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PENSION FUND COMMITTEE

MINUTES OF MEETING HELD ON TUESDAY 2 DECEMBER 2025

Present: Cllr Andy Canning (Chair), Cllr Andy Todd (Vice-Chair), Cllr John Beesley, Cllr David Brown, Adrian Felgate, Cllr Steve Murcer, Cllr Felicity Rice and Cllr Andy Skeats

Present remotely: Cllr Will Chakawhata

Apologies: None

Also present (for all or part of the meeting): Steve Tyson (Independent Investment Adviser, Apex Group) and Tim Dixon (Head of Client Relationship, Brunel Pension Partnership)

Officers present (for all or part of the meeting):
Stephanie Clifton (Employer Relationship & Communications Manager), Sean Cremer (Corporate Director for Finance and Commercial), Joshua Kennedy (Democratic Services Officer) and David Wilkes (Service Manager for Treasury and Investments)

348. **Minutes**

The minutes of the meeting held on 09 September were confirmed and signed.

349. **Declarations of Interest**

No declarations of disclosable pecuniary interests were made at the meeting.

350. **Public Participation**

One question, together with the response from the Chair of the Pension Fund Committee, is set out in the appendix to these minutes.

351. **Questions From Councillors**

There were no questions from councillors.

352. **Urgent items**

There were no urgent items.

353. **PENSIONS ADMINISTRATION**

Performance against Key Performance Indicators (KPIs) continued to be good. Performance for the top ten cases improved compared to the previous quarter, despite an increase in the total number of processes completed.

All active scheme employers had been sent their 2025 Valuation results schedule in November. The schedules set out the funding position and proposed employer contribution rates for the next three years.

The pension fund had successfully completed phase two of the Pensions Dashboard implementation in early October. This phase included the configuration of the live database in preparation for system connectivity.

Work had been ongoing to verify member eligibility under the McCloud judgement. McCloud deliverables are scheduled for completion in quarter two of 2026.

The pension fund had engaged Target Professional Services (UK) Ltd to conduct the 2025 mortality screening for overseas pensioners.

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 is due to close on 22 December 2025.

354. **DRAFT FUNDING STRATEGY STATEMENT**

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.

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. 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.

<u>Decision</u>
The Committee approved the draft FSS for consultation.

355. **PENSION FUND ANNUAL REPORT 2023/24**

The pension fund annual report includes in one place key information regarding the management, administration and investment performance for the year, the financial statements for the year and key governance, administration and investment strategy documents.

The report of the independent auditors regarding the pension fund annual financial statements had not yet been finalised. It was therefore recommended that the annual report be published as draft. The auditors have reported that their work is substantially complete, they have not identified any adjustments that impact on the Pension Fund's reported financial position and only disclosure misstatements and changes have been identified.

Decision
That the draft Pension Fund Annual Report 2024/25 be published.

356. **PENSION FUND INVESTMENTS**

The value of the pension fund's assets at 30 September 2025 was just over £4.4 billion, an increase of £335m since the start of the financial year. 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%.

Most asset classes recorded positive returns in the quarter but there were concerns that the valuations of some companies overstated the future benefits of Artificial Intelligence (AI) and that this could lead to significant downward corrections in prices.

On 20 November 2025, MHCLG launched a consultation to seek views on whether two draft statutory instruments "will effectively deliver the policy proposals set out in the government's response to the LGPS Fit for the Future consultation". A response to the consultation will be drafted and circulated to Committee members for review before the consultation is scheduled to close on 2 January 2026.

Following a government directive for LGPS funds to consolidate into fewer and stronger investment pools at its last meeting, 9 September 2025, the Committee resolved to join Local Pension Partnership Investments (LPPI). Five of the other nine Brunel Pension Partnership (Brunel) funds are also joining LPPI.

357. **SCHEME ADVISORY BOARD UPDATE**

The Committee received a verbal update from Cllr John Beesley in his capacity as a member of the SAB.

