

Minutes

Meeting: Local Pension Board for the Dorset County Pension Fund

Time: 2.00 pm

Date: 24 June 2026

Venue: Teams Meeting

Present:

Richard Bates Chair

Jon Bird	Member Representative
Liz Bishopp	Employer Representative
Matthew Filmer	Employer Representative
Lisa Musleh	Member Representative
Jonathan Stiby	Member Representative
David Taylor	Employer Representative

Officer Attendance:

David Wilkes	Service Manager for Treasury and Investments
Sean Cremer	Corporate Director Finance & Commercial
Karen Gibson	Service Manager for Pensions
Vince Elliott	Senior Employer Services & Communications Officer

Managers, Advisors and Others Attendance:

Andy Canning	Chair of Pension Fund Committee
Adrian Felgate	Pension Fund Committee Member
Steve Tyson	Independent Investment Adviser, observer

1. Apologies for Absence and Introductions

1.1. Advance apologies received from:

Adam Richens	Member Representative (Vice-Chair)
Neal Butterworth	Employer Representative

2. Declarations of interest

2.1. None

3. Minutes and matters arising from previous meeting

3.1. The minutes from the [22 April 2026 Pension Board meeting](#) were approved as a true and fair record.

4. Papers from the Pension Fund Committee

The Service Manager for Treasury and Investments reviewed items on the agenda of the Pension Fund Committee meeting held on 2 June 2026: [Pension Fund Committee Meeting 2 June 2026](#)

The Pension Fund Committee meetings can be viewed live, or a recording watched later, on [YouTube](#).

4.1. Committee Membership Changes

- 4.1.1. Changes had been made to the Pension Fund Committee following the annual appointments made by Dorset Council and BCP Council.
- 4.1.2. Dorset Council: Cllr Steve Murcer and Cllr Andy Skeats have left the Committee and have been replaced by Cllr Simon Christopher and Cllr Val Potheary.
- 4.1.3. BCP Council: Cllr Joe Salmon has been replaced by Felicity Rice

4.2. Questions

- 4.2.1. There were no questions from members of the public or from councillors.

4.3. LGPS “Fit for the Future” Reforms

- 4.3.1. The Pensions Schemes Bill had received Royal Assent and become the Pensions Schemes Act 2026, with new LGPS regulations and guidance planned to come into force on 30 June 2026.
- 4.3.2. The reforms are intended to strengthen governance arrangements, improve investment outcomes and deliver efficiencies through greater scale and consistency across the LGPS. These include requirements for:
 - An LGPS Senior Officer, responsible for overseeing the administration, governance and investment functions of the Fund.
 - An Independent Person to provide support to the administering authority in the discharge of its LGPS duties.
 - Enhanced knowledge and understanding requirements for Committee Members
 - Independent governance reviews to be undertaken periodically, expected to align with the three-year actuarial valuation cycle.
- 4.3.3. While the regulations provide a framework for these requirements, detailed statutory guidance from Government is still awaited. Officers are assessing the implications for the Fund's management structure and will keep both the Pension Fund Committee and the Local Pension Board updated as proposals develop.
- 4.3.4. A Board Member sought clarification regarding the new LGPS Senior Officer role and the qualifications or requirements expected for the position. The Service Manager for Treasury and Investments said that the regulations require the postholder to have overall responsibility for the administration, governance and investment functions of the Fund, and that the role cannot be

undertaken by the Section 151 Officer, Monitoring Officer or Head of Paid Service.

- 4.3.5. New investment pooling regulations require all LGPS administering authorities to participate in an FCA authorised investment pool and transfer responsibility for investment management to the pool company. The Fund must now take its principal investment advice from its pooling company, and will be working with its pool, Local Pensions Partnership Investments (LPPI), to review and develop its future investment strategy in line with the new requirements.
- 4.3.6. Final statutory guidance supporting these regulations had not yet been published, despite the implementation date being imminent, and would be circulated once available.

4.4. Scheme Advisory Board (SAB) Update

- 4.4.1. There had been no meeting of the SAB since March, and the next meeting is scheduled for July 2026.
- 4.4.2. Current discussions at national level continue to focus on strengthening relationships between the six LGPS investment pools and the SAB, with an emphasis on greater collaboration, consistency and a more joined-up approach across the LGPS.

