

Minutes

Meeting: Local Pension Board for the Dorset County Pension Fund

Time: 2.00 pm

Date: 7 January 2026

Venue: Teams Meeting

Present:

Richard Bates	Chair
Adam Richens	Employer Representative (Vice-Chair)
David Taylor	Employer Representative
Liz Bishopp	Employer Representative
Neal Butterworth	Employer Representative
Jonathan Stiby	Member Representative
Lisa Musleh	Member Representative
Jon Bird	Member Representative

Officer Attendance:

David Wilkes	Service Manager for Treasury and Investments
Sean Cremer	Corporate Director Finance & Commercial
Stephanie Clifton	Employer Relations and Communications Manager
Vince Elliott	Senior Employer Services & Communications Officer

Managers, Advisors and Others Attendance:

None

1. Apologies for Absence and Introductions

1.1. Advance apologies received from:

Andy Canning, Pension Fund Committee Chair
Karen Gibson, Service Manager for Pensions

2. Declarations of interest

2.1. None

3. Board Member Changes

3.1. Mary O'Sullivan has stepped down as a Member Representative for personal reasons. James Stevens also stepped down as a Member Representative as he has taken up a new job outside of the LGPS.

3.2. Both had been thanked for their contributions to the board ahead of the meeting.

3.3. Lisa Musleh has been appointed as a Member Representative. Lisa is currently the Business Manager at Weymouth Town Council. Recruitment for another new member representative is underway.

3.4. Adam Richens announced intention to retire from BCP Council, which would mean stepping down as an Employer Representative and expressed interest in becoming a member representative.

4. Minutes and matters arising from previous meeting

4.1. The minutes from the [1 October 2025](#) Pension Board meeting were approved as a true and fair record.

5. 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 1 December 2025 were reviewed:

[Pension Fund Committee Meeting 1 December 2025](#)

It was noted that the Pension Fund Committee meetings can now be viewed live, or a recording watched later, on [YouTube](#).

5.1. Questions from the Public

5.1.1. There was one question from the public relating to the timescales of the changes to investment pooling. The question and response can be found here: [Question from member of the public](#)

5.2. Draft Funding Strategy Statement

5.2.1. LGPS regulations require administering authorities to prepare and maintain a Funding Strategy Statement (FSS) which explains how the administering authority plans to make sure the pension fund has enough money to pay pensions when they fall due.

5.2.2. The pension fund's Funding FSS had been updated to reflect the draft results of the latest triennial actuarial valuation as at 31 March 2025 and the most recent guidance issued by the LGPS Scheme Advisory Board (SAB) in January 2025.

5.2.3. The Committee approved the draft FSS, and a consultation with scheme employers and other key stakeholders will be carried out before the final version of the FSS is considered for approval by the Committee in March 2026.

5.2.4. An Employer Representative said that historically employer responses to such consultations have been low, but the Responsible Finance Officers of these employers have a legal duty to ensure contribution rates are robust and based on sound assessment. By way of that, BCP Council have been working with external advisors and will submit a formal challenge questioning the contribution rates proposed for 2026–2027 onward.

A main concern is that although ongoing rates have decreased by around 3% historic secondary rates have increased significantly, leaving overall costs similar to three years ago despite substantial deficit payments. There are also concerns about the discount rates linked to gilts.

- 5.2.5. The Service Manager for Treasury and Investments said that while employers may want bigger cuts in contribution rates now, the pension fund must ensure its long-term viability. If contribution rates are reduced too much now, demographic changes or market volatility could force the fund to raise rates later, which employers would not welcome. Further discussions will take place once the BCP challenge is received and all responses to the consultations have been reviewed.

5.3. Pension Fund Annual Report 2024/25

- 5.3.1. The report is currently published in draft format as the independent auditor has not yet finalised their audit of the pension fund accounts. To date, there have been no material findings from the audit. Grant Thornton (the current auditors) have improved timelines compared to previous auditors, but it is disappointing that the accounts remain unsigned as of January 2026.
- 5.3.2. The pension fund accounts form part of the Council's main accounts, so they cannot be signed off until the overall Council accounts are approved. This dependency has caused delays despite the pension fund audit being substantially complete. There are plans to separate pension fund accounts from main Council accounts in future which should speed up completion.
- 5.3.3. An Employer Representative expressed extremely disappointment with the delay in completing the pension fund audit, especially given that Grant Thornton had been highly critical of Deloitte for similar issues last year. The delay will cause BCP Council's accounts to go to the Audit Committee with a caveat because the pension fund audit is incomplete and is concerned about reputational and operational impacts.

