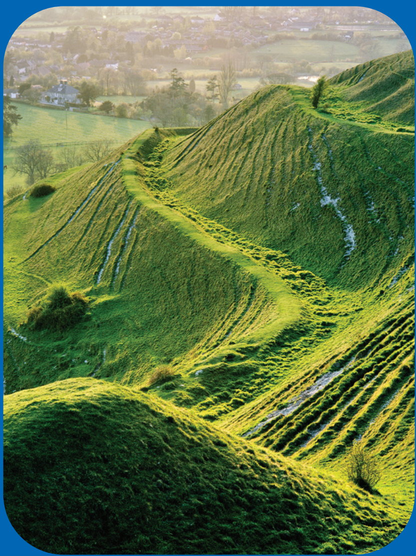
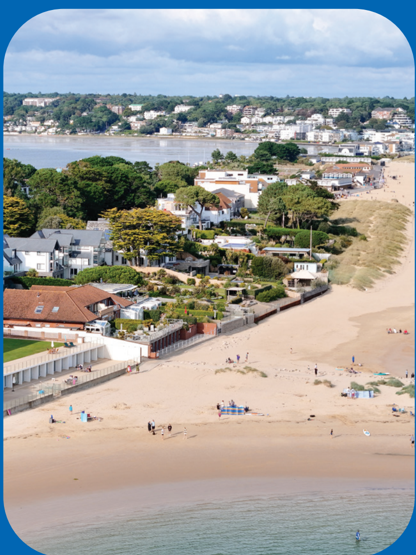
Dorset County Pension Fund

administered by Dorset Council

Annual Report

2025-2026





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Chair's Statement 2025-26

Introduction
This is the annual report for the Dorset County Pension Fund ("the Fund"), a Local Government Pension Scheme (LGPS) fund administered by Dorset Council ("the Council").

Asset Valuation and Investment Performance
It is pleasing to report that the Fund remains in a strong financial position. The value of the Fund's assets has increased from £4.1bn at the end of March 2025 to £4.5bn by the end of March 2026. The return on investments for the year was 12.1% compared to the combined benchmark return of 15.0%. Over the three years to 31 March 2026, the annualised return on investments was 9.4% compared to the combined benchmark return of 11.6%, and over five years the annualised return was 6.5% compared to the benchmark return of 8.5%.

Investment Pooling
In response to the government's requirement for Local Government Pension Scheme (LGPS) funds to pool investments to improve efficiency and to reduce costs, Dorset is one of ten LGPS funds which formed the Brunel Pension Partnership ("Brunel"), one of eight such pools across England and Wales. As at 31 March 2026, 86% of the Fund's assets by value had transitioned to Brunel's management.

In April 2025 the ten administering authorities within the Brunel Pension Partnership each received a letter from the ministers for Pensions and Local Government regarding the government's ongoing review of Local Government Pension Scheme stating that: "Government is of the view that the interests of the scheme are best met by Brunel Authorities working with another LGPS pool to form a new partnership. We therefore invite you to consider and identify which pool you wish to partner with going forward taking into account the capabilities and capacity of each to take on additional partner authorities."

After careful analysis and independent advice, the Pension Fund Committee selected Local Pension Partnership Investments (LPPI) as its preferred new investment pooling partner alongside five of the other Brunel partner funds plus three existing LPPI partner funds and in March 2026, the Committee resolved to become a shareholder and client of LPPI.

LPPI is recognised for its stable governance, its investment expertise and its commitment to environmental, social, and governance (ESG) considerations and we are confident that this new partnership will deliver long-term benefits for our scheme members and their employers. All Dorset's pension fund investment assets are now under LPPI's management and the process for winding up Brunel has begun.

My thanks to all at Brunel for their hard work and dedication since the company's establishment in 2017, and for their continued professional approach during what I am sure has been a very difficult and uncertain year for many of them.

Actuarial Valuation
It is a statutory requirement for a valuation of all LGPS funds to be carried out every three years. The results of the latest valuation are that as at 31 March 2025 the pension fund had a funding level of 98% - assets were estimated to be 98% of the present value needed to pay the expected benefits accrued to that date compared to 96% at the last valuation as at 31 March 2022. Consequently, the fund actuary has been able to certify reductions in the contribution rates payable by our scheme employers over the next three years, which I know will be very welcome.

Scheme Membership
The main responsibility of the Fund is to pay benefits to scheme members and other beneficiaries as they fall due. Membership has grown and now totals over 82,000 active, pensioner, and deferred scheme members.

Decarbonisation
In September 2020, the Committee agreed to reduce investments in high carbon emitting companies based on evidence that such an approach would deliver significantly greater reductions in the 'carbon footprint' of the Fund's investments than blanket divestment from the fossil fuel sector, without negatively impacting investment returns. Since this approach was agreed, significant decarbonisation has been achieved through the transition of assets to the management of Brunel. Approximately 10% of the Fund's assets are now invested in what was Brunel's global sustainable equities fund and all other actively managed funds were committed to a target of a 7% year on year reduction in their carbon footprint, but without detriment to long term investment returns.

Asset Changes
There were some large changes to the Fund's assets during the year. In June 2025, the full proceeds of the sale of the Brunel UK Active Fund of £235.1M were reinvested in the LGIM UK Passive Fund. In March 2026, the full proceeds of the sale of the Brunel Emerging Markets Equity Fund were reinvested into funds managed by Ninety One and Robecco, as part of preparation for the transition to LPPI.

Thank you!
The success of the Fund depends upon the combined efforts of all those involved in its administration, and I would like to finish by thanking my fellow Committee members, Local Pension Board members and our external advisers. My thanks extend to all the staff who support the Fund for their hard work and dedication throughout the year, and also to all our scheme employers.

Yours faithfully

Andy Canning

Cllr Andy Canning
Chair
Pension Fund Committee, Dorset Council

Introduction to the Dorset County Pension Fund Local Government Pension Scheme

The Dorset County Pension Fund is part of the Local Government Pension Scheme (LGPS) (the Scheme) and is administered by Dorset Council. The rules of the LGPS are set nationally under the Public Services Pensions Act 2013 by the Secretary of State for the Ministry of Housing, Communities and Local Government in the case of the LGPS in England and Wales, and the Scottish Government for LGPS Scotland.

The LGPS in Dorset is administered by Dorset Council, and prior to 1 April 2019 by Dorset County Council. Dorset County Pension Fund (DCPF) administration service covers 153 active Employers, and over 82,000 Members. A breakdown of the scheme membership can be found on page 45.

The Scheme

The LGPS is a statutory public pension scheme with over six million members in England and Wales, established by an Act of Parliament and governed by the Public Services Pensions Act 2013 (PSPA 2013). The Fund is administered in accordance with the following secondary legislation:

i. The Local Government Pension Scheme Regulations 2013 (as amended).
ii. The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended); and
iii. The Local Government Pensions Scheme (Management and Investment of Funds) regulations 2016 (as amended).

The LGPS is a nationwide pension scheme for people working in local government or working for other types of employers participating in the scheme. The LGPS scheme regulations are determined nationally; however, the scheme itself is administered and managed locally by 86 Funds in England and Wales.

The Scheme rules can only be changed with the approval of Parliament. Changes to the rules are discussed at a national level by employer and employee representatives. Dorset County Pension Fund must inform the employers and members if the Scheme rules change. They should do this as soon as possible, which must be within three months of the change.