4.5. Pension Fund Budget 2026-27

- 4.5.1. In their audit findings report for the year ended 31 March 2025, Dorset Council's independent auditor, Grant Thornton, recommended that a budget for pension fund account items was developed and reported against throughout the year. The Committee approved the budget for 2026-27.
- 4.5.2. A Board Member queried the significant increase in management expenses. The Service Manager for Treasury and Investments explained that investment management fees increase as assets under management grow, and that different investment asset classes carry different fee levels. Costs also include staffing, actuarial, audit and administration costs.

4.6. Pension Fund Investments

The quarterly report on the value and performance of the Pension Fund's investments.

- 4.6.1. The estimated value of the pension fund's assets at 31 March 2026 was just over £4.5bn, an increase of £466M since the start of the financial year. The total return from the Pension Fund's investments over the quarter was 0.5%, compared to the combined benchmark return of 1.2%.
- 4.6.2. The total return for the year to 31 March 2026 was 12.1% compared to the benchmark return of 15.0%.
- 4.6.3. A Board Member noted that the Fund had underperformed its benchmark over the 3-month, 1-year, 3-year, 5-year and 10-year periods and asked whether the Committee takes action when investments underperform. The Service Manager for Treasury and Investments said that performance is actively monitored, and that:

- Underperformance is analysed to understand the reasons behind it.
- Historically, investment managers could be replaced if necessary, and although under pooling arrangements options are more limited, asset allocation can still be adjusted.
- The Fund can influence the investment pool through governance and shareholder powers.
- Most investments are held in "accumulation" funds where dividends are automatically reinvested rather than paid out as cash income.
- Dorset remains a top-quartile performing LGPS fund despite missing benchmark returns.

4.6.4. He also explained that recent benchmark returns had been driven largely by a small number of high-performing US technology companies, creating concerns regarding market concentration and the potential formation of an investment bubble. The Fund had maintained a more diversified investment approach, resulting in lower exposure to concentration risk while still delivering strong absolute returns.

5. LGPS Administration - Key Performance Indicators (KPIs)

An update from the Service Manager for Pensions.

- 5.1. [KPI Report February 2026 to April 2026](#) Performance against KPIs continued to be strong.
- 5.2. Cases completed increased over this period due to data cleansing ahead of the bulk processes for McCloud.

6. LGPS (Miscellaneous Amendments) (Member Benefits) Regulations 2026

An overview by the Service Manager for Pensions.

- 6.1. The [LGPS \(Miscellaneous Amendments\) \(Member Benefits\) Regulations 2026](#) came into force on 1 April 2026. The regulations implement the first phase of the Access and Fairness proposals.
- 6.2. Under the Disclosure Regulations, we have a statutory responsibility to inform members of any material changes to the regulations within 3 months.
 - Active members were notified in letter in May
 - Deferred members were notified in the annual benefit statement in June
 - Pensioners were informed in the Pensioner Newsletter sent at the end of April
- 6.3. **Death grants.** The age cap is now lifted on death grants for pensioners. A ten year 'guarantee' is now provided for all pensioners regardless of the age at death. Previously, no death grant was paid to a pensioner who died after the age of 75. The change is backdated to 1 April 2014, and work has started to identify members who may be entitled to a death grant under these changed provisions. Initial results suggest this will benefit less than 100 members.
- 6.4. **Survivor benefits.** As the scheme has evolved, changes to partner benefits resulted in some inequity of dependents pensions paid. The new changes will result in equalisation of dependents pensions. The change is effective from 1 April 2014 and there is work to be done in identifying impacted members and recalculating any dependants pension due. Software changes are required for this exercise. Statutory Guidance is also expected which will include a timeline for completion, expected to be by 31 December 2027.

- 6.5. **Gender pensions gap.** Reporting is now mandatory and will need to be published in the Annual Report.
- 6.6. **Changes to unpaid leave.** Unpaid leave for periods under 15 calendar days are automatically pensionable. Member and employer will pay contributions on lost pay. For periods over 14 calendar days the member can choose to buy back their lost pension.

Any unpaid contractual maternity leave is now automatically covered for pension.

7. End of Year Process

An update from the Service Manager for Pensions.