5.4. Pension Fund Investments

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

- 5.4.1. The estimated value of the pension fund's assets at 30 September 2025 was just over £4.4bn. The total return from the pension fund's investments over the quarter to 30 September 2025 was 4.9%, compared to the combined benchmark return of 6.1%. The total return for the year to 30 September 2025 was 10.1% compared to the benchmark return of 14.0%.
- 5.4.2. An Employer Representative asked about the difference between the results and the benchmark. The Service Manager for Treasury and Investments said recent benchmark returns have been driven up substantially by a handful of very large US tech stocks, such as NVIDIA and the other so-called "Magnificent 7" companies. The fund's investment managers have tried to avoid being over exposed to this narrow range of companies and sectors (concentration risk) and instead have favoured companies which, although they may underperform versus benchmarks in the short term, they believe will deliver strong sustainable returns in the long term.

- 5.4.3. In November 2025, MHCLG launched a consultation on two draft statutory instruments to deliver the government's response to the LGPS Fit for the Future consultation. A response to the consultation was circulated to Committee members for review before the consultation closed on 2 January 2026.
- 5.4.4. The Fit for the Future reforms seek to modernise governance and investment pooling arrangements within the LGPS to ensure sustainability, transparency, and efficiency.

Governance enhancements include the requirement for two new positions at all administering authorities – (1) a senior LGPS officer (separate from Chief Financial Officer, Chief Executive, or Monitoring Officer) and (2) a non-voting independent person on the Pension Fund Committee. They also include mandatory policies and training requirements for Pension Fund Committee members.

In respect of investment pooling, all LGPS assets must be managed through pooling companies, who will also become the main advisors to administering authorities on their investment strategies in addition to their responsibility to implement those strategies. This creates a risk of potential conflict of interest, however, administering authorities will still retain responsibility for strategy approval. Increased scrutiny of investment performance and costs is also expected.

- 5.4.5. A Member Representative noted that investment management expenses have risen significantly in recent years. The Service Manager for Treasury and Investments said that a lot of investment fees are linked to the value of assets under management. Over that period, we've seen a significant increase in the value of the of the pension fund assets, which in turn drives the investment management fees up.
- 5.4.6. A Member Representative asked whether with pooling arrangements, will scheme members and their employers lose the ability to influence investment decisions and will decisions now be made centrally by the pool, leaving the Pension Fund Committee with no real input except checking legal compliance. The Corporate Director Finance & Commercial said investment pooling has been in place for a number of years. Although the new regulations will make the pool the primary advisor on investment strategy, the Pension Fund Committee still sets the investment strategy and can still chose not to follow advice. Scheme members and their employers can still comment on strategy, including environmental, social and governance factors, noting that because the LGPS is a defined benefit scheme member benefits aren't directly affected by investment returns.

6. LGPS Administration - Key Performance Indicators (KPIs)

- 6.1. [KPI Report August to October 2025](#). KPIs improved slightly from 96.67% to 97.23%, indicating positive progress.
- 6.2. There's a possible dip expected in the next set of results due to cross-training staff to become multi-skilled. Transition may temporarily affect processing times while staff learn new tasks.

- 6.3. An Employer Representative suggested performance targets for each KPI could be introduced to help the board assess whether results are within acceptable limits and prioritise work – for example, a KPI of 95% is good if the target is 80%, but not so good if the target is 97%. The Employer Relations and Communications Manager agreed this would be useful and will explore setting priority-based targets and check if other authorities use similar systems.

7. Valuation 2025

- 7.1. Employers have all now received their Actuarial Valuation Reports which set out employer contribution rates for the financial years 2026-27, 2027-28 and 2028-29.
- 7.2. Ahead of sending out the report, all employers were asked to provide a contact to receive the report. The response rate was low with only 21 employers responding. Where a response wasn't received, the reports were sent to the pensions liaison contact for the employer.
- 7.3. Any queries relating to the results are being passed to the Treasury and Investments team for handling.

