01	0.00	-0.00
<i>Absolute Return GBP Sonia+5%</i>	5.00		5.00		5.00		1.39		0.07			
<b>Illiquid Debt</b>	2.07	0.07	2.45	0.45	2.55	0.55	-0.41	-2.36	-0.01	-0.00	-0.06	-0.06
<i>Illiquid Debt 8% Absolute</i>	2.00		2.00		2.00		1.94		0.04			
<b>Timber</b>	0.21	-0.29	0.22	-0.28	0.21	-0.29	0.28	-1.66	0.00	-0.00	-0.00	-0.01
<i>Timber 8% Absolute Return</i>	0.50		0.50		0.50		1.94		0.01			
<b>Cash</b>	0.77	0.27	0.71	0.21	0.83	0.33	1.40	1.24	0.01	0.00	0.01	0.01
<i>GBP 3M Sonia</i>	0.50		0.50		0.50		0.16		0.00			

- Negative relative and absolute performance overall for the March quarter of 2022. Largest overweight position in overseas equities balanced by underweights to Infrastructure, Property and Bonds. Returns reduced deviations in equity, property and infrastructure but increased underweight to bonds.

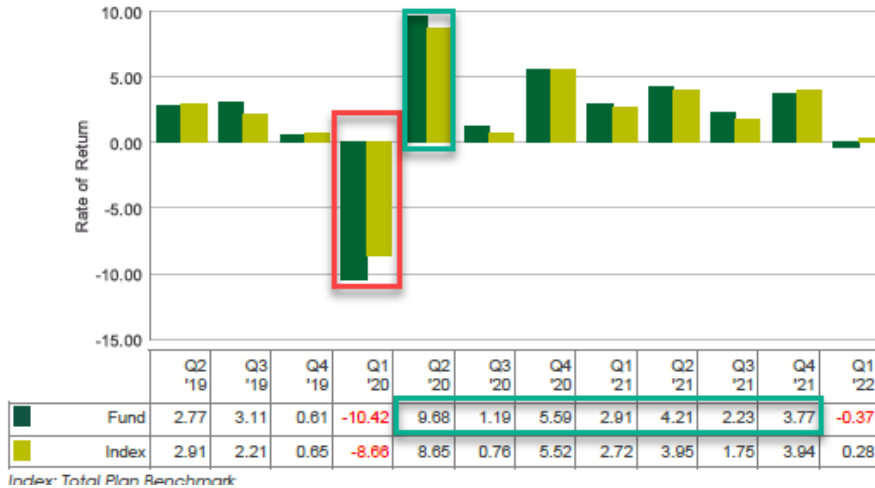
- This short term analysis shows that stock selection largely drove the quarterly underperformance. Managers picked weaker performing stocks than those in the benchmark portfolios for equities and bonds. The private equity and infrastructure managers outperformed their benchmarks regaining some relative value but not enough.

- Overall, both asset allocation and stock selection lost value for the plan vs the benchmark, primarily due to weaker stock picking in overseas equities and bonds despite good choices in Private Equity and Infrastructure.

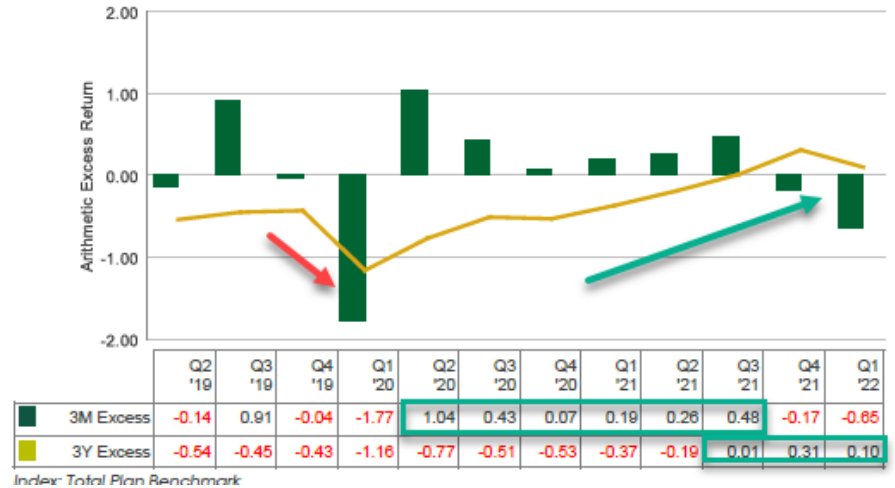


# SUFFOLK COUNTY COUNCIL 2021-2022 – 3 YEARS ROLLING QUARTERS

SUFFOLK COUNTY COUNCIL ROLLING QUARTERS TOTAL FUND GROSS OF FEES



SUFFOLK COUNTY COUNCIL ROLLING QUARTERS TOTAL FUND GROSS OF FEES



- Over 3 years (+8.25% vs +8.15%) the plan has moved ahead of benchmark after a sustained period of outperformance through most of 2020 and 2021, capitalising when market conditions have been good.
- The fund has lost value on an absolute basis in two quarters from the last twelve and has underperformed in five quarters.

# SUFFOLK COUNTY COUNCIL 2021-2022 – CONTRIBUTION TO RETURN

Group/Account	Policy Contribution Detail					
	Average Weight		ROR		Contribution	
	3 Mos.	6 Mos.	3 Mos.	6 Mos.	3 Mos.	6 Mos.
▼ Suffolk County Council	100.00	100.00	-0.37	3.39	-0.37	3.39
BlackRock- Link Fund	8.05	8.03	-3.69	0.38	-0.30	0.03
UBS Emerging	0.97	0.99	-2.47	-3.98	-0.02	-0.04
UBS Global	22.87	22.82	-0.87	4.53	-0.21	1.02
Newton - Link Fund	14.06	14.17	-4.37	2.21	-0.64	0.31
M&G Bonds	0.00	3.62	--	--	0.00	-0.05
UBS Bonds	3.89	3.95	-6.32	-1.35	-0.25	-0.05
BlackRock FIGO	10.48	10.57	-2.81	-3.05	-0.30	-0.33
M&G - Link Alpha Opps Fund	10.56	8.73	-0.63	-1.64	-0.07	-0.17
Schroders	8.97	8.91	5.69	11.58	0.53	1.03
Pantheon	4.30	4.33	5.95	12.55	0.25	0.53
Wilshire	0.32	0.35	3.49	3.68	0.01	0.01
KKR	-0.00	-0.00	-3.61	-4.46	-0.00	0.00
JPM Infrastructure	4.40	4.41	5.18	8.07	0.23	0.35
M&G Infrastructure	1.11	1.15	22.15	3.63	0.24	0.05
Partners Infrastructure	1.87	1.82	4.67	9.92	0.09	0.18
Pyrford	4.78	4.77	1.44	2.55	0.07	0.12
Partners Illiquid	1.17	1.07	0.99	35.06	0.01	0.44
M&G Illiquid Debt	1.28	1.27	-1.89	0.39	-0.02	0.00
Brookfield	0.22	0.22	0.28	0.04	0.00	0.00
In-House Cash	0.70	0.69	1.38	1.21	0.01	0.01

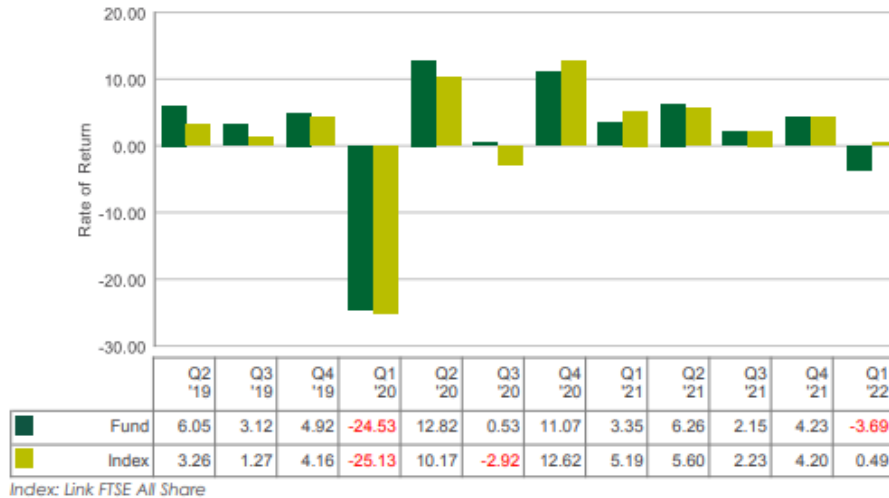
- This analysis shows the contribution to absolute return over 3 and 6 months to the end of the March quarter 2022.
- Over 6 months returns are predominantly positive.
- As we gain more valuation data these figure will move to focus on one and three year periods

