



# Derbyshire Pension Board Annual Report 2023 - 2024

October 2024

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## Introduction

Derbyshire Pension Board (the Board) continued to assist Derbyshire County Council (the Council), the administering authority, with the governance and administration of Derbyshire Pension Fund (the Fund / Pension Fund) throughout 2023-2024, led by Neil Calvert who was appointed as Chair of the Board in July 2023.

Lisa Seeley and Mark Wreghitt also joined the Board during the year as Employer and Member Representatives respectively replacing former Board members Karen Gurney and Oliver Fishburn, whose tenure as Board members ended during the summer 2023.

Board members and Fund officers thanked Mrs Gurney and Mr Fishburn for their very positive contributions to the work of the Board and their support for the Fund. Mrs Gurney had served as a member representative on the Board since it began operating in 2015.

The Pension Fund is committed to ensuring that the people involved in the governance and administration of the Fund, including members of the Pension Board, are equipped with the knowledge and skills required to discharge their duties and responsibilities, and a new Fund Training Policy was approved in March 2024.

Four members of the Board undertook the 3-day LGA Fundamentals training course during the year which provided an overview of the LGPS scheme and current issues in LGPS administration, investments, and governance. The remaining Board member is due to undertake this training during 2024-2025.

The total number of participating active employers in the Fund rose from 341 at the end of March 2023 to 357 at the end of March 2024, continuing the trend of an increasing number and diversity of Fund employers.

At the end of March 2024, the Pension Fund had almost 110,000 membership records relating to almost 95,000 members, either active contributors, pensioners or deferred pensioners who have stopped paying into the scheme but are not yet receiving a pension.

The Board has encouraged the development of a member forum to support increased engagement between the Pension Fund and its members and, subsequent to the year end, was delighted to note the launch of the Fund's Member Engagement Forum in July 2024.

During the year, the Fund consulted on updates to three of its key investment related documents, the Investment Strategy Statement, the Responsible Investment Framework, and the Climate Strategy. The Board was pleased to note that the Pension Fund wrote to all members to inform them about the consultation, the launch of the Member Engagement Forum and about the legislation to implement the McCloud remedy.

The final regulations to implement the McCloud remedy in the LGPS were laid on 8 September 2023 and came into force on 1 October 2023. The Board has taken a keen interest in the Fund's preparation for the implementation of the remedy, acknowledge the significant administrative undertaking of investigating an estimated 28,000 in-scope cases, and was pleased to see the Pension Fund starting to calculate McCloud underpins from early January 2024.

The Pension Fund has continued to prepare for the introduction of Pensions Dashboards, which will allow users to access their pensions information online, securely and all in one place. The Board has received updates on the Fund's data cleansing activities and progress on investigating options for connecting to the Pensions Dashboards infrastructure by the deadline of 31 October 2025.

During a period when the complexity of administering the LGPS increased further as a result of the implementation of the McCloud remedy, the Board has continued to receive regular updates about a wide range of Pension Fund activities enabling Board members to effectively carry out their role of assisting Derbyshire County Council with the administration of Derbyshire Pension Fund.

The Board would like to thank all the members of the Pension Fund Team for their excellent work on behalf of the Fund's members over the past year and their consistently high performance against a wide range of indicators. Board members continue to be extremely grateful for the collaborative way in which officers work with them, and in particular for the opportunity to hear directly from a growing number of members of the Team at its meetings.

## **Board activities**

During the year, the Board discussed the Pensions and Investments Committee (Committee) papers and received and considered the Pension Fund's performance dashboard, which displays key performance indicators covering governance, funding & investments and administration, the Fund's Statutory Breaches Log, and information / reports on:

- the i-Connect project
- My Pension Online
- data breaches
- the McCloud remedy & the Fund's McCloud Project Board
- Pensions Dashboards
- the Fund's Member Engagement Forum
- cashflow forecasting
- the Fund's risk register
- Derbyshire County Council's planned changes to the delivery of ICT services
- The Pension Regulator's new Code of Practice
- the determination of exit credits
- Fund procurements
- investment pooling

The Fund's procedure for identifying, recording, and considering statutory breaches is supported by the Board. The Statutory Breaches Log (the Log) and any recommendations made / actions taken with respect to breaches are reviewed by the Board, with the Board's review subsequently noted on the Log.