SAB recommended that all LGPS funds kept a close eye on the Pension Schemes Bill to see how the Bill evolves and how it will affect the LGPS.

Committee members were reminded of the SAB's website as a tool to stay up to date with the latest LGPS news and scheme developments.

358. **DATES OF FUTURE MEETINGS**

1.30 pm Tuesday 17 March 2026 – County Hall, Dorchester.

All meetings to be preceded by training for committee members 10am to 12.30pm.

359. **Exempt Business**

Decision

That the press and the public be excluded for the following item(s) in view of the likely disclosure of exempt information within the meaning of paragraph 3 of schedule 12 A to the Local Government Act 1972 (as amended).

360. **LGPS INVESTMENT POOLING UPDATE**

Officers provided an update on progress implementing the change of the pension fund's investment pooling manager from Brunel to LPPI agreed by the Committee at its previous meeting, 9 September 2025.

Appendix - Public Questions

Duration of meeting: 1.30 - 3.00 pm

Chairman

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QUESTION FOR DORSET COUNCIL PENSION COMMITTEE

2 DECEMBER 2025

JULIE-ANN BOOKER: ON BEHALF OF SOUTH WEST ACTION ON PENSIONS

Item 14 on your agenda today is 'LGPS Investment Pooling Update. To receive a verbal update from officers on progress made to implement the changes required in response to the government's plans for the future of Local Government Pension Schemes (LGPS) pooling".

Whilst this is a confidential item on your agenda, it is public knowledge that on the dissolution of Brunel Pension Partnership, Dorset Council Pension Fund has made a decision to transfer investment management to the Local Pensions Partnership Investments (LPPI) pool. https://www.localgov.co.uk/Council-moves-to-strengthen-4bn-pension-fund/63166

The current Brunel Pension Partnership clients who have decided to move to LPPI are: Avon, Cornwall, Devon, Dorset, Somerset and the Environment Agency. Collectively taking some £25b of investments with them. This will have a significant impact on LPPI as a pension management pool.

In answer to a public question on 24th June 2025, Pension Committee Chair, Cllr Andy Canning, said that:

"The criteria used to assess the suitability of alternative investment pools will include:

· Ability to meet the Government's requirements
· Range of investment products offered and performance
· Approach to responsible investment
· Proposed governance arrangements
· People and culture
· Transition plans and costs".

Whilst the detailed arrangements for moving Dorset Council Pension Fund to LPPI may well include business confidential issues, it would not be unreasonable to expect transparency on the process for making the decision on which pool to move to. Addressing the criteria above and what LPPI promised Dorset Council Pension Fund that encouraged the committee to join that pool rather than another.

A report in the open part of the committee agenda in March would certainly go a long way to achieve this and ensure that the committee are accountable to their pension members.

In the meantime, the question for this pension committee meeting is:

QUESTION: What is the planned time table for transferring the Dorset Council Pension Fund to the Local Pensions Partnership Investments pool that has been agreed with government.

RESPONSE:

Thank you for your question.

At its last meeting in September, the Pension Fund Committee selected Local Pension Partnership Investments (LPPI) as its preferred new investment pooling manager. A link to the news item published on the Pension Fund' relating to this decision will be provided in the written response to your question.

Dorset County Pension Fund to join new investment pool | Dorset Pension Fund

The government expects all six continuing LGPS asset pools to have implemented its 'Fit for the Future' reforms by 31 March 2026.   A link to a summary of those reforms will be provided in the written response to your question.

Local Government Pension Scheme (England and Wales): Fit for the future – government response - GOV.UK

For funds such as Dorset who are moving to a new pool, the government recognises that developing new pool arrangements will take time and may allow some limited flexibility on this deadline.

Dorset's officers are working with Brunel, LPPI and the other partner funds to meet this deadline. Good progress is being made but there is a lot to do. Members of the Committee met with officers from LPPI this morning for an introductory training session and progress update.

We will continue to monitor what further detail can be shared publicly when appropriate.