- 7.1. The end of year processes are now complete aside from a few outstanding queries with employers.
- 7.2. The deadline for returns was 30 April 2026 and 158 out of 160 employer returns were received on time.
- 7.3. Two employers are due a financial penalty for late submission. In addition, it is anticipated that financial penalties will apply to some employers for missing and/or poor data.
- 7.4. There was a total of 29,688 member records posted, and 5,526 members left the scheme during the year.
- 7.5. The average CARE pay posted for female members was £18,038.21 and for males it was £27,021.67. This shows that we still have a gender gap, which reflects the national picture to some extent. Membership of the LGPS is about 75% female, and about 75% part time. So many women join the LGPS Employers on a more short-term nature in their working career, compared to other public sector schemes such as a teachers or police officers, where they are more likely to be full time and stay in that job for a longer time.
- 7.6. The Service Manager for Pensions gave the Board an overview of the Employer Support Team role and the service provided to employers, particularly during the end of year process.
- 7.7. The Service Manager for Pensions gave the Board an overview of the steps that the Fund can take when an employer fails in their duty to provide accurate and timely data.

8. McCloud Update

An update from the Service Manager for Pensions.

- 8.1. Bulk calculations have been run for leavers (deferred members and retirements).
- 8.2. Around 1,600 over-65 members identified in scope and about 1,187 cases have been completed so far.
- 8.3. 7,951 pensioners were identified in scope, of which 458 have an underpin.
- 8.4. Key insights:
- Most adjustments are small
 - Highest is £4,721.00 pa
 - Lowest is £0.12 pa

- 58% under £100 per year
- 73% under £200 per year

8.5. Civica have provided calculations for 'business as usual' deaths, but have not yet delivered:

- Retrospective deaths
- Transfers
- Aggregations
- Divorce

8.6. Pensioners will receive a letter to notify them of any change in their pension payments as a result of McCloud. Deferred and active members will see details in their annual benefit statement.

9. Pension Increases 2026

9.1. Pensions Increases of 3.8%, applied from 6 April 2026, have been added to pensions in payment and deferred pensions. The increase is based on the CPI (Consumer Prices Index) as at September 2025.

10. Employer Movements

Recent employer admissions and cessations within the fund.

Admitted Body	Joined	Service
Calber Facilities	22/10/2025	Cleaning services for Poole Grammar School
Taylor Shaw	03/11/2025	Cleaning services for United Learning Trust

Admitted Body	Ceased Date	Reason
Enigma CCTV	15/11/2025	Last member left the scheme
Rapid Commercial Cleaning	22/10/2025	Lost contract for cleaning services at Poole Grammar School

11. Additional Items

- 11.1. All Pension Administration staff have completed their mandatory training sessions. This is training that is required legally in order to protect employees in the workplace, and training that is considered essential for a specific job.
- 11.2. Bank verification is now being used to process contribution refunds. This is where checks are made on bank details provided to us to prevent fraud. This will eventually be rolled out to transfers and lump sum payments. In the meantime manual checks are made for these payments
- 11.3. The pension team has received an extraordinary number of compliments paid to them in recent months, highlighting the excellent service provided to our members.
- 11.4. Civica have been invited to attend the board meeting in October to discuss issues relating to their service.

12. Risk Register

The regular review of Dorset County Pension Fund's risk register.

- 12.1. There were no new risks added to the register, however the risks relating to fraud have been updated to reflect that bank verification is now being used.
- 12.2. A Board Member asked whether failing to comply with the Code of Practice could create additional risks, such as affecting liability insurance, noting that the risk score for non-compliance is relatively low. The Service Manager for Pensions said unsure of the details of the organisation's liability insurance and would need to review this separately, but the risks associated with the Code of Practice are largely mitigated through effective board governance supported by board training and periodic governance reviews.

13. Any Other Business

- 13.1. Board Members were reminded that the LGPS Online Learning Academy (LOLA) Has now gone live. Members can access the new version with their current log-in details.
- 13.2. Lisa Musleh was congratulated on being appointed as the Scheme Member Representative on the LPPI Partner Fund Strategic Forum. It was noted that this is a significant achievement, with Lisa being one of only two representatives selected across LPPI, and the Board wished her success in the role.

14. Meeting closed at 3:40

15. Date of Next Meeting – 7 October 2026 (2.00 pm)

Details of the Local Pension Board and past meetings can be found [here](#).