The ongoing review by the Board of any data breaches experienced by the Fund and of the lessons learnt, and any subsequent changes to procedures, helps to support the Fund's robust approach to data security.

The Board has continued to receive regular reports on the rollout of My Pension Online (MPO), the Fund's member self-service system.

MPO gives members the ability to view certain parts of their pension information, to undertake changes to some of their personal data and to carry out benefit projections online. The Board strongly supports the rollout and development of this service which provides members with the ability to flexibly and securely access their pension information to support retirement planning.

By the end of March 2024, over 36% of the Fund's combined active and deferred membership had registered for the service. Board members have continued to provide suggestions and encouragement to officers as the Fund continues to promote MPO with the aim of achieving wider membership take-up of the service.

The Fund's participation in the LGPS Central Pool (Pool) and the transition of assets to the management of LGPS Central Ltd (LGPSC), the company established to manage investments on behalf of the 8 LGPS pension funds within the Pool, has continued to be closely monitored by the Board.

The Board has continued to support the application of robust governance arrangements with respect to the Pool and to the oversight of LGPSC and has continued to support the Fund's focus on the investment performance of LGPSC products.

The Chair of the Board attended two meetings of the Local Pension Board Chairs of LGPS funds within the LGPS Central Pool during the year. Both meetings included sessions presented by representatives of the LGPS Scheme Advisory Board on topical LGPS issues, including:

- the Code of Transparency
- climate risk reporting
- expected updated Annual Report guidance (subsequently issued)
- the Good Governance review
- potential changes to survivor benefits
- the results of the 2020 cost control process
- the 'Next Steps on Investments' pooling consultation
- the gender pay gap
- Sharia compliance in the LGPS

The LGPS Funds represented at the meetings have also:

- continued to discuss their approaches to assessing and mitigating cyber risk, including the development of cyber risk strategies
- discussed the challenges of implementing the McCloud remedy and developing suitable related communications for scheme members.
- shared their approaches to training pensions committee and pensions board members
- discussed their proposed plans for assessing compliance against The Pension Regulator's General Code of Practice

The Derbyshire Pension Board webpage on the Fund's website at contains a summary of each of the Board's meetings and also has a link to the Board's Terms of Reference:

[derbyshirepensionfund.org.uk/pensionboard](http://derbyshirepensionfund.org.uk/pensionboard)

## Board Members

The Board is made up of 5 members, with an independent, non-voting Chair, 2 representatives of scheme members and 2 representatives of employer organisations.

Membership in the year to 31 March 2024:

Position	Name	Employer	Notes
<b>Chair</b>	Neil Calvert	Non applicable	Neil Calvert was appointed as the new Chair of the Board by Full Council on 12 July 2023 following the sad death of the previous Chair Ronald Graham in May 2023.
<b>Member Representative</b>	Karen Gurney	Employee of Derbyshire County Council	Karen Gurney's term of office expired in June 2023.
<b>Member Representative</b>	John Sadler	Employee of Derby City Council	John Sadler has subsequently become a pensioner member of Derbyshire Pension Fund.
<b>Member Representative</b>	Mark Wreghitt	Non applicable	Mark Wreghitt was appointed to the Board by Full Council on 24 May 2023. Pensioner Member of Derbyshire Pension Fund
<b>Employer Representative</b>	Oliver Fishburn	Bolsover District Council and NE Derbyshire District Council	Oliver Fishburn's term of office expired in May 2023.
<b>Employer Representative</b>	Susan Ambler	University of Derby	
<b>Employer Representative</b>	Lisa Seeley	Aspens-Services Limited	Lisa Seeley was appointed to the Board by Full Council on 24 May 2023.

