

Derbyshire Pension Board meeting notes

Date: 29 June 2023
Location: County Hall, Matlock
Attendees: Karen Gurney, John Sadler (Member representatives)
Susan Ambler, Lisa Seeley (Employer representatives)
Mark Wreghitt (Observer)
Apologies: None
Chaired by: Karen Gurney

Derbyshire Pension Board met on 29 June 2023.

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

The following topics were covered and discussed.

Ronald Graham

Ronald Graham, the Board's Chair, sadly passed away in May. Ronald had served as the Board's Chair since it was established in 2015.

Board Members shared tributes and thanks to Ronald for his service to the Derbyshire Pension Board and noted that tributes had also been made by elected members of Derbyshire County Council's Full Council and Pensions and Investments Committee.

New Chair

A new Chair was in the process of being appointed. Neil Calvert, who previously served on the Board as an Employer representative between 2018 and 2022, had been recommended for appointment by Derbyshire County Council's Full Council at its next meeting on 12 July 2023. (*Post meeting note: Mr Calvert's appointment was approved at the Full Council meeting.*)

Election of meeting Chair

As Mr Calvert's appointment was subject to approval, he was unable to chair this meeting of the Board. The Board elected Karen Gurney to act as Chair for this meeting.

Pension Board membership

The Board's membership was in a period of change.

Oliver Fishburn's term as an Employer representative had expired in May 2023. Oliver had been a member of the Board since 2019. A new Employer representative, Lisa Seeley has been appointed to the Board. Lisa is Head of Payroll & Pensions at Aspens-Services Ltd, an Admission Body in the Fund.

Karen Gurney's term as a Member representative was due to expire after this meeting at the end of June 2023. Karen had been a Board member since it was established in 2015. A new Member

representative, Mark Wreghitt, has been appointed to the Board from 1 July 2023. Mark was invited to attend this meeting of the Board as an observer.

Board members and Fund officers thanked Karen and Oliver for their very positive contributions to the work of the Board and their support for the Fund.

Lisa and Mark were both welcomed to the Board.

Pensions and Investments Committee

The Board discussed the Pensions and Investments Committee reports, which had been presented to the Committee at its meetings on 8 March 2023, 26 April 2023 and 7 June 2023 including:

- Treasury Management Strategy 2023-24
- Investment Report
- LGPS Investment Pooling
- Stewardship Report
- Derbyshire Pension Fund Service Plan
- Funding Strategy Statement
- Half-Year Administration Report
- Risk Register
- Actuarial Valuation & the Provision of Actuarial Services

Pension Fund Dashboard

The Fund's officers briefed the Board on the latest update of the Fund's Performance Dashboard up to 31 March 2023.

The Dashboard is prepared for review by the Fund's Management Team on a quarterly basis.

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

Breaches logs

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

The following items were noted and discussed by the Board:

- An employer who had experienced significant financial problems which impacted payments of pension contributions to the Fund had made all outstanding payments and implemented measures to avoid similar problems in the future.
- The importance of being vigilant when packing pension documents with letters to members to avoid data breaches.

Cyber security/Data mapping

Two senior managers from Derbyshire County Council with responsibility for ICT/cyber security joined the meeting to provide an update on the measures in place and under development to protect the Council's systems against the risk of cyber incidents.

The latest update on the Fund's Data Mapping project, which involves identifying and mapping the flow of all pension fund data, together with the associated controls, highlighted further progress with the implementation of several procedural adjustments to increase data security.

My Pension Online

The Board was updated on the implementation of the My Pension Online service which enables scheme members to view their pension information online. By the date of the meeting, 21,492 scheme members had completed the registration process. In respect of active and deferred members, the total of registered members represents 30.69% of members in those groups.

The Fund is continuing to seek assistance from employers with encouraging members to register, particularly considering the 2023 Annual Benefit Statements for active and deferred members being made available via My Pension Online as the default method of issue.

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.

At the date of the meeting, 259 employers were live on i-Connect accounting for 89.31% of the Fund's active membership.

A small group of employers who have failed to engage with the implementation of i-Connect are being reminded that charges may be applied to cover costs for the Fund having to continue maintaining pre i-Connect procedures.

McCloud

The Board received an update on the latest position relating to the proposed remedy for the McCloud judgement.

The Government published its response to its 2020 consultation on the McCloud remedy in April 2023. A further consultation is underway until 30 June 2023 on some issues which required further consultation, and which had arisen in the course of developing the government's response to the 2020 consultation.

The final regulations were expected to be made in early September 2023, to come into force on 1 October 2023.

Actuarial Valuation

The Board received a summary following the completion of the 2022 Actuarial Valuation exercise which involves reviewing the funding position and employer contribution rate for all participating employers and the 'whole fund' funding level.

The 'whole fund' position as at 31 March 2022 reflected an improved funding level of 100% compared to 97% for the previous valuation as at 31 March 2019. In monetary terms, this represented moving to a small surplus position of £1m from a deficit position on 31 March 2019 of £163m. Officers highlighted that the 'whole fund' result represented a position on a particular day which could go up or down on a daily basis.

Each participating employer had been notified of their funding position and employer contribution rate from April 2023.

Pension Dashboards

The Board was informed that the Fund is continuing to monitor developments in respect of Pensions Dashboards and that recent draft legislation proposed the introduction of a single connection deadline of 31 October 2026 for pension schemes.

Investment Pooling

The Board discussed the LGPS Investment Pooling report which was presented to the Pensions and Investments Committee in June 2023.

It was also noted that officers had undertaken a detailed review of the Fund's participation in the LGPS Central Pool. The themes of the review were discussed, and it was requested that the review report be brought to a future meeting of the Board.

Cash Flow

The Board received a presentation on the Pension Fund's forecast cash flow which demonstrated the key drivers of the Fund's cash flow to 2025-26.

Matters raised with the Board

The Board had received a detailed email on behalf of Divest Derbyshire and the Derbyshire Pensioners Action Group regarding the Fund's investments in fossil fuel producers, the management of climate change risks and member engagement.

The Board reviewed a summary of all the questions put to and answered by the Fund/the Pensions and Investments Committee/Full Council over the last six years in relation to the governance of the Fund and a discussion was held relating to the response to the recent email which would be issued after the meeting.