# SUFFOLK COUNTY COUNCIL 2021-2022

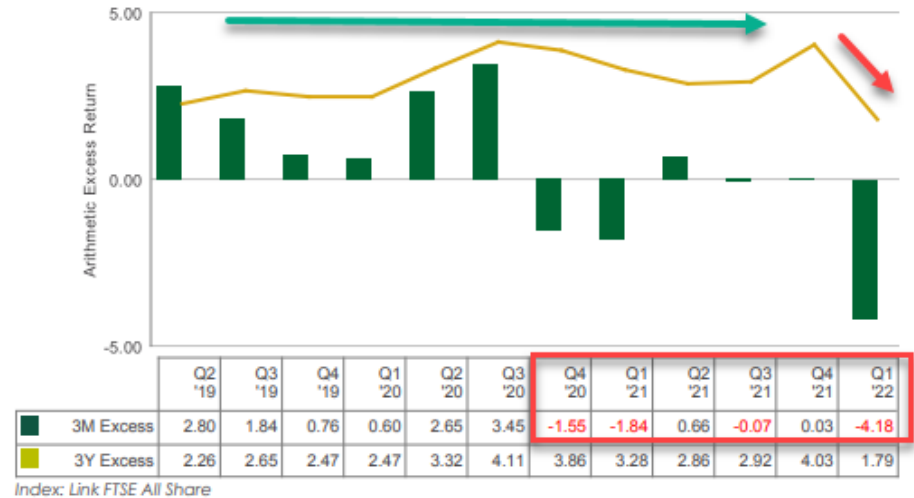
# ADDITIONAL ANALYSIS

# SUFFOLK COUNTY COUNCIL 2021-2022 – BLACKROCK UK EQUITY

BLACKROCK- LINK FUND ROLLING QUARTERS TOTAL FUND GROSS OF FEES

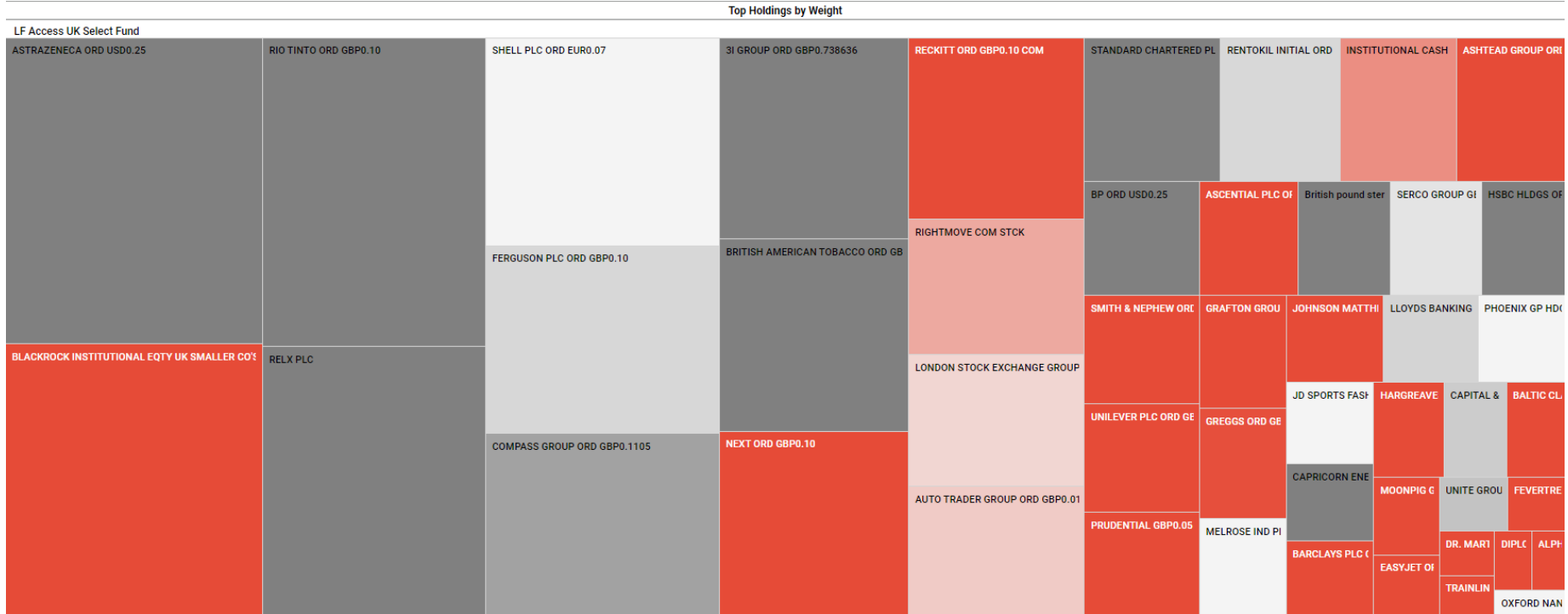


BLACKROCK- LINK FUND ROLLING QUARTERS TOTAL FUND GROSS OF FEES



- Weaker performance over one year to March; +8.97% vs +13.03%.
- Sustained stronger relative performance until the September quarter of 2020 then four quarters of underperformance from six.
- Ahead of benchmark on a rolling three year basis for more than three years and ahead over longer term time periods.

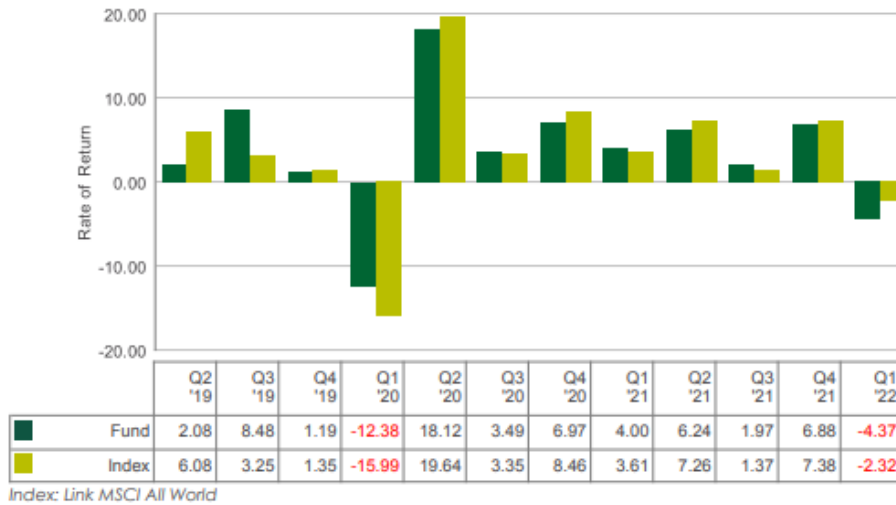
# SUFFOLK COUNTY COUNCIL 2021-2022 – BLACKROCK UK EQUITY



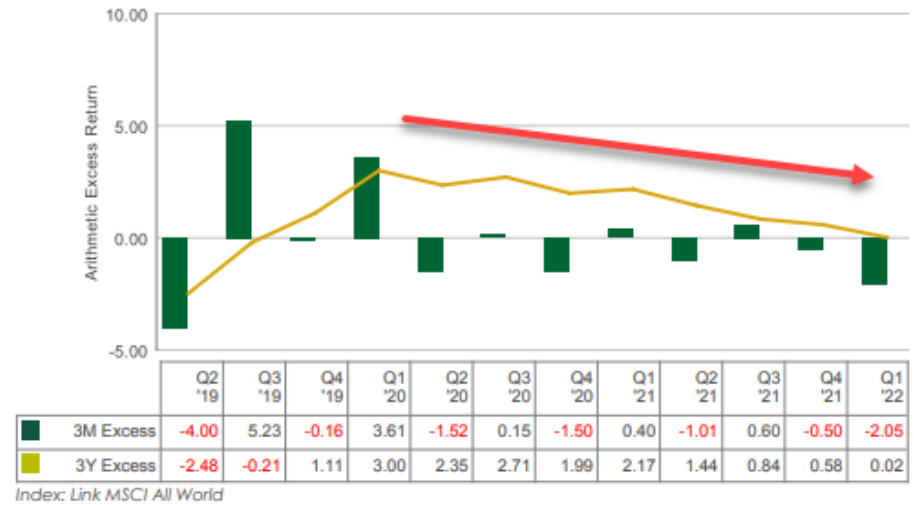
- This Treemap comes from our Radar system.
- The size of each block represents the value of the holding and the colour represents the rate of return. The darker shades of grey are the higher returning investments.
- Over one year the underperformance was driven by overweighting the Technology sector, underweighting the Oil & Gas sector and weaker stock selection in Basic Materials vs the FTSE All Share benchmark.

# SUFFOLK COUNTY COUNCIL 2021-2022 – NEWTON OVERSEAS EQUITY

NEWTON - LINK FUND ROLLING QUARTERS TOTAL FUND GROSS OF FEES

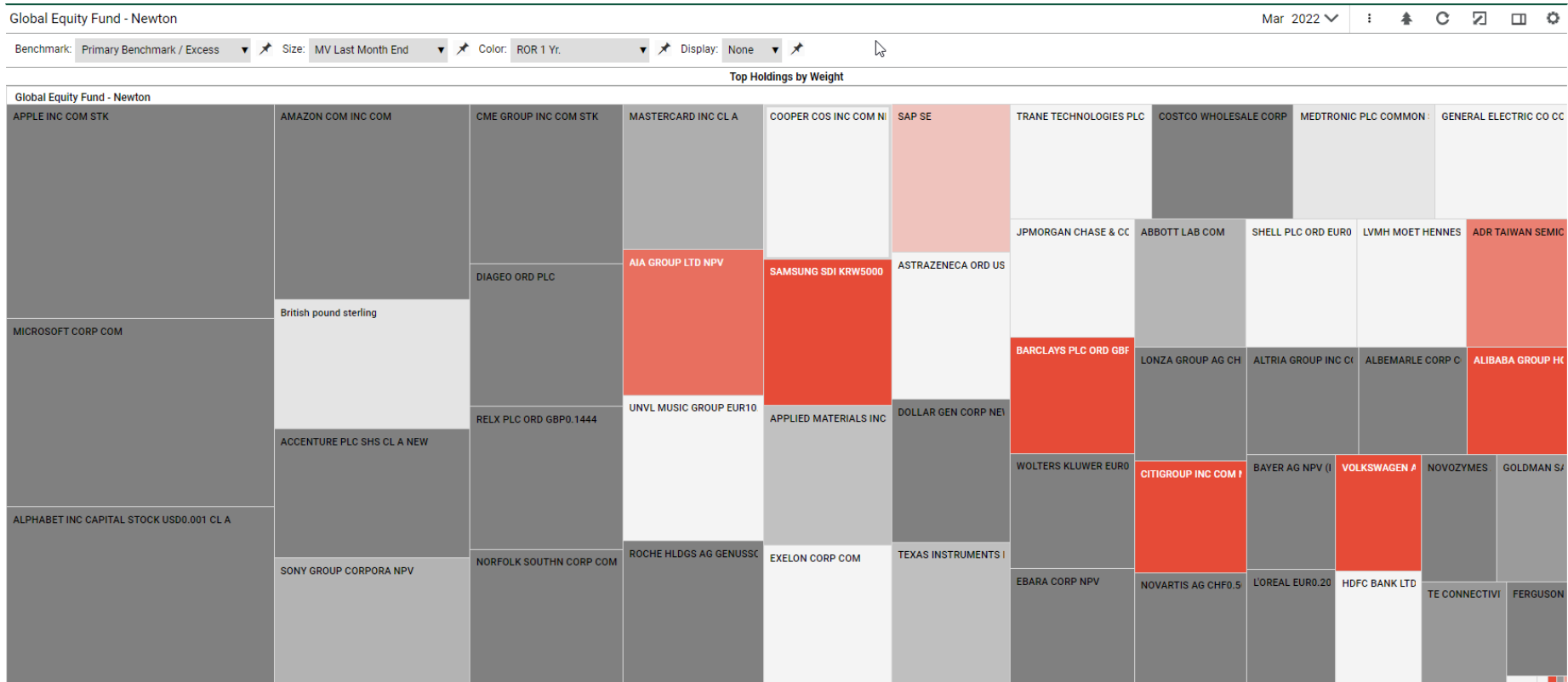


NEWTON - LINK FUND ROLLING QUARTERS TOTAL FUND GROSS OF FEES



- Just five quarters of outperformance from twelve. Weaker performance over one year; +10.73% vs +14.04% from MSCI All World index.
- Similar picture to that seen for other equity portfolios but failed to beat the benchmark over the last year.
- Stronger performance until the pandemic hit.

