

Derbyshire Pension Board meeting notes

Date: 22 September 2022
Location: County Hall, Matlock
Attendees: Ronald Graham, Karen Gurney, Oliver Fishburn, Susan Ambler,
John Sadler (observer)
Apologies: None
Chaired by: Ronald Graham

The Derbyshire Pension Board met on 22 September 2022. The Chair, Board members and officers from Derbyshire Pension Fund (the Fund) were present.

Following his provisional appointment as a new member representative on the Board, John Sadler was invited to observe the meeting prior to confirmation of the approval of his appointment by Derbyshire County Council's full Council meeting to be held on 2 November 2022.

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 the Committee at its meetings on 8 June 2022 and 7 September 2022 including:

- Investment Report
- Stewardship Report
- Pension Administration Strategy
- LGPS Investment Pooling
- Infrastructure Investment

Pension Fund Dashboard

The Fund's officers briefed the Board on the latest update of the Fund's Performance Dashboard up to 30 June 2022.

Items highlighted in discussions included;

- LGPS Central's product performance to 31 May 2022
- Implications on the Fund's resources of the imminent pay award, including the potential for large numbers of pension revisions for those scheme members who had retired since 1 April 2022.
- The continued expansion of the Fund's secure monthly data submission portal, i-Connect.

The Dashboard is prepared for review by the Fund's Management Team on a quarterly basis. The Board thanked officers for the assistance provided in preparing information which feeds into the Dashboard.

Breaches logs

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

The following items were noted and discussed by the Board

The Fund has a small backlog of exit credit cases to be determined. These relate to employers in the Fund whose participation has ended, and their funding position was in surplus at the point of exit. Regulations which cover exit credits had been the subject of a judicial review in 2021. The late determination of these cases is a technical breach, so had been added to the Fund's log of statutory breaches.

The Fund's Data Breaches log is maintained and reviewed on a regular basis, The log includes a summary of data incidents, how they occurred, actions taken, and measures identified towards avoiding similar incidents.

Data Mapping

An update was provided on the Fund's Data Mapping project which is being undertaken in conjunction with a review of its Business Continuity Plan to ensure that robust contingency plans are in place for key IT systems.

Investment Pooling

The Board noted that the Partner Funds in LGPS Central Ltd, the collective investment pool, had commenced further discussions about the longer-term direction of the company.

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 16,756 scheme members had completed the registration process which represents 27.60% of active members and 20.38% of deferred members.

All Fund employers have been asked to encourage their employees who are scheme members to register.

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.

63% of the Fund's participating employers are now live on the i-Connect system submitting data to the Fund on a monthly basis.

A number of other employers are in the "test" stage of implementation and are working with the Fund towards submitting data live.

McCloud

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

The Fund has contacted employers to assess whether data, which is expected to be required for applying the proposed remedy, has been collected since the LGPS changed from a “Final-Salary” scheme to a career-average (CARE) scheme in 2014.

The Board expressed concern at the volume of work which will be required during preparation and upon implementation of the McCloud remedy. A further consultation is likely to be undertaken early in 2023 with revised scheme regulations expected to come into force from 1 October 2023.

Pension Administration Strategy

A revised version of the Fund’s Pension Administration Strategy has been applied from 1 August 2022.

The Board had reviewed the draft version of the revised Strategy before its approval by the Pensions and Investments Committee and the subsequent consultation with employers.

The main changes to the Strategy involve employers implementing i-Connect as the required method of data submission to the Fund.

Actuarial Valuation

The Board received an update on the Fund’s arrangements for the 3-yearly actuarial valuation based on the position at 31 March 2022.

Decisions on financial and demographic assumptions to be applied during the valuation had been agreed by the Head of Pension Fund and the Council’s Director of Finance & ICT based on advice from the Fund’s actuary, Hymans Robertson.

Risk Register

The Board noted the latest review undertaken by the Committee in May and that the Risk Register would be reviewed at the next meeting of the Committee in October.

Pension Board Chair

Ronald Graham’s term as Chair of the Pension Board has been extended to 31 December 2022 to allow time for a recruitment exercise to take place following the expiry of his present term of office.

Pension Board Member Representative

Following the expiry of the term of office for Nick Read, one of the two Member Representatives on the Board, a recruitment process was undertaken for a replacement to be appointed. The successful applicant was John Sadler from Derby City Council, however, John’s appointment needs to be formally approved at Derbyshire County Council’s next full Council meeting in November.