Each fund is autonomous and managed locally by an administering authority, which is responsible for ensuring that there is, or will be, sufficient income to meet their pension fund's current and projected future financial obligations.

Academy Trusts must be offered access to the LGPS for all non-teaching employees.

The proprietor of an academy, commonly referred to as an academy trust, or a multi-academy trust (MAT), automatically becomes a scheme employer in the LGPS under the Local Government Pension Scheme Regulations 2013. This means that all non-teaching staff employed by academy trusts on conversion or afterwards are entitled to membership of the scheme.

The Pension Fund provides pension entitlements under the LGPS to all eligible employees of Dorset Council and other participating bodies. Membership of the LGPS is not mandatory and excludes teachers, police officers and fire fighters, for whom specific separate pension schemes are available. The LGPS is a statutory public service defined benefit pension scheme based on final salary for benefits accrued up to 31 March 2014 and career average revalued earnings ("CARE") for benefits accrued from 1 April 2014.

The LGPS is a defined benefit scheme. This means that benefits are determined by the regulations and are not affected by investment performance or market conditions. It provides for the payment of benefits to employees of Dorset Council and former employees of Dorset County Council, Bournemouth, Christchurch and Poole Council and the admitted and scheduled bodies in the Fund.

Members include people who work in Local Authorities, including Dorset Council and Bournemouth, Christchurch and Poole Council, higher and further education establishments, schools and other public bodies and service providers.

Membership is generally available to employees of participating employers who have contracts of employment of three months or more, are under the age of 75 and who are not eligible for membership of other statutory pension schemes.

The LGPS is funded, which means that contributions are received from both the member and employer and are then invested by the Fund. The regulations also specify the member contribution rates as a percentage of pensionable pay, with employer contribution rates being set every three years by the Fund's Actuary, Barnett Waddingham LLP. These contributions are supplemented by earnings on the Fund's investments to pay retirement benefits.

A pension is usually payable from a member's normal pension age which is linked to their State Pension age (with a minimum of 65). A member could choose to retire early and take a reduced pension (between age 55 and 75) or - if a member is made redundant or retired in the interests of business efficiency (after age 55) - they could receive immediate payment of their benefits, with adjustments, provided the member has met the two years vesting period.

The Scheme includes a number of options for members including the ability to pay half normal contributions in return for half the normal pension amount (the 50/50 section), boosting a pension by paying more into the Fund and exchanging some pension for tax-free cash on retirement.

The rate of contributions a member will pay is set nationally and range from 5.5% to 12.5%, dependent on a members' pay, the average contribution from employees is 6.5% nationally.

The employer contribution rates range from 14.5% to 29.9% of pensionable pay for the financial year ending 31 March 2026.

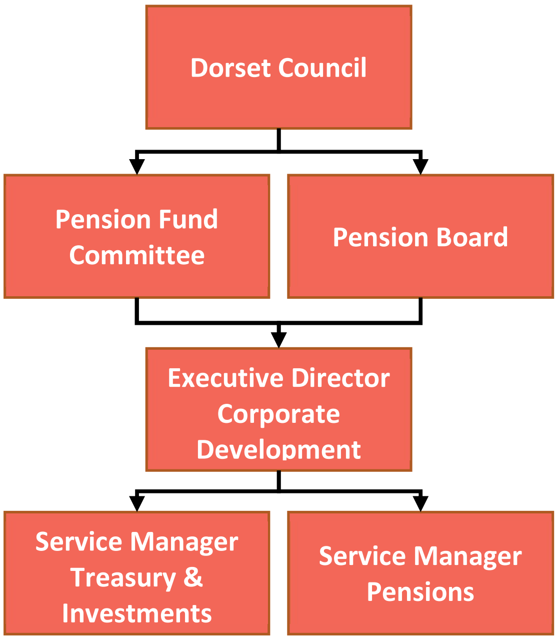
Who runs the Dorset County Pension Fund?

The Administering Authority

Dorset Council (DC, the Council) is the statutory administering authority for the Dorset County Pension Fund (DCPF, the Fund), which is responsible for the administration of the LGPS within the geographical area of Dorset and is part of the LGPS.

Council Structures

Dorset Council has delegated its decision making of the Pension Fund to the Pension Fund Committee. The diagram below sets out the governance structure in place for the Fund.



Pension Fund Committee
In this capacity, the Council delegates the management of the Fund to the Pension Fund Committee. The Committee are responsible for making investment policy, overseeing how the scheme is run and monitoring performance.

Local Pension Board
The Local Pension Board oversees the management of the Fund. The Board helps ensure that the Fund is managed and administered effectively and efficiently and complies with guidance issued by government, the Pensions Regulator and the LGPS Advisory Board.

The Fund Administrator
The day to day running of the Fund is delegated to the Fund Administrator who is the Director of Resources (Corporate Development S151) of the Council and is responsible for implementing the decisions made by the Committee. This delegation includes managing the Council's functions as administering authority, and the power to seek advice and to devolve day-to-day handling of the Fund's investments to professional advisers within the scope of the Local Government Pension Fund Regulations.

Supporting him are the Service Manager for Pensions, whose team administers all aspects of member records, pension benefits, employer liaison, and member communications, and the Service Manager for Treasury and Investments, whose team looks after the accounting and management information requirements of the Fund. All aspects of the day-to-day management of investment funds are undertaken by external fund managers.

Governance
The Pension Fund Committee consists of five Dorset Council elected members, three Bournemouth, Christchurch and Poole Council (BCP) elected members, and one scheme member representative nominated by the trade unions.

The Local Pension Board consists of eight members and is constituted with four employer representatives and four scheme membership representatives.

These membership arrangements have been designed to allow all key stakeholders to have the opportunity to be represented on the Committee and Board. The Committee and Board meet quarterly.

The Pension Fund Committee is primarily responsible for all functions of the Council as the administering authority of the Dorset County Pension Fund, including making investment policy, overseeing how the scheme is run and monitoring performance.

The Committee and Board's task is to provide an efficient and effective pension scheme for all the employees and pensioners of all eligible employers in Dorset, in accordance with the requirements of the legislation for the LGPS.

Pooling to March 2026
Brunel Pension Partnership is one of eight UK Local Government Pension Scheme Pools, having originally brought together more than £35 billion of investments of ten likeminded funds. Dorset County Pension Fund is a founding member of the Brunel Pension Partnership (BPP) along with nine other Pension Funds namely: -

- Avon Pension Fund
- Buckinghamshire Pension Fund
- Cornwall Pension Fund
- Devon Pension Fund
- Gloucestershire Pension Fund
- Oxfordshire Pension Fund
- Somerset Pension Fund
- The Environment Agency
- Wiltshire Pension Fund.

Brunel is authorised and regulated by the Financial Conduct authority as a full-service MiFID firm. Brunel's priority is to manage their fiduciary duties to its clients. The partnership has also made major commitments on Climate Change and Responsible Investment in line with their shared values. In this way, the aim is to help clients provide not only for their members' retirement, but for the world they retire into.

Pooling Update

In April 2025, the administering authorities of two of the eight LGPS investment pools (Brunel and ACCESS) were instructed by Government to join one of the six other pools. In September 2025, the Committee resolved that the Local Pension Partnership Investments (LPPI) was the preferred pool Dorset wished to work with, alongside five of the other Brunel partner funds plus three existing LPPI partner funds and in March 2026, the Committee resolved to become a shareholder and client of LPPI. From 1 April 2026, all pension fund investment assets are now under the management of LPPI and the process for winding Brunel has begun.

