PENSION FUND COMMITTEE

MINUTES OF MEETING HELD ON TUESDAY 17 MARCH 2026

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

Apologies: Cllrs Will Chakawhata and Andy Skeats

Also present: Steve Tyson (Independent Investment Adviser, Apex Group), Tim Dixon (Head of Client Relationship, Brunel Pension Partnership), Chris Rule (Chief Executive Officer, Local Pension Partnership Investments) and Matthew Graham (Chief Business Development Officer, Local Pension Partnership Investments)

Officers present (for all or part of the meeting):
Sean Cremer (Director - Resources (Section 151 Officer)), Jonathan Mair (Director Legal & Democratic - Monitoring Officer) and David Wilkes (Service Manager for Treasury and Investments)

361. **Minutes**

The minutes of the meeting held on 2 December 2025 were confirmed and signed.

362. **Declarations of Interest**

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

363. **Public Participation**

There were no questions from members of the public.

364. **Questions From Councillors**

There were no questions from councillors.

365. **PUBLIC PARTICIPATION - DEPUTATION**

A deputation was received from the Dorset Palestine Solidarity Campaign calling for the pension fund to be divested from “companies complicit in Israel’s genocide in Gaza and violations of international law and human rights against Palestinians”.

The response from the Chair of the Pension Fund Committee, is set out in the appendix to these minutes.

366. **Urgent items**

There were no urgent items.

367. **PENSIONS ADMINISTRATION**

Performance against Key Performance Indicators (KPIs) remained strong. 98% of priority cases had been completed on time.

Testing for the Pensions Dashboard was underway, and full launch was expected in early 2027.

Work to implement the McCloud remedy had continued and was scheduled for completion by the end of June 2026.

The Department for Ministry for Housing, Communities and Local Government (MHCLG) had confirmed that changes to the Local Government Pension Scheme (LGPS) would be implemented in two phases. The first set of amendments would take effect from 1 April 2026. The key changes were around death grant and survivor pensions, qualifying additional pension arrangements, gender pensions gap measures and removal of the lifetime allowance. Significant changes to payroll and pensions software were required.

Elected members would be eligible to join the LGPS on an opt-in basis from 11 May 2026.

368. **FUNDING STRATEGY STATEMENT**

The Committee considered a report setting out the Funding Strategy Statement (FSS).

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

In December 2025 the Committee approved the updated draft FSS for consultation with scheme employers and other key stakeholders. The consultation had now ended and the FSS had been amended as appropriate.

Decision
That the final revised Funding Strategy Statement is approved.

369. **TREASURY MANAGEMENT STRATEGY 2026-27**

The Committee considered a report setting out the Pension Fund Treasury Management Strategy (TMS) for 2026/27.

Pension fund cashflows needed to be managed to ensure there was sufficient liquidity to meet liabilities as they fall due and to invest any surplus balances appropriately. The TMS provided the framework within which officers must manage these cashflows and cash investments.

The TMS for 2026-27 was largely unchanged from 2025-26 and broadly followed the TMS for Dorset Council, the administering authority for the pension fund, where applicable.

Decision
That the pension fund's Treasury Management Strategy for 2026/27 is approved.

370. **PENSION FUND ANNUAL REPORT 2024/25**

The draft annual report for 2024/25 was approved by the Committee for publication at its last meeting on 2 December 2025. At that time the report of the independent auditors regarding the pension fund annual financial statements had not been finalised. The audit report had now been finalised and was included in the final annual report.

Decision
That the final Pension Fund Annual Report for 2024/25 is approved for publication.

371. **PENSION FUND INVESTMENTS**

The value of the pension fund's assets at 31 December 2025 was just over £4.5 billion, an increase of £448m since the start of the financial year. The total return from the pension fund's investments over the quarter to 31 December 2025 was 2.6%, compared to the combined benchmark return of 3.3%. The total return for the year to 31 December 2025 was 11.0% compared to the benchmark return of 13.5%.

372. **SCHEME ADVISORY BOARD UPDATE**

The Committee received a verbal update from Cllr John Beesley in his capacity as a member of the SAB. The last meeting of the SAB was in November 2025, and the next meeting was scheduled to take place on 23 March 2026. Cllr Beesley welcomed feedback for topics to be discussed at SAB meetings, particularly around LGPS pooling.

373. **DATES OF FUTURE MEETINGS**

1.30 pm Tuesday 2 June 2026 - County Hall, Dorchester.
1.30 pm Tuesday 8 September 2026 - County Hall, Dorchester.
1.30 pm Tuesday 1 December 2026 - County Hall, Dorchester.
1.30 pm Tuesday 2 March 2027 - County Hall, Dorchester

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

374. **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).

375. **TRANSITION OF INVESTMENT POOLING ARRANGEMENTS**

The 86 administering authorities in England and Wales manage their Local Government Pension Scheme (LGPS) fund assets through eight asset pools. Dorset County Pension Fund assets are currently managed by the Brunel Pension Partnership (Brunel) together with the assets of nine other administering authorities based largely in the southwest of England.

