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# Derbyshire Pension Board Annual Report 2017/18

December 2018

## Derbyshire Pension Board annual report 2017/18

### Introduction

This is the second annual report for the Derbyshire Pension Board (the Board) covering the year to 31 March 2018. The Board was established in 2015 in accordance with the requirements of the Public Service Pensions Act 2013 and the Local Government Pension Scheme (LGPS) Regulations 2013.

The Board has continued to assist Derbyshire County Council (the Council), the administering authority, with the governance and administration of Derbyshire Pension Fund (the Fund) and with ensuring compliance with pension legislation and with the provisions of the Pension Regulator's Code of Practice 14. The Board has also continued to encourage the administering authority as it strives to adopt best practice.

Membership of the Fund continued to grow in 2017/18 rising to over 100,000 members and the number of participating employers grew from 170 to 216 increasing the challenge of administering the Fund. Work continued on the reduction of administration backlogs and a new pension administration system has been procured to increase the efficiency of the Fund's administration. The Board has monitored progress carefully and is looking forward to the new system becoming fully operative; this promises to allow more challenging service standards to be adopted.

Investment returns moderated in 2017/18 following an exceptionally strong year to March 2017. However, the Fund's investments continued to outperform the strategic benchmark return. Preparations continued for the TUPE transfer of a number of the Fund's investment staff into LGPS Central Ltd (LGPSC), the company established to manage investments on behalf of nine LGPS pension funds. Transition of the Fund's assets into products offered by LGPSC is expected to take several years. In the meantime, managing the Fund's relationship with LGPSC, and managing the Council's shareholding in the company, is taking up a significant portion of officers' time. Board members attended briefing sessions held by LGPSC to enable them to monitor progress.

### Board Members

The Board is made up of five members, with an independent, non-voting Chair, two representatives of scheme members and two representatives of employer organisations. Membership in the year to 31<sup>st</sup> March 2018:

#### Chair

Ronald Graham                      Reappointed in December 2017 following a procurement exercise

#### Member Representatives

Karen Gurney                      Employee of Derbyshire County Council  
Nick Read                              TU Rep, UNISON East Midlands LGPS Committee

#### Employer Representatives

Mike Nelson                         Avarto  
James Watson                      Pinxton Parish Council

It was agreed in December 2017, that the term of the Chair's contract would be for a maximum of four years with review breaks at 12 and 36 months. In September 2017, extensions to the terms for the Member and Employer Representatives were approved as follows:

Role	Name	Start Date	Term	Expiry
Member Rep	Karen Gurney	June 2015	4 Years	June 2019
Member Rep	Nick Read	June 2015	3 Years	June 2018
Employer Rep	M Nelson	Sept 2015	4 Years	Sept 2019
Employer Rep	J Watson	Sept 2015	3 Years	Sept 2018

### Meeting Attendance

Members of the Board attended the following Pension Board meetings in 2017/18:

Member	28 <sup>th</sup> June 17	2 <sup>nd</sup> Aug 17	1 <sup>st</sup> Nov 17	24 <sup>th</sup> Jan 18
Ronald Graham	√	√	√	√
Karen Gurney	√	√	√	√
Nick Read	√	√	x	√
Mike Nelson	√	√	√	√
James Watson	x	√	√	√

During the year, it was agreed that, so far as practicable, Pension Board meetings would be held in the afternoon following Pensions and Investments Committee meetings to enable Board members to attend meetings of the Committee and to participate in joint training sessions with members of the Committee.

### Conflicts of Interest

All Board members abide by a conflicts of interest policy. A register is maintained and at each meeting members are required to declare of any new conflicts. Aside from holding the status that permits the employer / employee members to be Board members under the terms of the Regulations, no conflicts have been declared during the year.

### Training

The Pensions and Investments Committee approved a Training Policy in August 2017 which applies to all members of the Committee, all members of the Derbyshire Pension Board and senior officers involved in the management and administration of the fund. In addition to the "in house" training sessions listed below, Board members have taken advantage of a number of external training opportunities during the year.

The fund aims to comply with:

- 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 No.14, Governance and Administration of Public Service Pension Schemes 2015

## Training Attendance

Members of the Board attended the following training in 2017/18:

Member	Climate Change- Baillie Gifford	Infrastructure – Pensions Infrastructure Platform	The Role of the Actuary- Hymans Robertson
Ronald Graham	√	√	√
Karen Gurney	√	√	√
Nick Read	√	x	√
Mike Nelson	√	√	√
James Watson	√	√	√

## 2017/18 Summary of Activities

Below is a summary of the Board's activities during the year to 31<sup>st</sup> March 2018:

- Input into the development of the fund's Quarterly Pensions Administration Performance Report
- Consideration of the Fund's key performance indicators for administration
- Recommendation of a quarterly review of the Fund's Risk Register
- Consideration of the Council's preparation for the transfer of staff and assets into LGPS Central Ltd and the Council's post-pooling structure
- Input into the Fund's strategy for communicating with members and employers

Members of the Board have received regular updates on pension administration and LGPS asset pooling and a presentation on the Fund's progress on data cleansing.

## Future Work Plan

Board members decided to include the following areas in their work plan for 2018/19:

- Development of the Fund's breaches log
- Preparations for the 2019 triennial valuation
- Admitted bodies covenant strength
- Communications with members and employers

## Costs and Expenses

2017/18	£
Members' Allowances (Travel)*	1,716.02
Training Costs & Subscriptions	375.00
Chairman's Services*	15,000.00
<b>Total</b>	<b>17,091.02</b>
*£489.55 of travel expenses and £15,000 Chairman's fees & expenses relating to 17/18 will be included in the pension fund accounts for 2018/19.	