LPPI has now expanded its partnership with LGPS funds to include nine partner funds, the total assets under management to over £54 billion. The new partner funds are Avon, Cornwall, Devon, Dorset, the Environment Agency and Somerset pension funds, joining the existing three partner funds of Lancashire County Pension Fund, the London Pension Fund Authority, and the Royal County of Berkshire Pension Fund. This expansion is part of the UK government's "Fit for the Future" process, aiming to enhance the benefits of pooling for members, employers and taxpayers.

The Pensions Regulator

The Pensions Regulator regulates the governance and administration of pension schemes, and it has recently published its General Code of Practice. This applies to all UK pension schemes including the LGPS.

The Pension Fund Annual Report

Publication of this report gives the Council the opportunity to demonstrate the high standard of governance and financial management applied to the Fund. It brings together a number of separate reporting strands into one comprehensive document that enables both the public and employees to see how the Fund is managed and how well it is performing.

It is in the interest of both employees and the public that the Fund is well managed and continues to provide high returns and excellent value for money.

The Local Government Pension Scheme Regulations 2013 require administering authorities to prepare a document known as "The Pension Fund Annual Report". The authority must publish the Pension Fund Annual Report on or before 1st December following the year end. The Pension Fund Annual report compiles many of the reports and statements which the Fund produces into a single, annual document.

In March 2024 CIPFA created a "Guidance for Local Government Pension Scheme Funds" creating a checklist for preparing the annual report showing disclosures that "must", "should" and "maybe" included in the annual report, which have been included under the headings shown below. Dorset County Pension Fund has disclosed all information that "must" be provided, and the majority of information that "should" or "maybe" disclosed.

- *Overall Fund Management* – The report must list the names and, where appropriate for external parties, include relevant contact details.
- *Governance and Training* - Funds should set out their governance structure and how the pension fund has complied with its Governance Compliance Statement.
- *Financial Performance* – The report must provide an overview of the fund's financial performance, focused primarily on income, expenditure, and cash flows.
- *Fund Account, Net Assets Statements and Notes* – The report must include a fund account and a net assets statement with supporting notes and disclosures in accordance with proper accounting practices for each of its pension funds.
- *Investments and Funding* - This section of the annual report must demonstrate how the Investment Strategy Statement (ISS) has been put into practice during the year and how this links to the Funding Strategy Statement (FSS). It must set out the fund's investment management arrangements and the risks, returns and management costs associated with the investment portfolio.
- *Administration* - The administration section of the annual report must cover the following areas:
  • A summary of activities undertaken by the administration function during the year.
  • Report on performance against administration Key Performance Indicators (KPIs).
  • Report on member and employer numbers by category.
  • Report on actions taken to deliver the communications policy.
  • Report on value for money achieved by the administration function.
  • Report on complaints and dispute resolution.
- *Actuarial Reports on Funds* - Each administering authority is required to obtain an actuarial valuation of each of their pension funds on 31st March every three years.
- *External Audit Opinion* - The external auditor's opinion on the pension fund's statement of accounts must be included in the annual report.
- *Scheme Administration* – A report of the arrangements made during the year for the administration of the fund.
- *Governance* – Regulation 55 of the LGPS Regulations 2013 prescribes the content of the Governance Compliance Statement.
- *Asset Pools* – How asset pooling arrangements are progressing.
- *Pensions Administration Strategy Report*.
- *Funding Strategy Statement*.
- *Investment Strategy Statement*
- *Communications Policy Statement*.
- *Other Material* - any other material which the authority considers appropriate.

Responsible Investing

The Council has a paramount fiduciary duty to obtain the best possible financial return on Fund investments without exposing assets to unnecessary risk. The Council believes that following good practice in terms of social, environmental, and governance issues is generally likely to have a favourable effect on the long-term financial performance of a company and will improve investment returns to its shareholders.

The Fund investment managers, acting in the best financial interests of the Fund, are expected to consider, amongst other factors, the effects of social, environmental and ethical issues on the performance of a company when undertaking the acquisition, retention or realisation of investments for the Fund.

Key Information

- The value of the pension fund's assets at 31 March 2026 was £4.5 billion which rose by £464.3 million (11.4%) over the year, compared to the previous year of £4.1 billion. Over the last five years the pension fund's assets have increased by £0.8 billion (22.8%) from £3.7 billion as at 31 March 2022 to £4.5 billion as at 31 March 2026.

- As at 31 March 2026, approximately 86% of the pension fund's assets were under the management of Brunel Pension Partnership. The Dorset assets (14%) that are not pooled are technically difficult to pool at the moment, for example direct property, legacy private equity and infrastructure, some of which are "running off".

- The Fund achieved a return on investments for the 2025-26 financial year of 12.1%, 2.9% below the benchmark return of 15.0%.

- The Fund underperformed its benchmark over three years with a performance return of 9.4% against its benchmark of 11.6%. Over five years the performance return was 6.5% against a benchmark of 8.5%.

- The funding position as at 31 March 2022 was 96% as formally calculated by the Fund's actuary Barnett Waddingham LLP, an increase from 92% in 2019. The deficit improved from £255m as at 31 March 2019 to £141m as at 31 March 2022. The discount rate fell from 5.0% at the 2019 valuation to 4.9% at the 2022 valuation. Improvement has been driven by growth in asset valuations.

- The funding position as at 31 March 2025 has been received from Barnett Waddingham and has increased to a funding level of 98% with an improved deficit of £100M. The discount rate is calculated at 5.1%.

- The total number of members in the Fund as at 31 March 2026 was 82,156, which was a decrease of 623 members from the previous year.

- Income from contributions has been increasing over the past five years from £139.8M as at 31 March 2022 to £175.0M as at 31 March 2026, a rise of £35.2M (25.2%). The pension benefit payments have also been steadily rising over the same period from £133.8M as at 31 March 2022 to £189.5M as at 31 March 2026, a rise of £55.7M (41.6%). These figures show that more pension benefits are being paid out than income from contributions putting a strain on cashflow.

Developments in the Fund in 2025-26

There were some changes to the assets held by the fund during 2025-26.

- In June 2025, the full proceeds of the sale of the Brunel UK Active Fund of £235.1M was transferred to the Brunel UK Passive Fund.

- In March 2026, the sale of the Brunel Emerging Markets Equity Fund of £204,730,649.09 was transitioned. The full proceeds of the sale of the Brunel Emerging Markets Equity Fund of £204.7M was reinvested into Ninety One Funds Series IV Emerging Markets £136.5M (2/3 of net value realised) and Robecco Capital Growth Funds Emerging Markets £68.2M (1/3 of net value realised).

- Throughout 2025-26, there were five separate capital calls relating to the infrastructure manager Stepstone B III. The total amount of all capital calls for the year for Stepstone totalled £13.0M.

- No properties were purchased by Dorset County Pension Fund in 2025-26.

- In May 2025, the abrdn UK Shopping Centre Trust was sold with proceeds of £5,603,940.16 being received.

The report provides further information on these issues, activities and management of the Pension Fund during the year.