8. Pensions Dashboard Update

- 8.1. The Pensions Dashboard is being introduced to provide individuals with a secure, single online view of all their pensions and to help members track down any lost or forgotten pensions. The 'go-live' date is yet to be confirmed, but selected users have been given access to the service for testing purposes.
- 8.2. Dorset County Pension Fund has successfully completed phase 2 of the Pensions Dashboard implementation in early October 2025. This phase included the configuration of the live database in preparation for system connectivity.
- 8.3. Daily extracts of our data are now automatically being uploaded to the dashboard.
- 8.4. It is disappointing that refund records will not be held on the dashboard. This means people who were not in the LGPS long enough to qualify for a pension, but did not receive a refund of contributions, will not find their records on the dashboard.

9. Overseas Pensioner Mortality Screening

- 9.1. Every 3 years the Fund carries out life certification on pensioners that live overseas. In the past we had used Western Union to help us do this but found that their methods often required a lot of intervention on our part. For this reason, we sought out quotes for a new provider and appointed Target Professional Services, who were not only cheaper, but offered multiple methods of carrying out life certification.
- 9.2. Members were informed of this exercise in the annual pensioner newsletter sent out in April, and the project started in September. A follow-up letter was issued on 19 November to those who have not responded, and the project will conclude in January 2026. So far, 340 of the 471 overseas pensioners have completed the verification process.
- 9.3. We will attempt to contact those that do not complete the verification process by the deadline. Then, if this isn't possible, as a last resort we will suspend payment

of their pension. If a pensioner later contacts us to confirm they are alive, we will reinstate their pension.

10. LGPS 'Access and Protections' Consultation

- 10.1. The Department for Ministry for Housing, Communities and Local Government (MHCLG) had launched a ['Scheme improvements \(access and protections\)' consultation to address fairness, access and efficiency within the Local Government Pension Scheme \(LGPS\)](#). The consultation closed on 22 December 2025.
- 10.2. The key proposals from this consultation are:
- Raising the normal minimum pension age to 57
 - A simplified process for allowing academies to change administering authority. This would be where an academy trust has schools administered by different LGPS funds and would like to move them into one fund.
 - Fair Deal Protections, which could change the admission process and extend LGPS membership protections for staff transferred to private contractors.
 - Reintroduction of LGPS membership for elected mayors and councillors in England, aligning it with other UK nations.
- 10.3. A Member Representative asked whether DCPF would be encouraging academies in other funds to join the Dorset fund. The Employer Relations and Communications Manager said that this would only be likely to affect large academy trusts, with schools in different areas, so would not expect much to change.
- 10.4. An Employer Representative asked when the change to councillors would come into effect as most councils would not have put money aside to cover the additional pension contributions. The Employer Relations and Communications Manager said that it could be as early as 1 April 2026. However, as local elections are set to take place in May 2026, it would make more sense to delay the date until after the elections, or even to 1 April 2026. But at present no date has been confirmed.

11. Risk Register

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

- 11.1. There were no new risks added to the register and no changes to existing risks.
- 11.2. A Member Representative noted that some IT issues had been flagged as risks in the audit report and wondered if these had been recognised in the risk register. The Corporate Director Finance & Commercial said that the audit included systems provided to the fund by Dorset Council and also the pension systems provided by Civica. The main concern was access to the systems by Civica staff to perform system updates, and the timeliness of informing us that access needs to be removed for staff that are no longer employed by them. The Fund's response was that we have regular contact with Civica, particularly the DCPF systems team, relating to access and log-ins to the systems.

Action: The Senior Employer Services & Communications Officer will liaise the Systems Manager regarding adding this matter to the risk register

- 11.3. An Employer Representative asked whether the risk relating to payroll migration to a new system is being kept under review. The Senior Employer Services & Communications Officer confirmed that it was and that the Pension Systems Manager is regularly in contact with Dorset Council payroll on this matter.
- 11.4. An Employer Representative asked whether a 'next review date' could be added to the risk register. The Senior Employer Services & Communications Officer said that this would be easy to add, but all risks are reviewed on a regular basis, and that any new risks, or updates to current risks, can be added at any time, not just when under review.

12. Any Other Business

- 12.1. None.

13. Meeting closed at 3:45

14. Date of Next Meeting – 8 April 2026 (2.00 pm)

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