# SUFFOLK COUNTY COUNCIL 2021-2022 – NEWTON OVERSEAS EQUITY

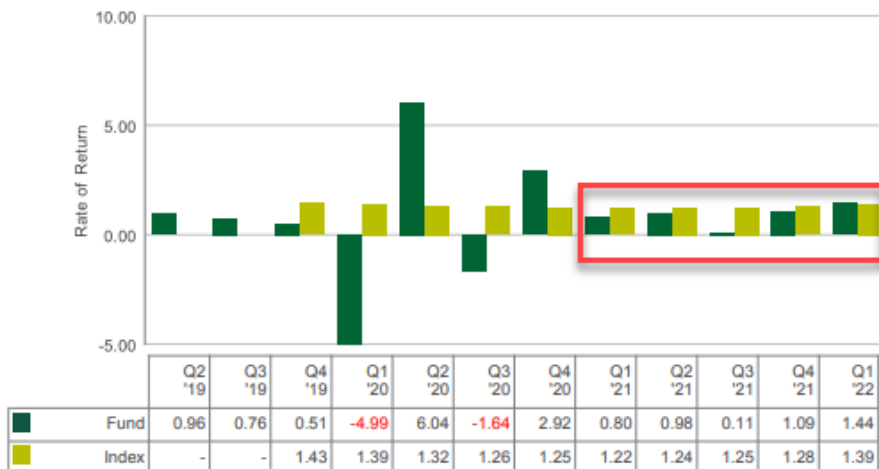


- Over one year the underperformance was driven by weaker stock selection in Emerging Equities (mainly Taiwan and China) and being underweight the stronger performing North America region vs the MSCI benchmark.

- The size of each block represents the value of the holding and the colour represents the rate of return. The darker shades of grey are the higher returning investments. Apple is the largest holding and the top 4 holdings all appreciated over 1 year.

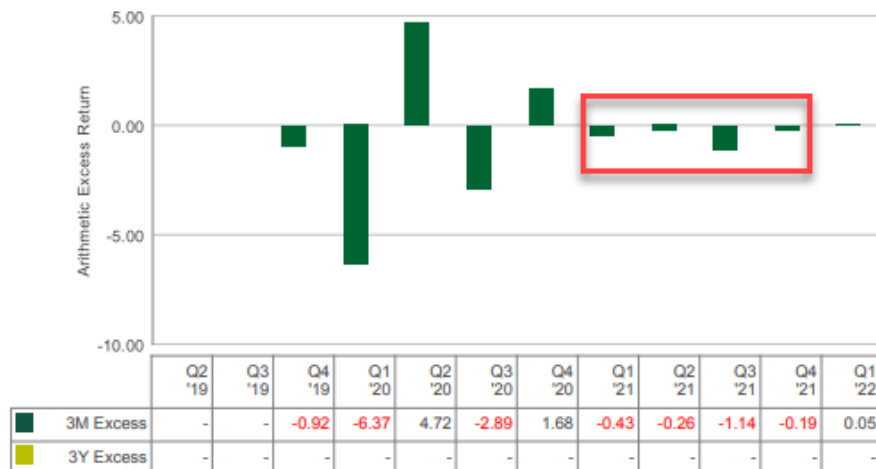
# SUFFOLK COUNTY COUNCIL 2021-2022 – PYRFORD ABSOLUTE RETURN

PYRFORD ROLLING QUARTERS TOTAL FUND GROSS OF FEES



Index: Pryford GBP 3M Sonia +5%

PYRFORD ROLLING QUARTERS TOTAL FUND GROSS OF FEES



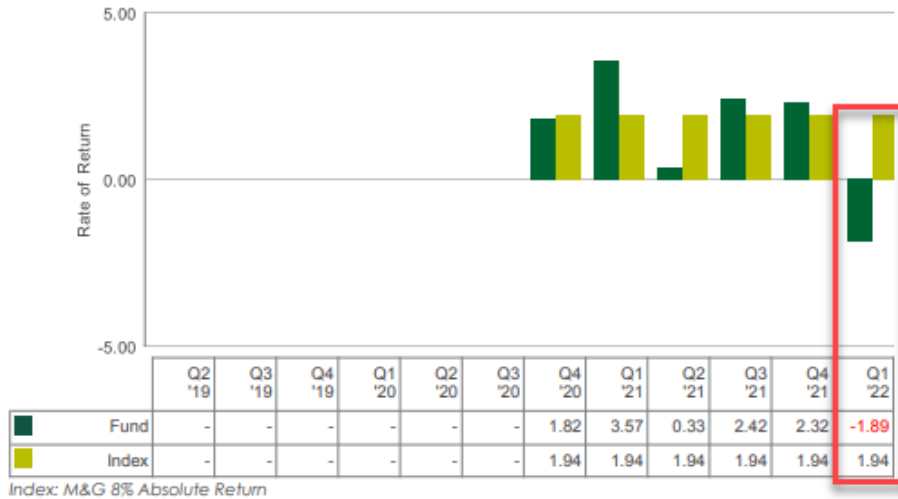
Index: Pryford GBP 3M Sonia +5%

- Just three quarters of outperformance from ten.
- Returns are typically weaker than other asset classes and commonly behind the benchmark since the start of 2021.
- We will be able to comment on volatility as we build up the record. Promises lower volatility and downside protection – look at tracking error, information ratio and sortino ratio