Overall Fund Management

Administering Authority
Dorset Council, County Hall
Dorchester, Dorset DT1 1XJ

The Fund's Managers
The Fund has a diversified portfolio of investments. Different asset classes and types of investments perform differently at different times and are based on different impacts of certain market conditions. This can help minimise overall portfolio losses. The Fund invests in Equities (UK and Overseas), Corporate Bonds, Private Equity, Property and Property Funds, Multi Asset Credit, Infrastructure, Diversified Return Funds, Low Volatility and Cash and Cash Equivalents. In 2025-26 the Fund has five legacy portfolios with external fund managers and had twenty-six investments managed by the Brunel Pension Partnership of which the details are provided below.

Fund Managers	Asset Class	Address
CBRE Investment Management	Property	Third Floor, One New Change, London EC4M 9AF
Federated Hermes	Infrastructure	150 Cheapside, London EC2V 6ET
HarbourVest Partners, LLC	Private Equity	One Lincoln Street, Suite 1700 Boston MA 02111-2641
IFM Investors	Infrastructure	2 London Wall Place, London EC2Y 5AU
Patria Investments (formerly Aberdeen Standard Investments)	Private Equity	New Clarendon House, 114-116 George Street, Edinburgh EH2 4LH

Brunel Pension Partnership Investment Managers	Asset Class
Capital Dynamics Global Secondary Fund V	**Private Equity**
Neuberger Berman Private Equity Impact Fund	
Neuberger Berman SCIOP IV	
Neuberger Berman Clifton Fund III	
Ardian LBO Fund	
Vespa Capital III	
Summit Eur Growth EQ III SCSP LP	
Alpinvest Secondaries Fund VII Limited Partnership	
Neuberger Berman Clifton Private Equity IV	
Royal London Mutual Insurance Mutual Fund	**Bonds**
LGIM UK Equity Index (passive)	**UK Equities**
LGIM Smart Beta Fund	**Global Equities**
LGIM World Developed Equities Index Fund	
Brunel Global High Alpha Equities	
Brunel Global Sustainable Equities	
Brunel Smaller Companies Equities	
Brunel Low Volatility	
Ninety One Funds Series IV E (Emerging Markets)	
Robeco Capital Growth Funds RO (Emerging Markets)	
CQS Global Funds Mutual Fund	**Multi Asset Credit**
Oaktree (LUX) III SA SICAV Mutual Fund	
Neuberger Berman Investment Mutual Fund	
M&G Secured Income Property Fund	**Property Funds**
Brunel Diversifying Returns Fund	**Diversified Returns Funds**
Greencoats Renewable Income Infrastructure Fund	**Infrastructure**
STEPSTONE B III	

Other Organisations/Individuals

Service	Name	Address
Actuary	Barnett Waddingham LLP	163 West George Street, Glasgow G2 2JJ
Auditors	Deloitte LLP	2 Glass Wharf, Bristol, BS2 0EL
AVC Providers	Prudential Plc	PO Box 2711, Reading RG1 3UL
Bankers	NatWest - Main Bankers State Street - Banker	76 St Thomas Street, Weymouth, Dorset DT4 8HU 20 Churchill Place, Canary Wharf, London E14 5HJ
Custodian	State Street Global Services	Quartermile 3, 10 Nightingale Way, Edinburgh EH3 9EG
Fund Legal Advisers	Osborne Clarke	Halo Counterslip, Bristol BS1 6AJ
Independent Adviser	Apex Investment Advisers	8 Old Jewry, London EC2R 8DN
Local Government	Brunel Pension Partnership Limited	101 Victoria Street, Bristol BS1 6PU

The Fund Actuary

BARNETT WADDINGHAM

The Council appointed Fund Actuary is Barnett Waddingham LLP. Each employer who participates in the LGPS is subject to several different actuarial valuations of their pension obligations to ensure benefits under the Scheme are appropriately funded. Employee contributions are fixed by Central Government. The Actuary is required to set employer contribution rates to ensure benefits under the Scheme are properly funded. Although the Actuary is required to carry out a full valuation every three years, they are also required to calculate contributions rates for new employers, if membership figures change and if an employer leaves the Scheme.

Independent Adviser

APEX

The Pension Fund Committee and Council Officers receive investment advice from the Investment adviser to the fund, Steve Tyson of Apex Investment Advisers Limited. The role of the adviser is to attend the quarterly and annual meetings of the Committee and to provide advice on the following:

- Investment strategy.
- Strategic asset allocation.
- Development of investment policy and practices.
- governance issues, including socially responsible investment and the Council's Investment Strategy Statement.
- Pension fund related legislation 14.
- Investment management performance monitoring.
- Assistance in the selection of investment managers, custodians and actuaries.
- Review of and advice on alternative benchmarks and setting of performance targets.
- Other ad-hoc advice.

External Auditor

Grant Thornton

Grant Thornton was appointed as external auditors for Dorset Council and the Dorset County Pension Fund for five financial years from 2023-24 to 2027-28. The LGPS pension fund financial audits are the responsibility of three statutory auditing bodies – the public Sector Audit Appointment Limited (PSAA), the National Audit

Office for 78 LGPS funds based in England; and the Welsh Audit Office for 8 LGPS funds based in Wales.

The role of LGPS auditors is crucial in ensuring the accuracy and reliability of the pension fund's financial statements. The responsibilities include:

- Auditing the financial statements to ensure they show a true and fair view of the fund's income and expenditure, as well as the amount and disposition of its assets and liabilities.
- Providing assurance that the financial statements comply with the relevant accounting standards and regulations.
- Assisting the pension fund's actuary in producing year-end accounting reports and ensuring that the information provided is free from material misstatement.
- Monitoring the audit quality of firms involved in the delivery of public audit, ensuring they meet the necessary standards. LGPS auditors play a vital role in maintaining the integrity and transparency of the pension scheme, which is essential for the trust and confidence of the members and employers covered by the scheme. They are expected to be independent, qualified, and experienced in the field of public audit and pension scheme accounting.

Custodian Services

The Fund employs State Street Bank & Trust as its global custodian, independent to the investment managers, to be responsible for the safekeeping of the Fund’s assets. State Street Bank & Trust provides a wide variety of services that underpin the work of the officers of the Pension Fund and its investment managers in managing the Pension Fund’s assets. The performance of the global custodian is reported to the Committee and Board on an annual basis.

The custody services provided by State Street Bank & Trust to the Fund include:

- safekeeping of the Pension Fund’s assets in the various different investment managers.
- collection of income from dividends and interest.
- tax reclamation services.
- corporate action processing and proxy voting based on the instructions received by the Pension Fund’s investment managers.
- filing of US-based class action lawsuits.
- foreign exchange settlement to enable the Pension Fund to buy and sell assets in foreign currencies.
- stock lending.
- reporting on the value of Pension Fund’s assets and the investment performance of the Fund’s investment managers.

Legal Adviser

The Pension Fund uses Osborne Clarke for advice covering conveyancing, investment, and employer issues. The appointment extends to all legal services for LGPS funds and employing authorities in England and Wales. This covers the full range of matters, including benefits and administration, outsourcing and admitted bodies, governance, disputes resolutions and investments.

Treasury Cash Management

The Pension Fund holds cash internally as working balances and operates its own treasury management policy, which is implemented by the Dorset’s Treasury Management Team.

Working balances comprise funds required to pay pensions, to fund private equity, property investments and other managers, and to pay day-to-day expenses. Surplus balances will be invested in accordance with the Treasury Management Strategy Statement.

