PART 4

Part 4.3 Suffolk Pension Fund Governance Strategy

Suffolk Pension Fund
Governance Strategy

Purpose

1) Pension Fund administering authorities are required under regulation 55A of the Local Government Pension Scheme Regulations 2013 to prepare and publish a governance strategy. This sets out Suffolk County Council's arrangements for discharging its responsibilities for Pension Fund matters.

2) The strategy must set out whether the administering authority delegates its pension fund functions, or part of its functions, to a committee, a sub-committee or the LGPS senior officer of the authority. Where it does so the strategy must include:

   a) the terms, structure, and operational procedures of the delegation, including the basis on which substitutes may be permitted to attend or act;

   b) the frequency of any committee or sub-committee meetings;

   c) whether such a committee or sub-committee includes representatives of scheme employers or members, and if they have voting rights. If there are no representatives or they don't have voting rights, how the authority will ensure that the views of scheme employers and members are represented in the governance of the fund;

   d) how the authority will ensure that it has appointed an independent person in accordance with regulation 53A.

Key Objectives

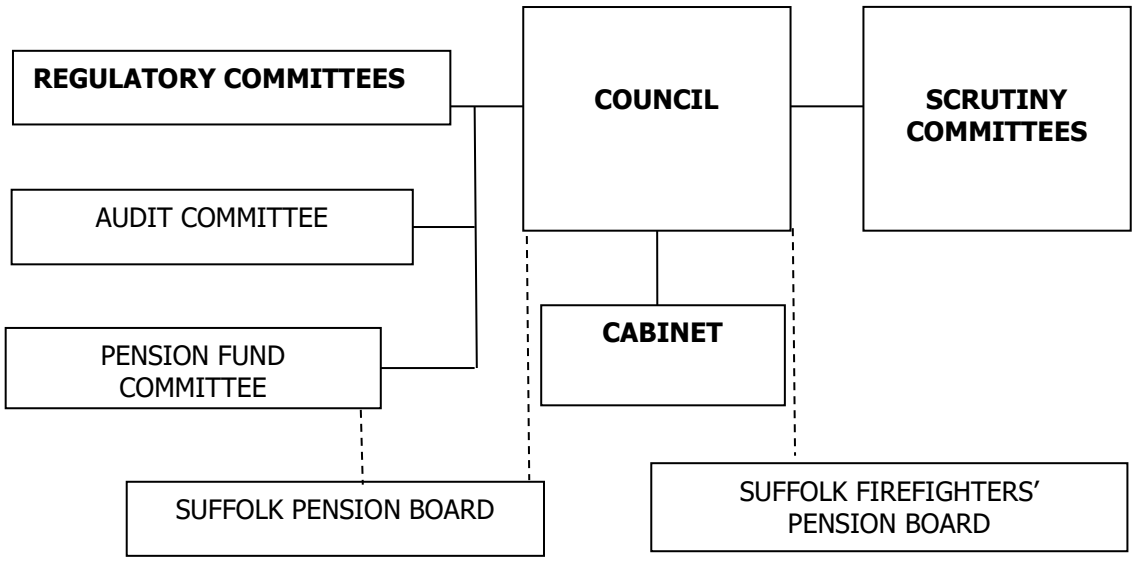
3) The Governance Strategy explains the governance structure and delegation arrangements adopted for the Suffolk Pension Fund.

4) They are designed to secure the effective and efficient administration, governance and investment of the Scheme for scheme employers, members and other stakeholders.

5) The Strategy demonstrates how these arrangements enable the Council to be compliant with statutory regulations and guidance, and sets out the terms, structure and operational procedures relating to the local pension board established under regulation 106.

Governance of the Suffolk Pension Fund

6) 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

7) The terms of reference for the Pension Fund committee are to:

   a) be responsible for the effective and prudent management of the Suffolk Pension Fund, having proper regard to the professional advice that it receives.

   b) approve and maintain the fund's investment strategy statement.

   c) consider and approve the fund's funding strategy statement.

   d) consider and approve the fund's strategies for governance, training, administration and communication, and all policies.

   e) review and set the Pension Fund's strategic asset allocation and investment objectives.

   f) appoint an independent person and providers of professional services for the Fund and to review from time to time their terms of appointment.

   g) regularly review the performance of the Fund and to consider future changes in strategic asset allocation and investment strategy.

   h) scrutinise performance against all strategies for which the Committee is responsible, including administrative performance and the investment pool's implementation of investment strategy and performance;

   i) consider the results and impact of the triennial actuarial valuation and any interim valuation reports.

   j) 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.

   k) consider and approve if appropriate, the applications of organisations to be admitted bodies of the fund.

   l) 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. Non-compliance will be reported as set out in the training strategy.

   m) commission and publish the report of an independent governance review in line with regulations and guidance, and monitor the delivery of any actions.

   n) 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

8) The Pension Fund committee will consist of seven county councillors. Its membership will reflect the political balance of the County Council.

