

Derbyshire Pension Board meeting notes

Date: 15 August 2024
Location: County Hall, Matlock
Attendees: Neil Calvert (Chair)
Susan Ambler, Lisa Seeley (Employer representatives)
John Sadler, Mark Wreghitt (Member representatives)
Apologies: None

Derbyshire Pension Board met on 15 August 2024.

Board members and officers from Derbyshire Pension Fund (the Fund) were present.

The following topics were covered and discussed.

Pensions and Investments Committee

The Board discussed the Pensions and Investments Committee reports, which had been presented to, and noted / approved by the Committee at its meeting on 5 June 2024:

- Investment Report
- Stewardship Report
- Climate Related Disclosures
- Half Year Pension Administration Report
- Risk Register
- Investment Pooling
- Summary of Appeals and escalations to The Pensions Ombudsman 2023-24

Training

A Training Plan for 2024/2025 has been finalised which has been based on responses from members of the Pension and Investments Committee and Pension Board and the Pension Fund's Service Plan for 2024-2025.

A training session was held on 17 July 2024 for members of the Committee and Board which covered:

- The Private Credit Opportunity in Europe
- Pensions Dashboards Programme
- Actuarial training (delivered by Hymans Robertson LLP)

Pension Fund Performance Dashboard

The Fund's officers briefed the Board on the latest update of the Fund's Performance Dashboard up to 30 June 2024.

The Dashboard is prepared for review by the Fund's Management Team on a quarterly basis and shared with all members of the Fund's team.

The Board reviewed the latest Dashboard and discussed the Fund's progress on meeting Service Plan targets for 2024-2025 and against key performance indicators.

Items discussed and noted by the Board included an update on the Fund's staffing resource and the position relating to the processing of pension transfers from and to other public service pension schemes within the Public Sector Transfer Club.

Breaches logs

The Fund's statutory and data breaches logs were reviewed and discussed.

Existing entries on the logs were reviewed with updates provided by Fund officers.

My Pension Online

The Board received an update on the My Pension Online service which enables scheme members to view their pension information online. The latest figures highlighted that 28,026 scheme members had completed the registration process which includes over 37% of active and deferred members.

i-Connect

The Board was provided with an update on the implementation of the i-Connect secure data transmission service for participating employers in the Fund.

Over 95% of active scheme members' data is currently submitted on a monthly basis to the Fund from the 319 employers who are currently live on the i-Connect system. It was noted that totals of active members who have their data submitted to the Fund via i-Connect may fluctuate when employers exit the Fund, and new employers join who are not yet on i-Connect.

The Fund is continuing to work with the remaining small number of employers who are yet to implement the i-Connect system.

The Pension Regulator's (TPR) General Code of Practice

Fund officers provided an update to the Board on the Fund's plans to carry out a self-assessment compliance check against The Pension Regulator's new single General Code of Practice which came into force from 28 March 2024 and applies to governing bodies of occupational, personal and public service pension schemes.

The General Code sets out standards of conduct and practice which pension schemes should meet when carrying out functions under pension legislation.

Further updates will be provided to the Board on the findings of the self-assessment check.

McCloud

The Board was provided with an update on the Fund's implementation of the amended LGPS regulations which incorporated the McCloud remedy and came into force from 1 October 2023. McCloud checks are now carried out as part of a revised process when a scheme member applies to access their LGPS benefits from the Fund.

Fund officers reiterated that processing time for cases were continuing to be longer than usual as a result of McCloud checks being built into standard procedures.

The Board noted that, to date, 36 scheme members in receipt of a pension from the Fund were receiving an increased pension as a result of McCloud. The annual cost to the Fund of the 36 increased pensions (referred to as guaranteed amounts) totals £7,056 per annum.

Pensions Dashboards

Fund officers provided the Board with a further update in respect of Pensions Dashboards.

The deadline for connection has been set for 31 October 2026, however, the proposed staging date for public service pension schemes to connect to the Dashboards would be 31 October 2025.

The Fund is continuing to monitor developments and further updates will be provided at future Board meetings.

Member Engagement Forum

The Board noted that the Fund held its first Member Engagement Forum meeting on 22 July 2024 which was attended by 8 members of the Fund.

The attendees and Fund officers discussed a number of topics including the Fund's investments and Annual Benefit Statements which are made available to active and deferred members each year.

Although the Forum is not part of the Fund's formal governance structure it is anticipated that it will be important focus group for the Fund to help achieve improvements in its operation of the Local Government Pension Scheme in Derbyshire.

Annual Report Guidance

At the end of March, new guidance on 'Preparing the Pension Fund Annual Report' was published by the LGPS Scheme Advisory Board (SAB).

The Board discussed the guidance with Fund officers, including a requirement to report against an expanded list of pension administration key performance indicators (KPIs) and new disclosure requirements for investment pooling.

Investment Pooling

The Board noted that LGPS Central Ltd had appointed a new Chief Executive Officer, Richard Law-Deeks. LGPS Central Ltd manages the pooled assets of 8 Midlands-based LGPS funds, including Derbyshire Pension Fund.

Mr Law-Deeks has visited each fund in the early weeks since his appointment in June.

Exit Credits

Fund officers updated the Board on progress with completing exit credit determinations which are undertaken when an employer exits the Fund with a surplus funding position.

Since LGPS regulations introduced exit credit in 2020, backdated to 2018, the Fund had identified 19 cases where an employer's participation ended in a surplus funding position and is currently working through detailed reviews of each case to determine eligibility for an exit credit.

Abolition of the Lifetime Allowance

Fund officers briefed the Board on new tax controls which have replaced the Lifetime Allowance. The new controls have introduced limits on payments of tax-free lump sums.

East Midlands Combined County Authority (EMCCA)

The EMCCA was established on 27 February 2024 as an arrangement between the Government and the 4 upper tier councils in Derbyshire and Nottinghamshire (Derbyshire County Council, Derby City Council, Nottinghamshire County Council and Nottingham City Council).

The legislation which established EMCCA assigned Nottinghamshire County Council as the LGPS administering authority for employees of the new authority.

Risk Register

The Board received a further update on the 5 high risk matters which are highlighted on the Fund's Risk Register and were noted in the minutes of the previous meeting.

No new risks have been added to the Register since its last review by the Pensions and Investments Committee.

The Register remains under ongoing review.