There is general treasury management risk for the Fund and its Administering Authority of being defrauded as a result of employees or counterparties falsifying records to gain access to investment monies. This risk is mitigated through due diligence on investment counterparties prior to setting up on the Fund and the Administering Authority's systems with clear segregation of duties between setting up counterparties and bank details. The Council operates dual authorisation for release of funds to counterparties and separate staff are set up as dealers and authorisers and cannot perform both tasks. There is regular management review/oversight of activity with documented procedures and training for relevant staff.

Membership Bodies

The Fund is a member of the following bodies:

- CIPFA Pensions Network
- LAPFF
- Local Authority Performance Analytics.

Contact and Further Information

Further information regarding the Pension Fund or this report and accounts may be obtained from the following contacts:

Fund Administrator
Mr Sean Cremer
Director - Resources
Telephone Number: 01305 228685
Email: Sean.Cremer@dorsetcouncil.gov.uk

Accounts and Investments
Mr David Wilkes
Service Manager for Treasury and Investments
Telephone Number: (01305) 224119
Email: David.wilkes@dorsetcouncil.gov.uk

Benefits
Mrs Karen Gibson
Service Manager for Pensions
Telephone Number: (01305) 228524
Email: Karen.gibson@dorsetcouncil.gov.uk

A pension Fund helpline is manned by dedicated staff trained to assist in answering member queries, either by providing a direct and immediate response, or by setting up workflow for further investigation.

☏ (01305) 224845
✉ pensionshelpline@dorsetcouncil.gov.uk
Dorset County Pension Fund
County Hall
Dorchester, Dorset
DT1 1XJ

Our website contains further information relating to the LGPS. The address is as follows:
www.dorsetpensionfund.org

Financial Performance

Late Contributions
In 2025-26 there were no employers who regularly paid their contributions late.

Cleverchefs Ltd, who had two admitted body contracts in the scheme, entered administration in November 2025. Outstanding contributions relating to both contracts totalled £34,862.88. Discussions with the Administrators and transferring employers were ongoing for the recovery of the unpaid contributions.

Analysis of Pension Overpayments
There was a total of £142,854.11 pension overpayments in 2025-26. As at 31 March 2026, £19,898.72 of this had been recovered and £122,955.39 remained outstanding.

No amounts had been written off during the year.

Key Financial Variables
The table below outlines the Fund's performance for key financial variables for the past five years.

		2021-22 £'M	2022-23 £'M	2023-24 £'M	2024-25 £'M	2025-26 £'M
Contributions and Benefits	Contributions & Transfers In	162.3	147.2	172.7	197.6	193.5
	Contributions receivable	139.8	141.5	156.9	174.6	175.0
	Transfer in from other pension funds	22.5	5.7	15.9	23.0	18.5
	Benefits paid and Transfers out	-139.3	-148.0	-172.2	-209.5	-208.8
	Benefits payable	-133.7	-141.3	-159.3	-181.8	-189.5
	Payment to and on account of leavers	-5.6	-6.7	-12.9	-27.6	-19.3
	Management Expenses	-15.5	-17.9	-21.0	-22.2	-26.8
	Net additions (withdrawals) including Fund management expenses	7.5	-18.7	-20.4	-34.1	-42.1
Return on Investments	Net return on investments	345.4	-163.1	418.1	199.7	506.5
	Investment income	16.2	19.5	18.5	21.9	23.2
	Profit (loss) on disposal investments and changes in the value of investments	329.2	-182.6	399.6	177.8	483.3
	Net return on investments	345.4	-163.1	418.1	199.7	506.5
	Net increase (decrease) in assets available for benefits during the year	**352.8**	**-181.8**	**397.7**	**165.7**	**464.4**

Pension Fund Budget

In their audit findings report for the year ended 31 March 2025, Dorset Council's independent auditor, Grant Thornton recommended that a budget for fund account items is developed and reported against throughout the year.

The budget for 2026-27 is summarised below for approval. In future years budgets will come forward for approval in the last quarterly meeting of the preceding year - for example, approval for the budget for 2027-28 will be sought at the meeting of the Committee in March 2027.

Forecast outturn against the budget will be reported at subsequent meetings.

	FUND ACCOUNT	**2024/25 Actual £000s**	**2025/26 Forecast £000s**	**2026/27 Budget £000s**	**2026/27 Forecast £000s**
	Dealings with members, employers and others directly involved in the Fund				
1	Employer contributions	138,248	136,925	139,000	139,000
2	Member contributions	36,372	38,106	40,000	40,000
	Total contributions	**174,620**	**175,031**	**179,000**	**179,000**
3	Transfers in from other pension funds	22,951	18,485	20,000	20,000
	Total additions from dealing with members etc	**197,571**	**193,516**	**199,000**	**199,000**
4	Pensions	-147,340	-155,195	-161,000	-161,000
3	Commutation and lump sum retirement benefits	-31,218	-29,550	-30,000	-30,000
3	Lump sum death benefits	-3,272	-4,774	-5,000	-5,000
	Total benefits	**-181,830**	**-189,519**	**-196,000**	**-196,000**
3	Refunds of contributions	-508	-620	-1,000	-1,000
3	Transfers to other pension funds	-27,123	-18,693	-20,000	-20,000
	Total payments to and on account of leavers	**-27,631**	**-19,313**	**-21,000**	**-21,000**
	Net additions/(withdrawals) from dealings with members and others	**-11,890**	**-15,316**	**-18,000**	**-18,000**
5	Management expenses	-22,204	-26,785	-28,000	-28,000
5	Investment income	21,937	23,153	24,000	24,000
	Net additions/(withdrawals) from the Fund	**-12,157**	**-18,948**	**-22,000**	**-22,000**

	Key assumptions from 2025 actuarial valuation	
a	Salary increases p.a.	3.7%
b	Employer contribution rate increase/(decrease) p.a.	-1.9%
c	Discount rate (expected return on investments) p.a.	5.1%

Explanatory Notes

1 Increased by expected salary increases (a) and reduced by contribution rate reductions (b).
2 Increased by expected salary increases (a).
3 Assumed to be broadly unchanged from previous years.
4 Increased by expected salary increases (a).
5 Increased by discount rate (c) as expected to increase in line with asset values.

Risk Management

The risk appetite shows how much risk Dorset Pension Fund are willing to accept to achieve the outcomes. Good risk management ensures well informed decisions and understands those associated risks. By ensuring that response to risks is best placed to achieve the priorities as set out in the Council Plan.

Effective risk management considers not just threats but also opportunities. Directorates are encouraged to manage their risks, and the consideration on options that seek to achieve a balance between caution and innovation.

The risk appetite reflects the approach to the encouragement of managed risk for minor to moderate level risks. The approach to risk will change over time depending on priorities and the environment in which the pension fund works.

Beyond the risk appetite is risk tolerance. This sets the level of risk that is unacceptable, whatever opportunities might follow. In such instances the aim will be to reduce the risk to a level that is within appetite. The risk appetite and tolerance are illustrated in the risk ranking matrix. Efforts have been made to make the approach clear, understandable, and flexible to change to achieve improved focus and buy in from all at the council.

‘High risks will generally exceed the Council’s appetite for risk and measures should be taken to reduce the risk down to an acceptable level.’

The matrix below also illustrates how risks are monitored. The Council’s highest-level risks (those with a combined score of 15 and above) are reported to Senior Managers and Members consideration.