9) 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.

10) There will also be one co-opted scheme member representative, who will have voting rights, and who will be nominated by the Unions. The scheme member representative will represent the interests of employee members, pensioners and deferred members.

Operational Procedures

11) 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.

12) The committee will receive an annual report from the fund's independent performance measurement adviser to review the long-term performance of the fund's investments. 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 investment performance in greater depth.

13) Upon appointment, Pension Fund Committee members and substitutes are required to undergo an in-house induction training session before attending their first meeting. The induction includes an outline of their role and the key governing documents and strategies they are responsible for approving and overseeing, relevant regulatory landscape and operational procedures, to support participation.

14) The fund will maintain a communication strategy that sets out how the Fund will
ensure that all stakeholders have readily available access to all the information that they require. Pensioners are kept up to date through the provision of a newsletter informing them of statutory changes to their entitlements. Active and deferred members of the pension scheme are provided with an annual benefits statement as well as informative newsletters.

15) 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.

16) The Pension Fund website will publish all relevant documents relating to the administration and running of the Pension Fund, including the Annual Report and Accounts, administrative forms and guides, and all strategies and policies. The Annual Report is the formal mechanism for reporting on the performance of the Fund to its stakeholders.

17) The Pension Fund committee consults with stakeholders whenever any significant changes in the Pension Fund's investment strategy or funding strategy are under consideration.

Pension Board Terms of Reference

18) The role of the Pension Board as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to assist the Council as Scheme Manager for the Suffolk Pension Fund:

    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 requirements imposed in relation to the LGPS by the Pensions Regulator;

    c) in such other matters as the LGPS Regulations may specify.

    d) to secure the effective and efficient governance and administration of the scheme.

Membership of Pension Board

19) 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.

20) 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

21) The Board shall have at least two meetings scheduled each year.

22) The Board will review the performance of the administration function against agreed service levels, compliments and complaints at each meeting.

23) The Board will monitor compliance with the requirements of The Pension Regulator's general code of practice.

24) The Pension Board will receive regular training to enable Board members to provide effective oversight and be fully aware of their statutory and fiduciary responsibilities and their stewardship role.

25) The Board will report to the County 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)

26) The Council's Chief Financial Officer, the responsible financial officer under section 151 of the Local Government Act 1972, is responsible for providing independent financial oversight and challenge on matters relating to the Pension Fund to ensure all financial risks relating to the fund are properly managed as part of the Council's financial affairs.

27) The Chief Financial Officer will ensure that the Pension Fund complies with Council's Financial Regulations.

Responsibilities of the Head of Pensions (Senior LGPS Officer)

28) The Council's LGPS Senior Officer is responsible for all pension functions of the authority as the administering authority for the Suffolk Pension Fund, in accordance with Regulation 53A of the Local Government Pension Scheme Regulations 2013 as amended by the Local Government Pension Scheme (Amendment) (Governance) Regulations 2026. This responsibility includes ensuring that the pension fund maintained by the administering authority is appropriately managed and resourced in respect of all matters relating to the Scheme (including administration, investment and governance).

29) The LGPS Senior Officer is responsible for the effective functioning of the fund, ensuring good governance, decision making and regulatory compliance. They are responsible for ensuring that all risks relating to the fund are escalated appropriately and that the Chief Financial Officer (S151 Officer) is involved in all decisions that impact on the financial affairs of the Council.

30) The Head of Paid Service will appoint the Senior LGPS Officer and a deputy or acting officer in the event of a vacancy. A vacancy will be filled within 6 months. During a period of absence, a named deputy would be identified.

LGPS Central Investment Pool

31) The Pension Fund is committed to pooling its assets in line with the requirements of the Pension Schemes Act 2026 and LGPS regulations and guidance.

32) The Pension Fund joined the LGPS Central Investment Pool on 1 April 2026 and is a shareholder in LGPS Central Ltd, the asset pool company, who are authorised and regulated by the Financial Conduct Authority (FCA).

33) Under a fiduciary management agreement, the Council has delegated authority to the pool company to implement the investment strategy and control of all the Suffolk Pension Fund assets, including those that have been pooled under the operator agreement for the ACCESS Pool. The pool company will also be the principal investment advisor to the pool.