The terms of office for the Member and Employer Representatives at 31 March 2024 were as follows:

Role	Name	Start date	Term	Expiry
<b>Member Representative</b>	John Sadler	November 2022	4 Years	November 2026
<b>Member Representative</b>	Mark Wreghitt	July 2023	4 Years	June 2027
<b>Employer Representative</b>	Susan Ambler	February 2022	4 Years	February 2026
<b>Employer Representative</b>	Lisa Seeley	June 2023	4 Years	May 2027

## Meeting Attendance

Members of the Board attended the following formal Pension Board meetings in 2023 - 2024:

Member	29 June 2023	11 October 2023	13 February 2024
Neil Calvert	N/A	✓	✓
Susan Ambler	✓	✓	✓
Karen Gurney	✓	N/A	N/A
John Sadler	✓	✓	✓
Lisa Seeley	✓	✓	✓
Mark Wreghitt	✓*	✓	✓

\*Mark Wreghitt attended the 29 June 2023 meeting of the Board as an observer.

## Conflicts of Interest

At each Board meeting, members are required to declare any new conflicts of interest. No conflicts have been declared during the year.

## Training

Members of Derbyshire Pension Board are subject to the same Training Policy as members of the Pensions and Investments Committee and senior officers involved in the management and administration of the Fund.

The Fund aims to comply with:

- Chartered Institute of Public Finance and Accountancy (CIPFA) Pensions Finance Knowledge and Skills Framework
- Knowledge and skills requirements of the Public Service Pensions Act 2013
- The Pensions Regulator's Code of Practice

## Training Attendance

Members of the Board attended the following training sessions in 2023 - 2024:

Name of board member	Induction	LGA 3-day Fundamentals Course	PE, Cashflow, ISS, RI Framework, Climate Strategy, Ill-Health Retirement, Investment Pooling	Investment Strategy, RI Framework & Climate Strategy
Neil Calvert		✓	✓	✓
Susan Ambler		✓	✓	✓
John Sadler	✓		✓	
Lisa Seely	✓	✓	✓	✓
Mark Wreghitt	✓	✓	✓	✓

## Costs and Expenses

Type of cost or expense	2022-2023	2023-2024
Members' Allowances (Travel)	£0	£695
Training Costs & Subscriptions	£484	£3,120
Chairman's Services	£16,000	£15,000
<b>Total</b>	<b>£16,484</b>	<b>£18,815</b>

## Future Work Plan

The Board's work plan for 2024 - 2025 includes:

- **Staffing:** Supporting the implementation and ongoing review of changes to the Pension Fund's staffing structure.
- **Policy changes:** Monitoring the changing landscape for pensions, and for the LGPS in particular, under a new government and supporting the planning and implementation of any actions in response to any changes in policy.
- **Triennial actuarial valuation:** Monitoring the Fund's preparations for the March 2025 triennial actuarial valuation.
- **Cybercrime:** Considering the Fund's actions to increase its resilience to cybercrime attacks, including reviewing the output from the Fund's data mapping project.
- **Feedback:** Ensuring that feedback is sought both from members and employers on the impact of the Fund's communications, and that action is taken as necessary on the basis of that feedback.
- **Risk Register:** In-depth consideration of the Fund's Risk Register.
- **MPO:** Monitoring progress on the continued roll out of My Pension Online (including the implementation of an updated version of MPO)
- **Member Engagement Forum:** Supporting the continued development of the Member Engagement Forum.
- **McCloud:** Supporting the continuing implementation of the McCloud remedy.
- **Pensions Dashboards:** Monitoring the Fund's progress on preparing for the implementation of Pensions Dashboards.
- **Performance monitoring:** Continued monitoring of the administrative performance of the Fund and supporting the development of more customer-focussed Key Performance Indicators.
- **Compliance:** Reviews of the Fund's compliance with the requirements of The Pension Regulator's new General Code of Practice.
- **Networking:** Continuing to develop relationships with the Pension Boards of other LGPS Funds (both through the liaison group of Central Pool participant boards' Chairs and otherwise) to promote and ensure best practice.
- **Technical knowledge:** Developing, monitoring and maintaining the technical knowledge required by Board and Pensions and Investment Committee members.