The administering authorities of two pools (Brunel and ACCESS) have been instructed by government to join one of the six other pools and in September 2025 the Committee resolved that Local Pension Partnership Investments (LPPI) was the preferred pool Dorset wishes to work with, alongside five of the other Brunel partner funds plus three existing LPPI partner funds.

Dorset Council needs to be both a shareholder and a client of LPPI before 31 March 2026 in order to allow the transition of asset management from Brunel to LPPI to take place from 1 April 2026.

Decision

That:

i. Dorset Council, in its capacity as administering authority of the Dorset County Pension Fund, becomes a shareholder and client of LPPI Holdings Ltd.

ii. Dorset County Pension Fund provides the required regulatory capital to LPPI Holdings Ltd.

iii. the Corporate Director Finance and Commercial is appointed as a non-executive director of LPPI Holdings Ltd.

iv. officers are authorised to undertake such tasks as are deemed necessary to progress the safe, effective and efficient transition of investment pooling arrangements to LPPI.

v. progress in the transition of assets to the management of LPPI is noted.

vi. officers are authorised to undertake such tasks as deemed necessary to progress the safe, effective and efficient wind-down of Brunel Pension Partnership Ltd.

376. **INVESTMENT MANAGEMENT ARRANGEMENTS**

Following the conclusion of the current triennial valuation of the pension fund's assets and liabilities by the actuary there will be a full review of the pension fund's investment strategy. In accordance with the government's 'Fit for Future' reforms the primary source of advice for this review will be the pension fund's new investment pooling manager, Local Pension Partnership Investments (LPPI) and the review will be undertaken in compliance with the final revised regulations and guidance expected shortly from government.

It was however necessary, due to changes in investment management arrangements and/or market outlook, to consider some changes to the pension fund's investment strategy before this full review is undertaken.

Decision
That the proposed changes to investment management arrangements were approved and the revised Investment Strategy Statement (ISS) is published on the pension fund's website with effect 1 April 2026.

Deputation Response

Duration of meeting: 1.30 - 3.25 pm

Chairman

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Response to deputation from Dorset Palestine Solidarity Campaign

Thank you for taking the time to speak to this Committee again on such an important and emotive subject. I know all members of the committee will deplore the loss of life resulting from this conflict and all the many other conflicts currently happening around the world.

The Committee realises that you disagree with the decisions made last year and the advice the committee received. The decisions taken were based upon advice obtained through the Local Government Pension Scheme Advisory Board which provides strategic oversight, guidance, and governance support for the whole of the Local Government Pension Scheme (LGPS) in England and Wales.

The Scheme Advisory Board has published a statement making clear that when this committee exercises its investment responsibilities the primary purpose must be to achieve the required returns so that pensions can be paid when they become due. The Committee is permitted to consider non-financial factors but only where:

1. this would not lead to significant financial detriment, and
2. where it would also have the support of the scheme beneficiaries.

When the Committee received your previous deputation in June 2025 the Committee agreed four actions, which I will take in turn, albeit slightly out of sequence:

That the Committee:

i. Continues with its current approach to responsible investment and to favour engagement with companies rather than divestment from them but investigates further the financial implications of divestment from companies engaged in the activities identified in the deputation.

   This remains in place.

ii. Continues to endorse Brunel Pension Partnership's exclusion of “controversial weapons” (such as anti-personnel mines, chemical and biological weapons) and companies non-compliant with Principle 2 of United Nations Global Compact on Human Rights (UNGC) from their actively managed equity and bond portfolios.

   This remains in place

iv. Writes to all local Members of Parliament seeking stronger action from the UK government regarding the matters raised in the deputation.

   This has been actioned

iii. Investigates the costs and benefits of a survey of scheme members’ views on non-financial factors as part of the next review of the Investment Strategy Statement following the conclusion of the triennial actuarial valuation.

The triennial valuation has now concluded, and the results are contained within item 9 on today's agenda, and we will shortly begin the review of Investment Strategy Statement.

The Government is in the process of introducing a new bill, with associated guidance and regulations, which may change how LGPS administering authorities consult with a range of stakeholders. Any consultation launched ahead of the changes may risk becoming redundant.

Officers will provide further updates to the Committee on progress at future meetings as to progressing against the consideration of the non-financial factors raised by this deputation, in particular, the extent to which any decision would also have the support of the scheme beneficiaries as part of reviewing the investment strategy statement.

We expect that a consultation on the investment strategy would be launched in the autumn, with the outcome and recommendations coming forward in the winter.

I hope that everyone will understand that the concerns raised in the deputation are a matter for the whole Local Government Pension Scheme, not just for Dorset.

Sean Cremer
Corporate Director for Finance and Commercial / Pension Fund Administrator
(on behalf of the Chair of the Pension Fund Committee)