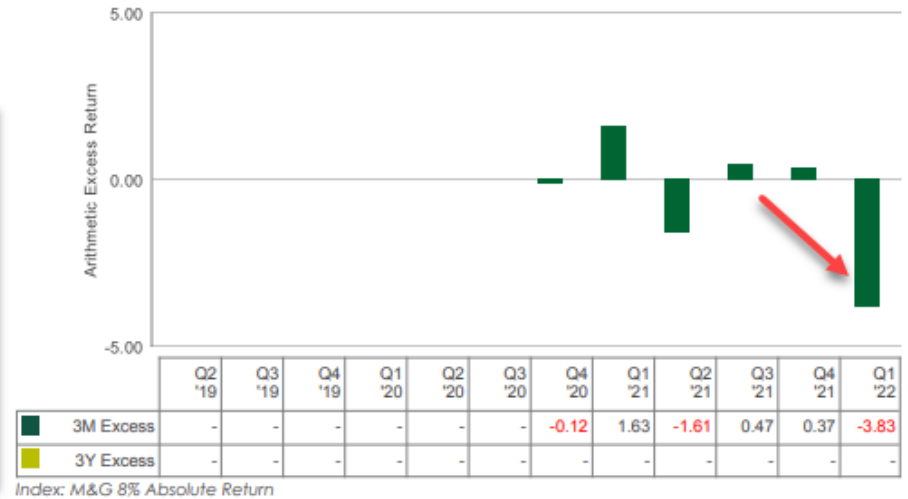


# SUFFOLK COUNTY COUNCIL 2021-2022 – M&G ILLIQUID DEBT

M&G ILLIQUID DEBT ROLLING QUARTERS TOTAL FUND GROSS OF FEES



M&G ILLIQUID DEBT ROLLING QUARTERS TOTAL FUND GROSS OF FEES



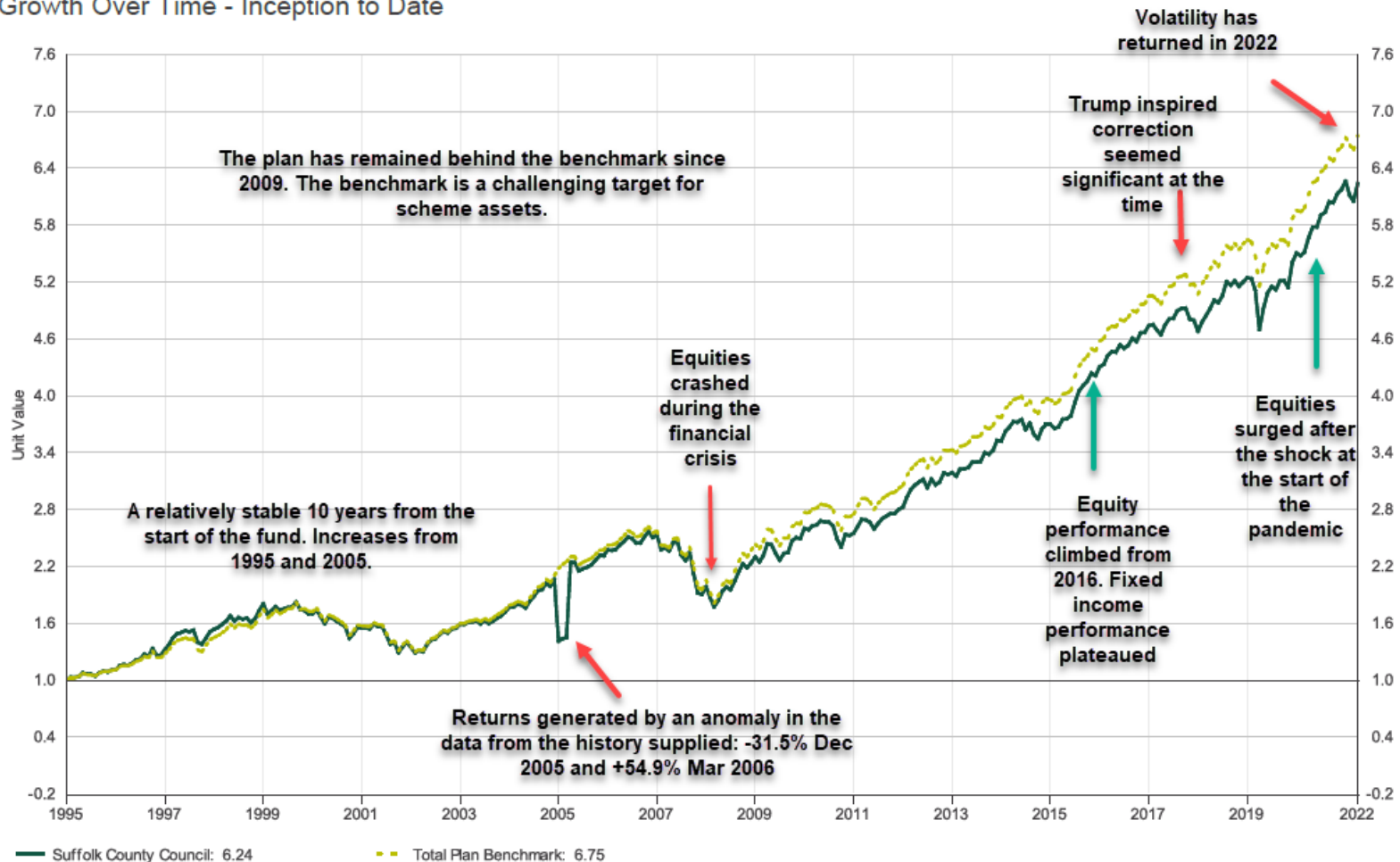
- Just three quarters of outperformance from six. Now moved behind since inception.
- Very weak March quarter 2022 needs to be explained by the investment manager. What went wrong? Opaque view of this market from normal sources.

# SUFFOLK COUNTY COUNCIL 2021-2022 – GROWTH OVER TIME

NORTHERN TRUST

Suffolk County Council | March 31, 2022

## Growth Over Time - Inception to Date



- Looking at the performance of the total fund vs the total fund benchmark.
- The fortunes of the fund have been dominated by the equity portfolio since 2008.

# SUFFOLK COUNTY COUNCIL 2021-2022 – PIRC UNIVERSE DATA

## TOTAL FUND PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
<b>Universe Average</b>	<b>8.6</b>		<b>8.3</b>		<b>7.1</b>		<b>8.9</b>		<b>7.3</b>		<b>8.5</b>	
Range of Results												
Upper Quartile	10.0		9.3		7.7		9.2		7.5		8.7	
Median	8.0		8.6		7.0		8.8		7.1		8.4	
Lower Quartile	6.0		7.6		6.5		8.3		6.9		8.2	
Suffolk Pension Fund	10.1	21	8.2	64	6.9	62	8.8	51	7.1	59		

## EQUITY PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
<b>Universe Average</b>	<b>7.6</b>		<b>10.2</b>		<b>8.4</b>		<b>10.6</b>		<b>8.0</b>		<b>9.2</b>	
Range of Results												
Top Quartile	10.2		12.1		9.9		11.7		8.4		9.6	
Median	8.2		11.1		8.9		10.7		7.9		9.2	
Bottom Quartile	5.5		9.4		8.1		10.0		7.7		8.9	
Suffolk Pension Fund	12.2	7	11.3	44	9.5	39	11.3	33	8.0	44		

## BOND /CREDIT PERORMANCE

FundName	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
<b>Universe Average</b>	<b>-0.3</b>		<b>2.6</b>		<b>2.5</b>		<b>4.5</b>		<b>5.7</b>		<b>6.9</b>	
Range of Results												
Top Quartile	1.1		2.8		2.8		5.2		6.1		7.2	
Median	-1.1		2.4		2.4		4.4		5.6		6.7	
Bottom Quartile	-2.8		1.9		1.8		3.7		4.9		6.4	
Suffolk Pension Fund	-1.6	56	2.7	37	2.2	58						

- 3<sup>rd</sup> party universe analysis.

# SUFFOLK COUNTY COUNCIL 2021-2022 – PIRC UNIVERSE DATA

## ALTERNATIVES PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank
<b>Universe Average</b>	<b>19.0</b>		<b>11.0</b>		<b>9.8</b>		<b>10.0</b>	
Range of Results								
Top Quartile	24.4		13.1		12.0		11.8	
Median	16.1		9.9		8.6		9.1	
Bottom Quartile	10.5		7.5		6.7		6.9	
Suffolk Pension Fund	10.6	75	7.4	74	6.4	77	7.4	67

## PROPERTY PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
<b>Universe Average</b>	<b>17.9</b>		<b>6.3</b>		<b>6.8</b>		<b>8.0</b>		<b>7.0</b>		<b>8.2</b>	
Range of Results												
Top Quartile	21.0		7.7		7.7		8.5		7.2		8.6	
Median	18.8		6.5		6.9		7.8		6.7		7.9	
Bottom Quartile	15.3		5.5		6.3		6.8		5.8		7.2	
Suffolk Pension Fund	20.5	33	6.7	47	6.6	59	8.2	34	6.7	45		

## ASSET ALLOCATION AT END MARCH

	Equity		Bonds		Alternatives		Property		Cash		Diversified Growth	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Average</b>	<b>52</b>	<b>56</b>	<b>18</b>	<b>17</b>	<b>17</b>	<b>14</b>	<b>9</b>	<b>8</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Range</b>												
Top Quartile	60	64	22	22	17	15	10	9	2	3	9	9
Median	54	57	18	18	11	8	9	8	1	1	0	0
Bottom Quartile	46	49	13	12	6	4	7	3	0	0	0	0
Suffolk Pension Fund	45	42	14	20	30	29	10	9	2	1	0	0

• 3<sup>rd</sup> party universe analysis.

# SUFFOLK COUNTY COUNCIL 2021-2022 – EQ MANAGER RETURNS

Suffolk County Council												Mar 31 2022	
Historical Returns													
Group/Account ↑ ↓ ↔	MV Last Month End	% of Total Last Month End	ROR							Incp. Date Informational	Locked Date Informational		
			3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	ITD				
✓ Suffolk County Council Total Plan Benchmark Excess	3,751,459,341	100.00	-0.37 0.28 -0.65	3.39 4.23 -0.84	10.14 10.25 -0.10	8.25 8.15 0.10	6.92 7.32 -0.40	8.78 8.74 0.03	7.22 7.54 -0.32	12/31/1995	04/30/2022		
✓ Total Equities Total Equities Excess	1,706,710,720	45.49	-2.48 -0.98 -1.50	2.90 4.35 -1.45	12.31 12.95 -0.64	11.34 10.49 0.85	9.11 8.42 0.69	-- -- --	11.94 11.58 0.36	03/31/2016	04/30/2022		
✓ UK Equities FTSE All Share Excess	294,525,245	7.85	-3.69 0.49 -4.18	0.38 4.70 -4.32	12.99 13.03 -0.05	7.04 5.31 1.73	5.83 4.69 1.14	-- -- --	8.40 7.39 1.01	03/31/2016	04/30/2022		
BlackRock- Link Fund Link FTSE All Share Excess	294,525,245	7.85	-3.69 0.49 -4.18	0.38 4.70 -4.32	8.97 13.03 -4.06	7.10 5.31 1.79	6.10 4.69 1.41	8.85 7.15 1.70	7.51 5.39 2.11	07/31/2007	12/31/1950		
✓ Overseas Equities Overseas Equity Excess	1,412,185,475	37.64	-2.22 -1.32 -0.90	3.44 4.23 -0.79	12.55 12.96 -0.41	13.33 12.88 0.45	11.18 10.49 0.69	-- -- --	13.71 13.70 0.01	03/31/2016	04/30/2022		
✓ Emerging FTSE Emerging Excess	35,250,492	0.94	-2.47 -2.48 0.01	-3.98 -3.86 -0.12	-3.94 5.67 -9.61	5.19 -- --	4.93 -- --	-- -- --	8.99 -- --	03/31/2016	04/30/2022		
UBS Emerging UBS FTSE Emerging Excess	35,250,492	0.94	-2.47 -2.48 0.01	-3.98 -3.86 -0.12	-3.94 -- --	5.19 -- --	4.93 -- --	-- -- --	8.99 -- --	03/31/2016	04/30/2022		
✓ Global Global Composite Excess	1,376,934,983	36.70	-2.22 -1.29 -0.93	3.64 4.48 -0.84	13.05 13.53 -0.48	13.34 12.97 0.37	-- -- --	-- -- --	14.66 -- --	09/30/2018	04/30/2022		
Newton - Link Fund Link MSCI All World Excess	519,256,237	13.84	-4.37 -2.32 -2.05	2.21 4.89 -2.68	10.73 14.04 -3.31	13.93 13.90 0.02	11.62 10.81 0.81	13.30 12.31 0.99	10.01 9.55 0.46	07/31/2007	04/30/2022		
UBS Global RAFI AW Proxy/FTSE AW Dev Excess	857,678,746	22.86	-0.87 -0.71 -0.16	4.53 4.24 0.29	-- 11.67 --	-- -- --	-- -- --	-- -- --	-- 8.74 --	07/31/2019	04/30/2022		