Risk Ranking Matrix identifies the level of risk

Severity (Impact)	Description
Catastrophic Score 5	• Multiple deaths of employees or those in the Council's care • Inability to function effectively, Council-wide • Will lead to resignation of Chief Executive and/or Leader • Corporate Manslaughter charges • Service delivery must be taken over by Central Government • Front page news story in National Press • Financial loss over £10m
Major Score 4	• Suspicious death in Council's care • Major disruption to Council's critical services for more than 48hrs • Noticeable impact achieving strategic objectives • Will lead to resignation of Senior Officers and/or Cabinet Member • Adverse coverage in National press/Front page news locally • Financial loss £5m-£10m
Moderate Score 3	• Serious Injury to employees or those in the Council's care • Disruption to one critical Council Service for more than 48hrs • Will lead to resignation of Head of Service/Project Manager • Adverse coverage in local press • Financial loss £1m-£5m
Slight Score 2	• Minor Injury to employees or those in the Council's care • Manageable disruption to services • Disciplinary action against employee • Financial loss £100k-£1m
Limited Score 1	• Day-to-day operational problems • Financial loss less than £100k

Likelihood (Probability)	Description
Certain Score 5	Reasonable to expect that the event **WILL** happen, recur, possibly or frequently
Likely Score 4	Event is **MORE THAN LIKELY** to occur. Will Probably happen, recur, but is not a persisting issue.
Possible Score 3	**LITTLE LIKELIHOOD** of event occurring. It might happen or recur occasionally.
Unlikely Score 2	Event **NOT EXPECTED**. Do not expect it to happen or recur, but it is possible that it might do so.
Very Unlikely Score 1	**EXCEPTIONAL** event. This will probably never happen or recur.

Dorset County Pension Fund Risk Register

Ref	Risk Area	Risk Title	Last Reviewed	Impact	Likelihood	Risk Score	Risk Rating	Management Update	List of Existing Controls	Risk Owner	Status
Fi1	Finance	Loss of funds through fraud or misappropriation	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures	Internal and External Audit; Assurance that current systems provide appropriate level of internal control; reporting and monitoring; reporting to Audit & Scrutiny Committee; policies and procedures	Fund Administrator	No Change
Fi3	Finance	An employer with a large surplus chooses to exit the fund	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures.	Not able to control. However, employer can only exit once all members have left the scheme.	Fund Administrator	No Change
Fi2	Finance	A company admitted to the Fund as an admission body may become financially unviable	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures.	An Admission Body will only be admitted to the Fund if they have a Bond in place, or have a financial guarantor, for example the outsourcing authority. This covers any potential costs and losses. The value of this bond is set at the start of the contract and is reviewed periodically. A review of current bonds takes place periodically by the fund actuary to ensure that the bond level remains appropriate.	Fund Administrator	No Change
Fi3	Finance	Fraud - The Fund pays a pension to non-eligible pensioner	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures.	Compliant with audit recommendations. Form of identity check required before any benefits are payable - i.e. passport or birth certificate. Mortality screening in UK and overseas performed regularly. To ensure unauthorised family members cannot access a deceased member's pension details, the fund has taken the steps to disable access to the online member portal when a notification of a member’s death is entered into the Pensions Administration System.	Pensions Manager	No Change
Fi4	Finance	Fraud - Release a payment to the wrong bank account (e.g. mandate fraud)	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures.	Compliant with audit recommendations. Form of identity check required before any benefits or payments are payable - i.e. passport or birth certificate. Mortality screening in UK and overseas performed regularly. Senior staff members would check or authorise any payments.	Pensions Manager	No Change

Ref	Risk Area	Risk Title	Last Reviewed	Impact	Likelihood	Risk Score	Risk Rating	Management Update	List of Existing Controls	Risk Owner	Status
Ad1	Administration	Failure to comply with TPRs General Code of Practice (Governance and administration of pension schemes)	17/06/2026	1	2	2	Low	Reviewed. No change in risk or procedures.	Ensure key staff and LPB members are trained and understand requirements. Ensure System and PAS address requirements. Ensure relevant policies are in place and regularly reviewed. Data Quality annual checks and Improvement Plan in place.	Pensions Manager	No Change
Ad2	Administration	Failure to issue Annual Benefit Illustrations within statutory timescales	17/06/2026	2	3	6	Medium	Reviewed. No change in risk or procedures.	Weekly project meeting to monitor progress and address issues. Staff are trained and supported with additional resource available at peak times. Responsibility of meeting deadlines with Systems Manager.	Pensions Manager	No Change
Ad3	Administration	Failure to meet other statutory deadlines including the Annual Return (TPR) and Annual Allowance processes	17/06/2026	1	2	2	Low	Reviewed. No change in risk or procedures.	Weekly meetings with management and key staff to ensure appropriate resources in place. Ad hoc meetings whenever required.	Pensions Manager	No Change
Ad4	Administration	Failure to complete end of year processes within necessary timeframe	17/06/2026	2	3	6	Medium	Reviewed. No change in risk or procedures.	System Manager monitors progress against project plan and will report to PM at weekly management meetings to address issues as they arise. Ad-hoc meetings set up as required.	Pensions Manager	No Change
Ad5	Administration	Insufficiently trained or inexperienced staff leading to gaps in knowledge.	17/06/2026	2	3	6	Medium	Reviewed. No change in risk or procedures.	Training programme in place to identify and address training requirements / shortfalls. Each employee has a personal training record. Regular meetings and appraisals mean that any specific needs can be identified and addressed. Jobs have been re-evaluated to a higher level. This allows the fund to be competitive in recruiting new staff.	Pensions Manager	No change
Ad6	Administration	Staff unable to get to work e.g. widespread flu pandemic or building off limits.	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures.	All staff are able to work from home in the event of building closure where technology permits. Business Continuity Plan to be updated regarding widespread sickness.	Pensions Manager	No Change
Ad7	Administration	Not dealing properly with complaints, leading to escalation that ultimately ends with the ombudsman.	17/06/2026	1	2	2	Low	Reviewed. No change in risk or procedures.	Well maintained structure in place for complaints, with expert advice sought in necessary cases to minimise further escalation. Regular reviews of IDRP cases to keep within timescales. Quality of letters written checked by additional staff for accuracy to ensure best possible quality of communication. Complaints log.	Pensions Manager	No Change

Ref	Risk Area	Risk Title	Last Reviewed	Impact	Likelihood	Risk Score	Risk Rating	Management Update	List of Existing Controls	Risk Owner	Status
Ad8	Administration	Failure to meet Service Standards.	17/06/2026	2	3	6	Medium	Reviewed. No change in risk or procedures.	Pensions Administration Strategy in place and regular recording of Performance Indicators (KPIs) to identify strength and weakness areas, to maintain or make improvements.	Pensions Manager	No Change
Ad9	Administration	Failure to complete GMP Reconciliation and Rectification	17/06/2026	1	2	2	Low	Reviewed. No change in risk or procedures.	GMP Reconciliation project in place. Team well-staffed and trained. Regular attendance of relevant regional and national meetings and forums. Weekly team meetings to discuss targets and problems. Reconciliation completed. Rectification paused as a result of McCloud remedy taking priority.	Pensions Manager	No Change
Ad10	Administration	Loss of key staff / expertise.	17/06/2026	2	3	6	Medium	Reviewed. No change in risk or procedures.	Training program in place. Job Description/Person Specification available. New staff have been employed and are currently being trained. It is expected that once they have gained enough experience, that this risk will reduce.	Pensions Manager	No Change
ad11	Administration	Pensions Dashboard Programme - Fund not ready to meet onboarding deadline.	17/06/2026	1	2	2	Low	Reviewed. No change in risk or procedures. Comment updated	The fund has been working with software provider to ensure they can meet the required data, reporting and technical standards. The amount of additional staff resources required to manage the work involved is still unknown. However, the Government has now announced a delay to the proposed first connection date of 31 August 2023. Connection date has been put back to 31/10/2025. Fund has signed up to the Norfolk Framework to assist with selecting the ISP delivery. Update 24/09/24: ISP provider is Heywood. The Fund has successfully onboarded to the Live Eco System and registered with the PDP. We will be compliant with the 31.10.2025 deadline.	Pensions Manager	No Change
ad12	Administration	McCloud - not ready to deal with resulting work from remedy.	17/06/2026	1	4	4	Low	Reviewed. No change in risk or procedures.	Most of Dorset County Pension Fund member data relating to the McCloud remedy has been received. McCloud legislation is due in 2023. Need to ensure Fund administrators and software ready, plus Fund resourced sufficiently to deal with the resulting work from remedy. Looking at changes to benefits coming into payment now and going forward, but also the retrospective recalculation of all benefits and transfers since 2014	Pensions Manager	No Change