34) All administering authorities in the LGPS Central Pool are party to an inter authority agreement that provides the overarching framework for the delivery and development of the LGPS Central Pool collaboration. The inter authority agreement commits each Council to use reasonable endeavours to ensure the success of the pool and sets out a governance framework for the purpose of working collaboratively to ensure the discharge of both shareholder and client responsibilities of the administering authorities.

35) Shareholder decisions will be made by the Head of Pensions (Senior LGPS Officer) or Chief Financial Officer (Section 151 Officer) in consultation with the Chair of the Pension Fund Committee.

36) The LGPS Central Pool will have a joint oversight forum that consists of a representative from the Pension Fund Committee for each administering authority together with nominated member representatives. The representative on the oversight forum for the Suffolk Pension Fund will be an elected member of the Pension Fund Committee. Any other committee member who is an elected member may act as a substitute.

37) The LGPS Central Pool has a Host Authority who provide a Partner Fund Support Office, the cost of which is shared equally between the funds.

ACCESS Investment Pool

38) The Pension Fund is a member of the ACCESS Pool (A Collaboration of Central, Eastern and Southern Shires) which is made up of 11 LGPS Administering Authorities. This investment pool is being closed and Suffolk Pension Fund assets invested through ACCESS are being transitioned to LGPS Central investment products.

39) 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 and has been revised to reflect the requirements of the closure of the pool.

40) The ACCESS Pool has a Joint Committee under s102 of the Local Government Act 1972, with delegated authority from the Full Council of each Administering Authority. The Joint Committee consists of one elected councillor appointed by each Council. Under the revised inter authority agreement the Joint Committee is responsible for terminating the operator agreement and the inter authority agreement. This will take place once all assets have been transitioned to the investment pools that the administering authorities have joined.

41) The representative on the Joint Committee for the Suffolk Pension Fund will be an elected member of the Pension Fund Committee. Any other Pension Fund committee member who is an elected member may act as a substitute.

42) The Project Connect Programme Board has been established to provide collective day-to-day oversight of the winding-down of the pool and will make recommendations to the Joint Committee as required. The appointed member for the Suffolk Pension Fund will be the Head of Pensions (Senior LGPS Officer) who will be substituted by the Chief Financial Officer (S151 Officer) or Lead Accountant (Pensions) if required. The revised inter authority agreement sets out the matters where the Project Connect Programme Board are required to make a collective decision and where they are making an individual decision on behalf of the Council.

43) Support to the Joint Committee and Project Connect Programme Board will be provided by the ACCESS Support Unit (ASU) until this is closed, at which time it will be provided by the new investment pools and pension fund officers as required.

Appointment of an Independent Person

44) The Council will appoint an independent person, in accordance with Regulation 53A of the Local Government Pension Scheme Regulations 2013 as amended by the Local Government Pension Scheme (Amendment) (Governance) Regulations 2026.

45) The independent person will provide additional professional expertise to the Pension Fund Committee, Pension Board and Senior LGPS Officer. They will assist the Committee and Board in scrutinising and challenging the advice given to them.

46) The appointed individual will be appropriately qualified and experienced in all pension functions, including investment strategy decisions, governance, administration, and the oversight of the asset pool company.

47) When the independent role is vacant a new appointment will be made within six months.

Systems and Internal Control

48) The Pension Fund produces an annual statement of accounts which is subject to external audit by Ernst & Young LLP who produce an opinion on those accounts. They also provide an opinion that the Pension Fund Annual Report is consistent with the Pension Fund accounts. The accounts form part of the County Council's statement of accounts.

49) The Pension Fund is also subject to an internal review by the Council's internal auditors on the robustness of the Pension Fund's systems, procedures and controls. A report summarising the outcomes of the internal audit reviews conducted during the year and their overall opinion of the effectiveness of controls with the Pension Fund is presented annually to the Pension Fund Committee.

Risk Management

50) The need for effective risk management is reflected throughout guidance and regulation in the Local Government Pension Scheme (LGPS). The Suffolk Pension Fund maintains a risk management strategy that identifies the principles for how the Fund will embed risk awareness and management into the decisions and processes of the Pension Fund to ensure that the Fund's objectives are met. It sets out the risk management framework which is used to identify and assess risks and the implementation of the management of those risks.

51) The Pension Fund Committee maintains a risk register for the Pension Fund, which is subject to regular monitoring with a formal annual review each year.