# SUFFOLK COUNTY COUNCIL 2021-2022 – BOND, RE & PE MGR RETURNS

Suffolk County Council													Mar 31 2022				
Historical Returns																	
Group/Account ↑↓↔	MV Last Month End	% of Total Last Month End	ROR							Incp. Date Informational	Locked Date Informational						
			3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	ITD								
▼ Total Bonds Total Bonds Excess	902,783,272	24.06	-2.45	-1.98	0.04	3.52	2.83	--	3.89	03/31/2016	04/30/2022						
			-0.45	0.89	2.75	3.12	3.97	--	4.89								
			-2.00	-2.88	-2.71	0.40	-1.14	--	-1.00								
BlackRock FIGO FIGO GBP 3M Sonia +2% Excess	379,626,811	10.12	-2.81	-3.05	-2.00	2.50	2.09	--	2.61	03/31/2016	04/30/2022						
			0.66	1.21	2.26	2.89	3.96	--	4.21								
			-3.47	-4.26	-4.26	-0.38	-1.87	--	-1.60								
M&G - Link Alpha Opps Fund LINK M&G GBP 3M SONIA +2% Excess	385,974,226	10.29	-0.63	-1.64	-0.21	4.49	3.40	--	4.05	03/31/2016	04/30/2022						
			0.66	1.21	2.26	2.89	3.97	--	4.21								
			-1.29	-2.85	-2.47	1.61	-0.56	--	-0.16								
M&G Bonds	--	--	--	--	--	--	--	--	--	09/30/2021	12/31/2021						
UBS Bonds FTSE Index Linked Gilts > 5 Ye Excess	137,182,234	3.66	-6.32	-1.35	4.82	2.88	3.02	--	5.97	03/31/2016	04/30/2022						
			-6.42	-1.35	4.85	3.27	3.23	--	6.14								
			0.09	0.01	-0.02	-0.39	-0.20	--	-0.17								
▼ Property Property All Balanced Funds Excess	360,425,728	9.61	5.69	11.58	17.99	6.01	6.25	--	6.38	03/31/2016	04/30/2022						
			5.79	13.94	23.57	8.17	7.85	--	7.16								
			-0.11	-2.36	-5.58	-2.16	-1.60	--	-0.77								
Schroders IPD UK PPF All Bal + 0.75% Excess	360,425,728	9.61	5.69	11.58	20.45	6.73	6.63	8.12	6.94	05/31/2001	04/30/2022						
			5.79	13.94	23.57	8.17	7.85	8.24	--								
			-0.11	-2.36	-3.12	-1.44	-1.22	-0.12	--								
▼ Total Private Equity Private Equity MSCI ACWI Excess	179,292,539	4.78	5.78	11.84	38.56	19.98	18.52	--	19.90	03/31/2016	04/30/2022						
			-2.64	3.39	13.41	14.26	11.19	--	14.54								
			8.42	8.45	25.16	5.72	7.33	--	5.36								
Pantheon Pantheon MSCI AC World Excess	167,440,255	4.46	5.95	12.55	38.86	19.80	17.91	--	17.91	03/31/2017	04/30/2022						
			-2.64	3.39	13.41	14.26	11.19	--	11.19								
			8.59	9.16	25.45	5.54	6.72	--	6.72								
Wilshire Wiltshire MSCI AC World Index Excess	11,852,284	0.32	3.49	3.68	33.59	19.20	18.99	--	20.38	03/31/2016	04/30/2022						
			-2.64	3.39	13.41	14.26	11.19	--	14.54								
			6.14	0.29	20.18	4.94	7.80	--	5.83								

# SUFFOLK COUNTY COUNCIL 2021-2022 – ALT MANAGER RETURNS

Suffolk County Council											Mar 31 2022	
Group/Account	MV Last Month End	% of Total Last Month End	Historical Returns							Incp. Date Informational	Locked Date Informational	
			ROR									
			3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	ITD			
Total Infrastructure Infrastructure 8% Absolute Excess	288,478,507	7.69	7.62	10.66	18.79	12.11	13.55	--	16.68	03/31/2016	04/30/2022	
			1.94	3.92	8.00	8.00	8.00	--	8.00			
			5.67	6.74	10.79	4.11	5.55	--	8.68			
JPM Infrastructure JPM 8% Absolute Return Excess	166,396,675	4.44	5.18	8.07	12.55	6.94	--	--	5.37	12/31/2018	04/30/2022	
			1.94	3.92	8.00	8.00	--	--	8.00			
			3.24	4.14	4.55	-1.06	--	--	-2.63			
KKR 8% Absolute Return Excess	0	0.00	-3.61	-4.46	--	--	--	--	-4.46	09/30/2021	02/28/2022	
			1.94	3.92	--	--	--	--	3.92			
			-5.55	-8.38	--	--	--	--	-8.38			
M&G Infrastructure M&G 8% Absolute Return Excess	49,956,815	1.33	22.15	3.63	23.57	7.44	12.25	--	12.25	03/31/2017	04/30/2022	
			1.94	3.92	8.00	8.00	8.00	--	8.00			
			20.21	-0.30	15.57	-0.56	4.25	--	4.25			
Partners Infrastructure Partners 8% Absolute Excess	72,125,016	1.92	4.67	9.92	17.44	12.79	12.60	--	12.60	03/31/2017	04/30/2022	
			1.94	3.92	8.00	8.00	8.00	--	8.00			
			2.72	6.00	9.44	4.79	4.60	--	4.60			
Total Absolute Return Absolute Return GBP Sonia+5% Excess	178,808,160	4.77	1.44	2.55	3.67	2.84	1.84	--	2.33	03/31/2016	04/30/2022	
			1.39	2.69	5.27	5.39	5.48	--	5.47			
			0.05	-0.14	-1.60	-2.55	-3.63	--	-3.14			
Pnyford Pnyford GBP 3M Sonia +5% Excess	178,808,160	4.77	1.44	2.55	3.67	2.91	1.72	--	1.72	03/31/2017	04/30/2022	
			1.39	2.69	5.27	--	--	--	--			
			0.05	-0.14	-1.60	--	--	--	--			
Illiquid Debt Illiquid Debt 8% Absolute Excess	95,673,134	2.55	-0.41	12.21	3.52	3.09	2.16	--	4.28	03/31/2016	04/30/2022	
			1.94	3.92	8.00	8.00	8.00	--	8.00			
			-2.36	8.29	-4.48	-4.91	-5.84	--	-3.72			
M&G Illiquid Debt M&G 8% Absolute Return Excess	45,938,112	1.22	-1.89	0.39	3.15	--	--	--	5.77	09/30/2020	04/30/2022	
			1.94	3.92	8.00	--	--	--	8.00			
			-3.83	-3.53	-4.85	--	--	--	-2.23			
Partners Illiquid Partners 8% Absolute Return Excess	49,735,022	1.33	0.99	35.06	0.76	--	--	--	8.88	09/30/2020	04/30/2022	
			1.94	3.92	8.00	--	--	--	8.00			
			-0.96	31.14	-7.24	--	--	--	0.88			
Timber Timber 8% Absolute Return Excess	8,061,311	0.21	0.28	0.04	5.42	5.04	6.12	--	9.48	03/31/2016	04/30/2022	
			1.94	3.92	8.00	8.00	8.00	--	8.00			
			-1.66	-3.89	-2.58	-2.96	-1.88	--	1.48			
Brookfield Brookfield 8% Absolute Excess	8,061,311	0.21	0.28	0.04	5.38	5.00	5.97	--	11.89	12/31/2013	04/30/2022	
			1.94	3.92	8.00	8.00	8.00	--	7.99			
			-1.66	-3.89	-2.62	-3.00	-2.03	--	3.90			

# SUFFOLK COUNTY COUNCIL 2021-2022 – CASH RETURNS

Suffolk County Council												Mar 31 2022	
Historical Returns													
Group/Account	MV Last Month End	% of Total Last Month End	ROR							Incp. Date Informational	Locked Date Informational		
			3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	ITD				
▼ Cash	31,225,971	0.83	1.40	1.23	2.55	2.96	3.09	--	3.53	03/31/2016	04/30/2022		
Cash & Other Assets	0	0.00	--	--	--	--	--	--	--	09/30/2021	04/30/2022		
Cash & Other Assets	0	0.00	--	--	--	--	--	--	--	09/30/2021	04/30/2022		
Cash & Other Assets	0	0.00	--	--	--	--	--	--	--	09/30/2021	04/30/2022		
Cash & Other Assets	0	0.00	--	--	--	--	--	--	--	09/30/2021	04/30/2022		
In-House Cash	31,225,971	0.83	1.38	1.21	--	--	--	--	1.21	09/30/2021	04/30/2022		
GBP 3M Sonia			0.16	0.21	--	--	--	--	0.21				
Excess			1.22	1.00	--	--	--	--	1.00				



# SUFFOLK COUNTY COUNCIL – JUNE 2022 YTD UNAUDITED

Suffolk County Council													Jun 30 2022				
Group/Account	MV Last Month End	% of Total Last Month End	Historical Returns								Incp. Date Informational	Locked Date Informational					
			ROR														
			3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	ITD								
▼ Suffolk County Council	3,640,873,635	100.00	-2.87	-3.23	2.66	6.23	6.13	8.62	7.04	12/31/1995	04/30/2022						
> Total Equities	1,615,374,952	44.37	-5.35	-7.70	-0.05	7.84	7.70	--	10.46	03/31/2016	04/30/2022						
> Total Bonds	861,030,293	23.65	-4.62	-6.96	-5.94	1.26	1.76	--	2.95	03/31/2016	04/30/2022						
Total Bonds			-2.58	-3.02	-0.93	1.71	3.30	--	4.26								
Excess			-2.05	-3.95	-5.01	-0.46	-1.54	--	-1.31								
> Property	368,180,449	10.11	2.15	7.96	16.05	6.53	6.80	--	6.48	03/31/2016	04/30/2022						
> Total Private Equity	176,298,980	4.84	0.52	6.33	28.42	18.50	17.06	--	19.13	03/31/2016	04/30/2022						
Private Equity MSCI ACWI			-8.56	-10.98	-3.57	8.59	9.11	--	12.30								
Excess			9.09	17.31	31.99	9.92	7.96	--	6.83								
> Total Infrastructure	316,170,809	8.68	5.50	13.54	21.71	13.06	14.54	--	16.96	03/31/2016	04/30/2022						
Infrastructure 8% Absolute			1.94	3.92	8.00	8.00	8.00	--	8.00								
Excess			3.56	9.62	13.71	5.06	6.54	--	8.96								
> Total Absolute Return	167,470,678	4.60	-0.92	0.51	1.72	2.42	1.83	--	2.08	03/31/2016	04/30/2022						
Absolute Return GBP Sonia+5%			1.53	2.94	5.57	5.43	5.52	--	5.50								
Excess			-2.45	-2.43	-3.84	-3.02	-3.70	--	-3.42								
> Illiquid Debt	116,701,077	3.21	0.38	-0.03	3.32	2.22	1.72	--	4.17	03/31/2016	04/30/2022						
Illiquid Debt 8% Absolute			1.94	3.92	8.00	8.00	8.00	--	8.00								
Excess			-1.56	-3.96	-4.68	-5.78	-6.28	--	-3.83								
> Timber	8,719,426	0.24	8.87	9.18	12.80	5.97	7.27	--	10.58	03/31/2016	04/30/2022						
Timber 8% Absolute Return			1.94	3.92	8.00	8.00	8.00	--	8.00								
Excess			6.93	5.25	4.80	-2.03	-0.73	--	2.58								
> Cash	10,926,970	0.30	3.82	5.27	6.11	3.88	3.81	--	4.01	03/31/2016	04/30/2022						

• Unaudited and based on latest available data.