Ref	Risk Area	Risk Title	Last Reviewed	Impact	Likelihood	Risk Score	Risk Rating	Management Update	List of Existing Controls	Risk Owner	Status
Ad13	Administration	Death Grant Payment	17/06/2026	2	3	6	Medium	Reviewed. No change in risk.	There is a risk that the Fund does not exercise its discretion over payment of a death grant properly. This could result in a claim from other potential beneficiaries of the deceased member. Fund has processes in place to identify potential beneficiaries and follow guidance. Fund takes advice from legal provider when required.	Pensions Manager	No Change
Ad14	Administration	Payroll Migration	17/06/2026	3	2	6	Medium	Reviewed. No change in risk.	The functionality of CIVICA's Payroll System is inadequate for the Fund currently. The fund has approached Dorset Council to continue with the delivery of Pensions Payroll function. Dorset Council's ERP system will be unsupported in January 2027 resulting in procurement to tender for an ERP System. This has been carried out, and Dorset Council have awarded the ERP contract to Oracle. The Fund is waiting for Dorset Council to confirm if they will offer a pensions payroll to the Fund. If Dorset Council are unable to provide the pensions payroll, the Fund will need to reconsider migrating to CIVICA's payroll module with agreed development requirements.	Pensions Manager	No Change
Wf1	Workforce	Health and safety of staff	17/06/2026	1	2	2	Low	Reviewed. No change in risk or procedures.	Workstation assessments; PDR trigger interviews; absence management; DCC health & safety policies. DC have also invested in employee wellbeing with resources and information being made available on the DC intranet, along with individual advice and guidance. Homeworking The wellbeing of staff (particularly those who live alone) is an issue. DC provide resources on these subjects via the DC intranet. Managers encouraged to engage with staff member	Fund Administrator	No Change
Wf2	Workforce	Failure to recruit, develop and retain suitably skilled staff.	17/06/2026	2	3	6	Medium	Reviewed. No change in risk or procedures.	Access to Management Development / Training; PDR; structure review. New staff have been employed and are currently being trained. It is expected that once they have gained enough experience, that this risk will reduce. The establishment of Brunel PP should ensure greater resilience against the loss of key staff re. investments.	Fund Administrator	No Change

Ref	Risk Area	Risk Title	Last Reviewed	Impact	Likelihood	Risk Score	Risk Rating	Management Update	List of Existing Controls	Risk Owner	Status
Wf3	Workforce	Failure to maintain the balance between workload and staff capacity	17/06/2026	2	3	6	Medium	Reviewed. No change in risk or procedures.	Service planning and PDR process; continual review of workloads within teams; additional posts can be funded from pension fund where particular capacity demands are identified, at the approval of the Pension Fund Administrator	Fund Administrator	No Change
Ot1	Other	Inability to provide service, due to a loss of Council facilities (IT; building) or staff	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures.	Business continuity plans maintained for critical services; Pensions Systems can be accessed from home/ remotely; contact numbers held for the team. Disaster recovery in place for Pensions Systems	Fund Administrator	No Change
Ot2	Other	Poor services, or perception of poor service	17/06/2026	1	3	3	Low	Reviewed. No change in risk or procedures.	Service planning and PDR process; external audit; internal audit reviews; processes and procedures	Fund Administrator	No Change
Ot3	Other	Secure management and handling of confidential and/or personal information	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures.	Data awareness guidance promoted corporately; secure email; secure payments portal to actuary. Secure employer and member portals. New system now means that office is paperless so 'hard-copy' files are no longer required.	Fund Administrator	No Change
Ot4	Other	Unrestricted physical access to office and confidential and/or personal information	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures.	The Pensions office has now moved and is not now a general walkthrough. There is no longer a meeting room within the office, so only pensions staff should access the office, therefore mitigating risk of data breaches.	Pensions Manager	No Change
Co1	Communications	Growth in number of employers in the Fund leads to less pension's knowledge within each employer. New employers fail to understand their responsibilities within the Fund and LGPS in general	17/06/2026	1	3	3	Low	Reviewed. No change in risk or procedures.	Dedicated Communications Team to ensure all new employers are informed of their responsibilities within the Fund and the LGPS. Presentations and training provided to all necessary members of an employing authority. Feedback accounted for and review of internal procedures undertaken to ensure quality of training materials. New employer portal provides easier to use versions of forms with better guidance to be completed by employers.	Communications & Employer Relations Manager	No Change

Ref	Risk Area	Risk Title	Last Reviewed	Impact	Likelihood	Risk Score	Risk Rating	Management Update	List of Existing Controls	Risk Owner	Status
Co2	Communications	Members don't make an informed decision regarding their pension options, and employers cannot make an informed decision regarding their discretions policy, leading to possible complaints against the Fund.	17/06/2026	1	3	3	Low	Reviewed. No change in risk or procedures.	Communication strategy in place to ensure the best possible communication material is used. Discretions template and guidance provided to employers completing their discretions policy. Members provided with factsheets, leaflets and booklets enclosed with pension documentation. Dedicated helpline and website providing further information.	Communications & Employer Relations Manager	No Change
Co3	Communications	Pension Fund does not reach the target audience and full exposure of information is not achieved.	17/06/2026	1	2	2	Low	Reviewed. No change in risk or procedures.	Annual Benefit Illustrations in paper form to home address with annual newsletter, dedicated telephone and email helpline available for queries. Members and employers are given opportunities to provide feedback. Regular improvements made to communications as issues / changes to legislation identified. Member self-service site allows direct contact with members. Presentations for members on request or at times of substantial change. Employer training provided and Pension Officer Group meetings held three times a year.	Communications & Employer Relations Manager	No Change
Co4	Communications	Communication is overcomplicated and technical leading to a lack of engagement and understanding by members and employers of the Fund.	17/06/2026	1	2	2	Low	Reviewed. No change in risk or procedures.	Factsheets and information written on letters is kept as jargon free as possible, and a dedicated helpline through telephone and email is available for both members and employers of the Fund. Presentations provided with simple examples and chance for questions and answer sessions after. New an improved on-line member portal allows members to view details relating to their pension.	Communications & Employer Relations Manager	No Change
Co5	Communications	Employers don't meet their statutory requirements leading to possible reporting of breaches to the Pension Regulator.	17/06/2026	2	3	6	Medium	Reviewed. No change in risk or procedures.	Administration strategy in place to ensure all employers are aware of their responsibilities in the Fund. Training provided where needed. Dedicated Communications Team to ensure full compliance from employers. Penalty charges apply if employer is in breach of any of their responsibilities. New employer portal allows employers to submit monthly membership data, which in turn prompts them to submit lever forms, etc.	Communications & Employer Relations Manager	No Change

