

Derbyshire Pension Board meeting notes

Date: 8 May 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 8 May 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 6 March 2024:

- Investment Strategy Statement, Responsible Investment Framework & Climate Strategy Consultation
- Investment Report
- Stewardship Report
- Service Plan
- Treasury Management Strategy
- Training Policy

Training

A Training Plan for 2024 / 2025 was being finalised. The first training session of 2024 / 2025 was held on 24 April 2024 for members of the Pension and Investments Committee and Pension Board.

The session covered:

- Climate Risk Management
- Investing in Renewables
- McCloud
- My Pension Online

Pension Fund Performance Dashboard

The Fund's Officers briefed the Board on the latest update of the Fund's Performance Dashboard up to 31 March 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 2023 / 2024 and against Key Performance Indicators (KPIs).

Items noted by the Board included an update on investment issues relating to cash balances and progress made on completion of exit credit determinations, which apply when an employer exits the Fund with a surplus funding position.

The Board requested that separate data is added to the Dashboard in relation to the Fund's progress with applying the McCloud remedy which was incorporated into LGPS regulations from October 2023.

Breaches logs

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

Since the Board's last review of the Fund's Statutory Breaches Log, no further breaches had been added, however, existing entries 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 access their pension information online. The latest figures highlighted that 26,429 scheme members had completed the registration process which includes approximately 36% of active and deferred members.

The Fund's 350+ participating employers had been asked to promote My Pension Online to their employees who are LGPS 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 97% of active scheme members' data is now submitted on a monthly basis to the Fund from the 313 employers who are currently live on the i-Connect system.

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

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

Fund Officers provided the Board with an update on the Fund's plans to carry out a 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.

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 reported that processing time for cases had increased as a result of McCloud checks being built into standard procedures.

The Board noted that overall, the Fund had identified approximately 28,000 individual cases where McCloud checks would be required.

Following the publication of a draft implementation guide by the Department of Levelling Up, Housing and Communities (DLUHC) the Fund responded to a short consultation exercise about the clarity and level of detail included in the draft guide.

Pensions Dashboards

Fund Officers provided the Board with a further update in respect of Pensions Dashboards. A Ministerial statement in March 2024 had provided an update on connection guidance and a timeline for pension schemes to connecting to the 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 each Board meeting.

Annual Report Guidance

At the end of March 2024, new guidance on 'Preparing the Pension Fund Annual Report' was published by the LGPS Scheme Advisory Board (SAB).

The guidance applies to 2023 - 2024 annual reports on a 'best endeavours' basis with LGPS funds expected to fully comply with for their 2024-25 annual report onwards. The guidance includes a requirement for reporting against an expanded number of pension administration KPIs and included new disclosure requirements with respect to investment pooling.

Investment Pooling

Fund Officers updated the Board on a number of issues relating to LGPS Central Ltd, which manages pooled investment assets for eight Midlands-based LGPS funds, including Derbyshire Pension Fund.

It was noted that the company had appointed a new Chief Executive Officer, Richard Law-Deeks, who would take up his position during the summer.

Member Engagement Forum

The Board noted that the first Member Engagement Forum, initially set for 26 April 2024, has been rescheduled to take place on 22 July 2024.

The change of date was due to the unavailability of a number of scheme members who had expressed interest in joining the Forum.

Planned topics for discussion at the first Forum include a high-level summary of the Fund and its objectives, My Pension Online and the Fund's Investment Strategy.

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.

Risk Register

The Board received a further update on the five 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.