# SUFFOLK COUNTY COUNCIL 2021-2022

# APPENDIX

# SUFFOLK COUNTY COUNCIL 2021-2022 – MARCH 2022 MANAGER GROUPS

NORTHERN TRUST

Suffolk County Council | March 31, 2022

## Consolidated Manager UBS LINK M&G Partners

Account/Group -Rate of Return	E.MV-GOF	End Wt	Three Months		
			Portfolio	Index	Excess
UBS Emerging	35,250,492	0.94	-2.47	-2.48	0.01
UBS FTSE Emerging					
UBS Global	857,678,746	22.86	-0.87	-0.71	-0.16
RAFI AW Proxy/FTSE AW Dev					
UBS Bonds	137,182,234	3.66	-8.32	-8.42	0.09
FTSE Index Linked Gilts > 5 Ye					

Account/Group -Rate of Return	E.MV-GOF	End Wt	Three Months		
			Portfolio	Index	Excess
BlackRock- Link Fund	294,525,245	7.85	-3.69	0.49	-4.18
Link FTSE All Share					
Newton - Link Fund	519,256,237	13.84	-4.37	-2.32	-2.05
Link MSCI All World					
M&G - Link Alpha Opps Fund	385,974,226	10.29	-0.63	0.66	-1.29
LINK M&G GBP 3M SONIA +2%					

Account/Group -Rate of Return	E.MV-GOF	End Wt	Three Months		
			Portfolio	Index	Excess
M&G Bonds	-	-	-	-	-
M&G GBP 3M SONIA +2%					
M&G Infrastructure	49,956,815	1.33	22.15	1.94	20.21
M&G 8% Absolute Return					
M&G Illiquid Debt	45,938,112	1.22	-1.89	1.94	-3.83
M&G 8% Absolute Return					

Account/Group -Rate of Return	E.MV-GOF	End Wt	Three Months		
			Portfolio	Index	Excess
Partners Infrastructure	72,125,016	1.92	4.67	1.94	2.72
Partners 8% Absolute					
Partners Illiquid	49,735,022	1.33	0.99	1.94	-0.96
Partners 8% Absolute Return					

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Scott Douglas, Vice President, Investment Risk & Analytical Services (IRAS).

Scott oversees all EMEA LGPS and Wealth clients that take investment performance analysis reporting from Northern Trust. As client segment lead he is positioned to share insights and best practice across these groups to investment teams and boards as well as service teams at NT.

Scott works with both asset owners and asset managers on all matters concerning the performance measurement function of investments at both the portfolio and total plan levels. Analysis undertaken for clients includes formulating, implementing, monitoring, presenting and evaluating the various strategies of their mandates. Whenever the opportunity arises, Scott will attend committee meetings in order to present the analysis and underline what story the data is telling.

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July 2021



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## Suffolk Pension Board

<b>Report Title:</b>	Pensions Administration Performance
<b>Meeting Date:</b>	20 July 2022
<b>Lead Councillor(s):</b>	Councillor Richard Rout
<b>Director:</b>	Chris Bally, Deputy Chief Executive and Executive Director of Corporate Services
<b>Assistant Director or Head of Service:</b>	Louise Aynsley, Chief Financial Officer (S151 Officer)
<b>Author:</b>	Stuart Potter, Pensions Operations Manager Telephone:01473 260296 Email: <a href="mailto:Stuart.potter@suffolk.gov.uk">Stuart.potter@suffolk.gov.uk</a>

### 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 (SLAs).

### Alternative options

4. There are no alternative options.

### Main body of report

#### Administration

5. This report covers staff performance and team achievements since the previous Board meeting on 23 March 2022.
6. The Service Level Agreements for our 'key' processes from February to May 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 **192** percentage completed in SLA **100%**
  - b) Estimates are issued to members or employers within 10 working days of receipt of all information – Total cases **116**, percentage completed in SLA **100%**

- c) Retiring employees are notified of their options within 5 working days of receipt of all information – Total cases **477**, percentage completed in SLA **100%**
  - d) Retirement lump sums will be paid within 10 working days of receipt of all necessary information after retirement – Total cases **395**, percentage completed in SLA **100%**
  - e) Notification of survivor benefits will be issued within 10 working days of receipt of all information – Total cases **64**, 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 **137** percentage completed in SLA **99%**
7. The Public Service Pensions and Judicial Offices Bill, which is the Bill created to rectify unlawful discrimination following the McCloud case, has now completed the parliamentary process and gained Royal Assent on 10 March 2022. Once the regulations and remedy, scheduled for April 2023, are in place all affected records will be reviewed. Updates will continue to be provided to the Board in future meetings.
  8. In addition to the business-as-usual work, the backlog team have continued to work through a significant number of undecided leaver cases during this reporting period, with the total number reducing by 584 during the quarter (January to March).
  9. Further to the information provided in the previous meetings the Pensions team are continuing to develop our iConnect system that will allow employers to submit monthly data returns.
  10. The Pension team have continued to work on the roll out the iConnect system which enables employers to submit monthly data returns. 21 Employers are currently using the system, with 63 undergoing member matching prior to imminent onboarding. A further 112 are developing reports, of which 70 are at the testing stage. All these employers cover 88% of active members.
  11. Unfortunately, the delays that were reported previously in relation to the County Council using this new system have continued. Further test files from the Council's new payroll system were received, but they still did not contain all the information necessary. Following the appropriate escalations and regular dialogue with the consultants a solution was found which was sufficient for the annual return, albeit due to the late return this caused a lot of last-minute work to complete the information needed for the actuary. The iConnect report is still being worked on and it is hoped this will finally be sorted soon.
  12. The Pensions team have completed the end of year administration returns received from the employers and have submitted the data to the Actuary. The Actuary received the data by the agreed deadline and are now processing the administration data. It is hoped that the results could be back as early as the middle of August.
  13. Further to the update in the previous board meeting on staffing, a pension officer resigned to move back closer to her family. An advert was placed to recruit a permanent pension officer and to recruit some fixed term pension officers for a 12-month period. Following this recruitment exercise a permanent pension officer

and one fixed term pension officer were appointed and have commenced their employments.

14. A meeting has now been held with the relevant representatives from the Board (David and Pauline) and it has been agreed to produce a newsletter twice a year, in July and January, for current members in the scheme. This newsletter will feature an article from one of the representatives and useful bitesize information/facts about the scheme to ensure members are aware of important information. The first version is ready to be published and this will happen in the next few days following this meeting.
15. The annual internal audit of the Pensions Administration team has now been completed. The audit rating was of reasonable assurance, meaning there is generally a sound system of governance, risk management and control in place. The report also noted that despite the high volume of transactions during the year, there are few audit findings, and this shows that sound control arrangements exist enabling the fund to operate effectively.
16. There were three findings in the report this year, one of which was a high finding. This was in relation to new starters from employers (including SCC) who use Oracle Fusion and the fact they have not been loaded into the Pensions system Altair. This was caused by the issues with iConnect returns from SCC, as have been reported to the board. There are no long-term impacts of the starters being delayed as all have been loaded in time for the end of year, triennial valuation data.
17. The next finding (medium) was around transfer cases and some delays in processes that meant not all members were notified in the expected timescale in terms of informing them that their transfer was complete. For transfers out, some payments were not made within 10 working days and in four cases, details of estimated transfer out values were not made in time. It was identified by Audit that these tasks are not priority tasks and that there will rarely be any financial detriment in these situations. However, from a Pensions team perspective the team are focussed on all tasks within SLA and the organisation and training is now in place to ensure these tasks can be picked up following management changes last year. These areas are being managed correctly which should therefore see an improved result in this area in future audits.
18. The final finding (medium) was around concerns that stopping issuing paper P60's to all Pensioners has reduced the control of following up returned post as post issued as reduced as a result. This could potentially lead to pensions being paid when someone is deceased. It was however recognised that there are other controls in place such as NFI exercise, returned bank payments and Tell us Once Service. However, linked to this the Pensions team have decided to implement a further manual check where Pensioner members are targeted via a life certificate process to give further assurance in this area. This involves targeting Pensioner members who have not been in contact with the team for a period of time and asking them to complete a form. This process commenced in June 2022.
19. As verbally mentioned in the previous Board meeting, following a routine check of records by the Pensions team, it was identified that some Pensioner members who had multiple employment records had not received their Pension Increase in April 2021 on their additional records which had not shown up in checks. As

soon as this was identified all records were updated and arrears paid in March 2022 and processes updated to ensure this situation is not repeated.

20. The Pensions Increase process for April 2022 was completed successfully with all entitled Pensioner members receiving a 3.1% increase to their pension payments. Additional checks were made to ensure that members mentioned in the above paragraph had received their full increase as expected.

21. During this period there have been 18 compliments. All of these compliments have been in relation to appreciation for the service received, particularly around the speed of service and helpfulness explaining situations.

22. A few of the compliments regarding helpfulness included:

*"Thank you for getting back to me with all that information, that's very helpful, I'll keep an eye out for my first annual statement and thanks again for taking the time to help me."*

*"Thank you very much for this info. I understand now and I will inwardly digest, I think you were the team member who sorted out my pension in the first place a few years back!"*

One member wrote a lengthy email thanking a member of the team for their help sorting out their pension and taking on board all their queries stating *"I'd like to thank you colleague for a job well done. I'm so grateful to her and feel it's always nice that a colleague is recognised for her outstanding work."*

23. A few of the comments regarding speed and efficiency of service have also been received:

*"Thank you so much, that's what you call service – all sorted within hours"*

*"Thank you for your quick response, really appreciate such a quick response and resolution"*

*"Many thanks for your quick response and assistance, excellent service!"*

*"Thank you for your swift reply and confirmation of my understanding, you are such a helpful team'.*

The final compliment just stated, *"the world would be a better place if everybody was as efficient as Suffolk County Council Pensions department!"*

24. During this period there have been two complaints. The first of these was from a member who wanted to know why there was a delay with her amalgamation of her records. This was explained and the case managed with the member being updated between her raising this and the resolution. The second complaint was linked to a transfer out to a different scheme several years ago and the member via a representative wanting to know further information. This case has been fully resolved.

25. During this reporting period there have been no new Internal dispute resolution procedure (IDRP) cases to report.

26. This report will be ongoing at all future Board meetings and will be developed in accordance with the requirements of the Board.

## Contribution payments

27. 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 2021/22 quarter 3 and 4:

	Quarter 3			Quarter 4		
	Employer	Contributions		Employer	Contributions	
	%	£'m	%	%	£'m	%
On Time	91	28.325	91.0	92	31.572	99.1
Up to 1 week late	2	1.817	6.0	3	0.187	0.6
Over 1 week late	7	0.929	3.0	5	0.094	0.3
<b>Total</b>		<b>31.071</b>			<b>31.853</b>	

### Sources of further information

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

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## Suffolk Pension Board, 20 July 2022

### Information Bulletin

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

This Information Bulletin covers the following items:

1. [Actuarial Valuation Timeline](#)
2. [2016 Cost Cap](#)
3. [Inflation Pressures](#)
4. [Take up of 50:50 Pension](#)
5. [Governance Policy](#)
6. [New Employers](#)

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### 1. Actuarial Valuation Timelines

- 1.1 The Actuarial Valuation is now underway. The key dates for this exercise are shown below:

24 Jun 2022	Committee approves a set of financial assumptions
30 Jun 2022	Membership and cashflow data submitted to Hymans
23 Sep 2022	Draft Funding Strategy Statement (FSS) for review by Committee
23 Sep 2002	Whole Fund results to Committee
17 Oct 2022	Whole Fund results to Board
07 Oct 2022	Annual Employers Meeting – commencement of consultation with Employers on their individual results and the FSS
30 Dec 2022	Consultation closes
28 Feb 2023	Committee approves FSS and contribution rates
31 Mar 2023	Rates and Adjustment certificate signed and issued by Hymans
01 Apr 2023	New contribution rates applied

#### Progress against timeline:

- 1.2 Hymans met with the Pension Fund Committee on 24 June and presented a suggested set of assumptions and the rationale behind them, and these were approved in full.
- 1.3 The cashflow data (employer and employee contributions and benefits paid by each employer) and the membership data (updated for leavers and new starters) were submitted to Hymans who have since started their work on this data.

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## **2. 2016 Cost Cap**

- 2.1 The Cost Cap was introduced as part of the 2014 reforms following the Hutton review as a mechanism to cap cost for public sector employer costs. If the scheme's assessed costs change by more than 2% pay from a baseline target cost, then action is taken by changes in benefit or member contribution rates to being the cost back in line.
- 2.2 The Cost cap was paused as the Government addressed the McCloud judgement and how this was to be resolved. The Government's Actuary's Department (GAD) have now published the updated 2016 valuation to take into account the McCloud remedy which indicates there has been no cost cap breach.
- 2.3 These results confirm that there will be no changes to member benefits and/or contribution rates as a result of the 2016/17 Cost Cap valuations. However, these are still subject to ongoing legal challenges about whether the process should have been paused in the first place, and whether the way the McCloud cost has been calculated is appropriate.

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## **3. Inflation Pressures**

- 3.1 The inflation as at the end of June 2022 was 9.1% caused by rising food prices, record high petrol, oil and gas prices, and a sharp increase to the cost of raw manufacturing materials.
- 3.2 The Bank of England is predicting a peak of 11% in October, up by 1% from their peak forecast the previous month.
- 3.3 LGPS pensions are linked to the CPI inflation rate at the end of September, with no upper limit. This rate is applied to pensions from April the following year.
- 3.4 In addition, this rate is applied to the Career Average Pension pot for each active and deferred member going back to 2014.
- 3.5 The inflation rate applied in April 2022 was 3.1%.
- 3.6 The expected significant increase to benefits is going to have a consequential effect to the Pension Fund's cashflow, with any cost of living pay increases awarded to active members unlikely to be of the same rate as the benefits increase.

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## **4. Take up of 50:50 Pension option**

- 4.1 The Board has requested statistics behind how many members have taken up the option of the 50:50 scheme. This information is held within the membership data processed by Hymans.
- 4.2 At the 2019 valuation there was a take up of 0.7% of active members which equates to about 150 members. The Board will be updated on these statistics once the 2022 valuation data has been processed by Hymans.
- 4.3 The 50:50 pension scheme has recently been promoted in the active and deferred members newsletter and there are several links and references on the Suffolk Pension Fund website to the 50:50 option.



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## 5. Governance Policy

5.1 The Governance Policy for 2022/23 was put before the Pension Fund Committee at its meeting on 20 July 2022. The policy is attached as **Appendix 1**.

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## 6. New Employers

6.1 In the quarter up to 31 March 2022, 3 new employers have joined the Fund who are all provide contract services to academies.

Aspens – St Mary’s (Lowestoft)

Osiris IT – Evolution Trust (Poplars)

Lunchtime Co – Hartismere

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For further information on any of these items, please contact: Paul Finbow, Head of Pensions; Email: [paul.finbow@suffolk.gov.uk](mailto:paul.finbow@suffolk.gov.uk), Telephone: 01473 265288.

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## Suffolk Pension Fund Governance Policy Statement 2021/22

### Purpose

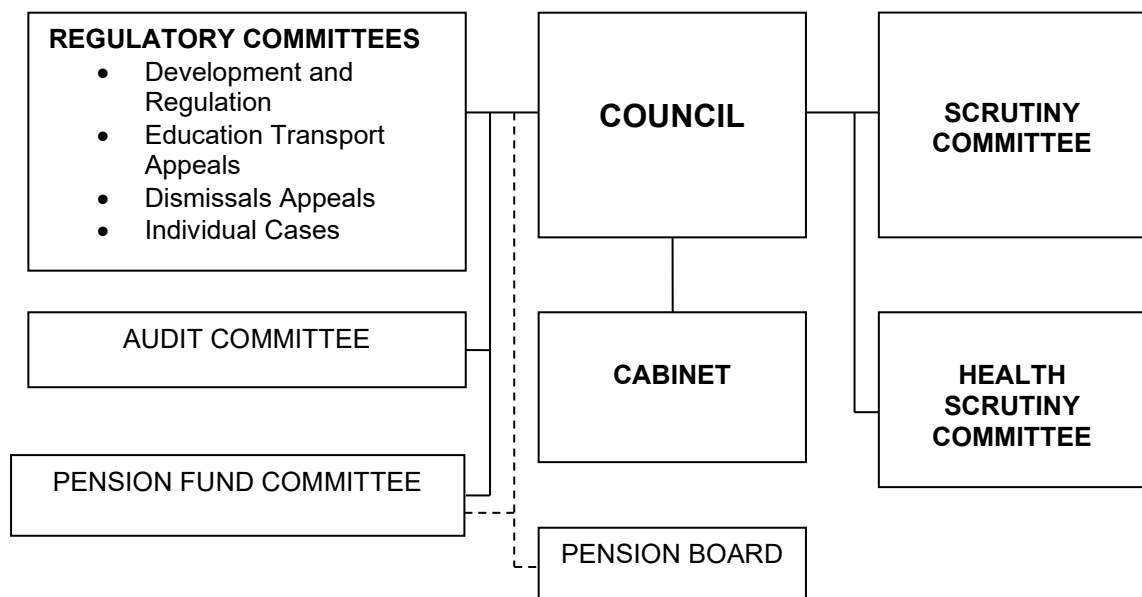
1. Pension Fund administering authorities are required to prepare and publish a governance policy statement. The policy statement must set out:
 

“whether the administering authority delegates its functions in relation to the pension fund to a committee, a sub-committee or an officer of the Council; and where this is the case, details of:

  - (i) the frequency of any committee’s meetings;
  - (ii) the terms of reference, structure and operational procedures in relation to the use of delegated powers;
  - (iii) whether the committee includes representatives of employers or scheme members; and if so, whether they have voting rights.”
  
2. This policy statement sets out Suffolk County Council’s arrangements for discharging its responsibilities for Pension Fund matters.

### Governance of the Suffolk Pension Fund

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



### **Pension Fund Committee Terms of Reference**

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

### **Membership of Pension Fund Committee**

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

### Operational Procedures

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

### Communication and Reporting

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

### Pension Board Terms of Reference

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

### Membership of Pension Board

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

## Item 8, Appendix 1

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

### **Operational Procedures**

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

### **Responsibilities of the Section 151 Officer (Chief Financial Officer)**

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

### **ACCESS Investment Pool**

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

## Item 8, Appendix 1

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

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## Suffolk Pension Board

<b>Report Title:</b>	Board Training Plan
<b>Meeting Date:</b>	20 July 2022
<b>Lead Councillor(s):</b>	Councillor Richard Rout
<b>Director:</b>	Chris Bally, Deputy Chief Executive and Executive Director of Corporate Services
<b>Assistant Director or Head of Service:</b>	Louise Aynsley, Chief Financial Officer (S151 Officer)
<b>Author:</b>	Paul Finbow, Head of Pensions, Telephone: 01473 265288 Email: <a href="mailto:paul.finbow@suffolk.gov.uk">paul.finbow@suffolk.gov.uk</a>

### Brief summary of report

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

### Action recommended

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

### Reason for recommendation

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

### Alternative options

4. There are no alternative options.

### Main body of report

5. At the Pension Board Meeting on 19 July 2021, the Board considered its need for training and agreed a one-year training programme. This training was developed with the Knowledge and Skills Framework issued by CIPFA for local Pension Board members.
6. The Board also agreed to sign up the Hymans Robertson online training module aimed at both committee and board members that covers all the required knowledge and understanding. Both committee and board members are progressing through the training modules will continue to do so across the current year. Two committee members and one board member has already completed the six available learning modules
7. Three pre-Board training sessions have been held in the last year covering Internal and External Complaints Procedure (Stuart Potter), Pension Fund

Management Fees and Expenses (Sharon Tan), and the Joining the Scheme and Opting Out (Stuart Potter).

8. A reminder of the Framework and in particular the specific areas of knowledge the Board should attain is provided in **Appendix 1**.
9. It has been agreed that should Board members wish to attend Pension Fund Committee training, then they are welcome to do so, but that they should let Committee Services (Rebekah Butcher) know in advance of the meeting. The Pension Fund Committee training programme is attached at **Appendix 2**. The Committee are reviewing the timing of the training and Board members will be informed should they wish to attend.
10. The Board will have its own pre-Board training session and will be delivered before the start of the meetings held in March, October, and December each year.
11. A further half or whole day training session will be scheduled during 2022 or 2023 should the Board identify further topics that could be covered in more depth.
12. The Board is asked to consider and agree the content of the training programme for the coming year.

#### **Sources of further information**

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

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

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

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

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

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### Suffolk Pension Fund Committee Training Plan

#### 1. Introduction

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

#### 2. Rationale

- 2.2 To ensure best practice within the Fund, and to comply with the Public Service Pensions Act 2013, a training plan for those charged with governance and financial management of the Suffolk Pension Fund (Committee members and officers) should be developed on an annual basis. At its meeting of 24 June 2021, the Pension Fund Committee agreed its training programme taking it to March 2022.
- 2.3 Central to this is the requirement that the Fund should secure appropriate training, having assessed the professional competence of both those involved in pension scheme financial management and those with a policy, management and or oversight role.
- 2.4 It is not required that each individual demonstrates a level of expertise in every aspect of scheme governance and management, but rather that as a group, both the Fund's officers and the Committee has a level of knowledge and skills to ensure effective decision making.
- 2.5 Committee members and officers are also required to undertake training to satisfy the obligations placed upon them by the:
- Pensions Regulations and the Pensions Regulator;
  - CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills; and the
  - LGPS Governance Compliance Statement.

### 3. Approach

- 3.1 The approach to training will be supportive in nature, with the intention of providing Committee members and officers with regular sessions that will contribute to their level of skills and knowledge. Primarily based upon pre-Committee training sessions, it may also involve updates from officers and independent advisers. Details of external events will also be circulated as appropriate. This is in addition to an expectation that Committee members will undertake some self-directed learning outside of the formal training. Fund officers will be available to provide additional support and advice.
- 3.2 The key elements of the plan are designed to support members of the Committee in gaining the necessary knowledge and skills as a collective group over the following areas required by the CIPFA Knowledge and Skills Framework:
- Pension Fund governance;
  - Accounting and Audit standards;
  - Procurement of financial services;
  - Investment performance and risk management;
  - Financial markets and product knowledge;
  - Actuarial methods and valuation.
- 3.3 It is comprised of a combination of internally developed training sessions, updates from officers and independent advisers, external events, and self-directed learning. The detailed indicative plan is attached as **Appendix A**.
- 3.4 The Training Plan will be updated at least annually and will be updated with events and training opportunities as and when they become available.

## 4 Training

### 4.1 Delivery of Training

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

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



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

### 4.2 External events

#### *Pension Fund Committee members*

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

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

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

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

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

### *Officers*

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

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

## 5. Training Programme

The draft timetable attached at **Appendix A** provides an indicative training programme covering areas that are likely to be necessary over the next two years. In addition, other items on topical or emerging issues may be added as appropriate, and the training programme flexed accordingly.

The indicative training plan includes details of pension related conferences held throughout the year. There is no expectation that members and officers attend such events as a matter of course but highlights the availability of such training and networking opportunities and an overview of their content. With the current circumstances around the coronavirus pandemic, events may be held online or rearranged to alternative dates. Any changes to these will be notified to the Committee.

## Indicative Training Programme 2022-23

## Appendix A

Ref	What	Who	When	Overview	Intended audience
1	Pre-Committee training	Hymans Robertson	20 July 2022	Topic – Pension Fund Risk Management	All PFC members
2	Conference	LGC Investment Summit Leeds	8 – 9 September 2022	Aimed at officers and PFC members focussing on investment matters	Officer and PFC members
3	Pre-Committee training	Investment Consultant / Fund Manager	23 September 2022	Topic – Pathway to targeting Net Zero	All PFC members
4	Annual Training Day	Various Speakers	11 November 2022	Investment topics to be agreed by Chair	All PFC members
5	Conference	CIPFA Pensions Network Annual Conference – London	November 2022	Aimed at officers and PFC members – various speakers focussing on a wide range of pension topics	Officer and PFC members
6	Pre-Committee training	CEM Benchmarking	23 November 2022	Topic – What does the data show about Suffolk	All PFC members
7	Pre-Committee training	M J Hudson	28 February 2023	Topic - ACCESS and Alternative Investments	All PFC members
8	Pre-Committee training	Hymans Robertson	31 March 2023	Topic – Implications of Government LGPS consultations	All PFC members
9	Conference	PLSA Local Authority Pension Fund Conference - Cotswolds	May/ June 2023	Aimed at officers and PFC members focussing on wide range of Pension Fund matters	Officer and PFC members
10	Pre-Committee training	Fund Officers	8 June 2023	Topic – Regulation changes affecting Administration	All PFC members

11	Pre-Committee training	LAPFF	19 July 2023	Topic – LAPFF engagement with Companies	All PFC members
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In addition, induction training sessions will be arranged for any new Pension Fund Committee member. Additional sessions may be incorporated as required.

**Conference attendance:** Pension Fund Committee members are encouraged to attend some conferences and external training events to develop a wider knowledge of current key topics.

## **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

<b>Meeting date (see Note)</b>	<b>Date added</b>	<b>Subject</b>	<b>Short description</b>	<b>How is it anticipated the Board will deal with this issue?</b>
<b>Monday, 17 October 2022 (pm)</b>	Added 10 December 2021	Complaints, Compliments and Administration Performance	To receive a report on the complaints and compliments received by the Fund.	Written Report
	Added 11 December 2020	Suffolk's progress on Pooling of Assets	To receive an update on the progress of pooling assets.	Verbal Update
	Added 10 December 2021	Pension Board Risk Register	To review the Pension Board Risk Register.	Written Report
	Added 10 December 2021	Recent Developments	To receive an information bulletin covering recent developments that the Board has an interest in.	Written Report
	Added 10 December 2021	Forward Work Programme	To approve the Forward Work Programme for the Suffolk Pension Board.	Written Report
<b>Wednesday, 7 December 2022 (am)</b>	<b>Added 20 July 2022</b>	<b>Complaints, Compliments and Administration Performance</b>	<b>To receive a report on the complaints and compliments received by the Fund.</b>	<b>Written Report</b>
	<b>Added 20 July 2022</b>	<b>Suffolk's progress on Pooling of Assets</b>	<b>To receive an update on the progress of pooling assets.</b>	<b>Verbal Update</b>
	<b>Added 20 July 2022</b>	<b>Annual Report and Accounts 2021/22</b>	<b>To review the annual report and Accounts of the Pension Fund</b>	<b>Written Report</b>
	<b>Added 20 July 2022</b>	<b>Recent Developments</b>	<b>To receive an information bulletin covering recent developments that the Board has an interest in.</b>	<b>Written Report</b>
	<b>Added 20 July 2022</b>	<b>Forward Work Programme</b>	<b>To approve the Forward Work Programme for the Suffolk Pension Board.</b>	<b>Written Report</b>

<b>Meeting date (see Note)</b>	<b>Date added</b>	<b>Subject</b>	<b>Short description</b>	<b>How is it anticipated the Board will deal with this issue?</b>
<b>Friday, 10 March 2023 (am)</b>	<b>Added 20 July 2022</b>	<b>Complaints, Compliments and Administration Performance</b>	<b>To receive a report on the complaints and compliments received by the Fund.</b>	<b>Written Report</b>
	<b>Added 20 July 2022</b>	<b>Suffolk's progress on Pooling of Assets</b>	<b>To receive an update on the progress of pooling assets.</b>	<b>Verbal Update</b>
	<b>Added 20 July 2022</b>	<b>Review of Actuarial Valuation process</b>	<b>To review the process for the Actuarial valuation completed at 31 March 2022</b>	<b>Written Report</b>
	<b>Added 20 July 2022</b>	<b>Pension Board Risk Register</b>	<b>To review the Pension Board Risk Register.</b>	<b>Written Report</b>
	<b>Added 20 July 2022</b>	<b>Recent Developments</b>	<b>To receive an information bulletin covering recent developments that the Board has an interest in.</b>	<b>Written Report</b>
	<b>Added 20 July 2022</b>	<b>Forward Work Programme</b>	<b>To approve the Forward Work Programme for the Suffolk Pension Board.</b>	<b>Written Report</b>

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

If you have any questions or queries, please contact Paul Finbow. Email: [paul.finbow@suffolk.gov.uk](mailto:paul.finbow@suffolk.gov.uk), Telephone: 01473 265288.

Revised: July 2022

#### **Items for consideration/scheduling:**

Expected Government consultations on the LGPS  
Pensions Regulators new Single Code