Ref	Risk Area	Risk Title	Last Reviewed	Impact	Likelihood	Risk Score	Risk Rating	Management Update	List of Existing Controls	Risk Owner	Status
Fu1	Funding	Inability or refusal of an employer to pay cessation valuation.	17/06/2026	2	3	6	Medium	Reviewed. No change in risk or procedures.	Action to be taken through the courts. Employers now have the possibility of entering into a deferred debt arrangement or a debt spreading arrangement, which avoids having to pay a cessation cost as a lump sum.	Fund Administrator	No Change
Go1	Governance	Frequent and/or extensive turnover of committee and/or board members, or insufficient knowledge of regulations, guidance and best practice to make good decisions.	17/06/2026	1	2	2	Low	Reviewed. No change in risk or procedures.	Mandatory board member training plan in place. Training available for committee members, but not mandatory. Training policy has been produced. Monitoring of board member attendance in place to ensure regular attendance. Regular external training events publicised.	Fund Administrator	No Change
Go2	Governance	Officers lack the knowledge and skills required to effectively advise elected members and/or carry out administrative duties. There is also a requirement to ensure that Committee members and Board members are appropriately trained to undertake their duties effectively.	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures.	Training programmes in place for all staff. Professional qualifications offered to staff and a requirement for senior roles. Senior staff members attending regional and national forums. Staff training needs identified through in house training and development and addressed through the appraisal process. Regular Training events and modules available for Board and Committee, along with a training policy for board members.	Pensions Manager	No Change
Go3	Governance	Committee and Board members have undisclosed conflicts of interest.	17/06/2026	1	2	2	Low	Reviewed. No change in risk or procedures.	Conflicts of Interest are a regular item on all committee agendas. A Conflict of Interests Policy was introduced in October 2019. A log of interests is now maintained, and board members have to complete a declaration of interests' form.	Fund Administrator	No Change
Go4	Governance	Decisions are not implemented properly.	17/06/2026	1	2	2	Low	Reviewed. No change in risk or procedures.	Regular review of all decisions. Progress against all actions is reported to the committee.	Pensions Manager	No Change

Ref	Risk Area	Risk Title	Last Reviewed	Impact	Likelihood	Risk Score	Risk Rating	Management Update	List of Existing Controls	Risk Owner	Status
Go5	Governance	Lack of mechanisms and policies for communicating with Scheme members and employers means that decisions are not available for scrutiny.	17/06/2026	1	2	2	Low	Reviewed. No change in risk or procedures.	Summary of all PFC and LPB minutes to be published in a timely fashion. Annual report published each year. Pension Fund website means information is accessible. Annual Newsletter issued with ABIs.	Pensions Manager	No Change
It1	IT Systems	Pension Administration system is not adequate to deliver complex historical pension calculations or implement new scheme changes.	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures.	Staff trained to have the ability to manually perform calculations in occasions that systems fail or cannot process historical/recent scheme changes. Regular collaboration and sharing of expertise knowledge with other funds.	Pensions Manager	No Change
It2	IT Systems	IT systems go down for a prolonged period leading to an inability to access data and run calculations.	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures.	Business Continuity Plan, including disaster recovery plans to be updated. Staff trained in manual calculations and collaboration with other funds.	Systems Manager	No Change
It3	IT Systems	Access to on-line Employer Portal not available, for example due to cyber security attack on Dorset Council web addresses, resulting in employers being unable to submit required information in a timely manner in accordance with our admin strategy.	17/06/2026	2	2	4	Low	New risk	Business continuity plan to include provision for employers to submit required information in other forms (such as e-mail) and any employer penalty charges to take into account any period affected by loss of service.	Systems Manager	New risk
Le1	Legislation	Lack of access to appropriate legislation, best practice or guidance could lead to the Fund to act illegally.	17/06/2026	2	1	2	Low	Reviewed. No change in risk or procedures.	Access to LGA material, use of specialist advisors, membership of national and regional forums. Collaborative working with other funds.	Pensions Manager	No Change
Le2	Legislation	Lack of understanding of key changes means the impact is not fully understood.	17/06/2026	2	1	2	Low	Reviewed. No change in risk or procedures.	Regular Technical Management meetings to consider impact. Use of special project teams. Expert advice and collaboration with other funds.	Pensions Manager	No Change

Ref	Risk Area	Risk Title	Last Reviewed	Impact	Likelihood	Risk Score	Risk Rating	Management Update	List of Existing Controls	Risk Owner	Status
Le3	Legislation	Lack of resource and/or skills to effectively communicate Scheme changes with members and employers.	17/06/2026	1	2	2	Low	Reviewed. No change in risk or procedures.	Communication & Employer Support team in place, regular training provided to ensure knowledge and skills of team members. Collaboration with other funds.	Pensions Manager	No Change
Se1	Security	Non-Compliance with GDPR	17/06/2026	2	3	6	Medium	Reviewed. No change in risk or procedures.	All staff required to complete GDPR training, plus additional external training provided to senior staff. DCPF Internal data protection policy for Administering Authority in place. GDPR actions checklist established. Privacy Policy published on DCPF website. Revision of contracts with external suppliers to ensure GDPR compliance. Update 9/7/24: To ensure unauthorised family members cannot access a deceased member's pension details, the fund has taken the steps to disable access to the online member portal when a notification of a member's death is entered into the Pensions Administration System.	Systems Manager	No Change
Se2	Security	Data Protection procedures non-existent or insufficient leading to poor security for member data.	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures.	Staff must complete data protection and cyber security training. Secure portal for communication and submission of sensitive information between employers and the Fund. Shredder and Confidential Waste bin present in office. Multiple passwords required to access all software containing sensitive information. Systems are protected against viruses and other system threats.	Systems Manager	No Change
Se3	Security	Cyber Security Breaches	17/06/2026	3	3	9	Medium	Reviewed. No change in risk or procedures.	All staff have to complete compulsory training provided by Dorset Council in both Data Protection and Cyber Security. The Pension Section's ICT is provided by DC, and this includes Cyber Security protections.	Systems Manager	No Change
Se4	Security	Fraud by members.	17/06/2026	2	2	4	Low	Reviewed. No change in risk or procedures.	Compliant with audit recommendations. Form of identity check required before any benefits are payable i.e. passport or birth certificate. Mortality screening in UK and overseas performed regularly. To ensure unauthorised family members cannot access a deceased member's pension details, the fund has taken the steps to disable access to the online member portal when a notification of a member's death is entered into the Pensions Administration System.	Pensions Manager	No Change

Ref	Risk Area	Risk Title	Last Reviewed	Impact	Likelihood	Risk Score	Risk Rating	Management Update	List of Existing Controls	Risk Owner	Status
Se5	Security	Fraud by staff.	17/06/2026	2	2	4	Low	Reviewed. No change in risk, but update to controls.	Compliant with audit recommendations. Robust accounting checks in place and adherence with best practice. Systems in use have built in controls and access levels. Processes in place to ensure staff leaving have access stopped immediately. All payments checked and authorised before being processed. June 2026: Bank verification has been introduced which checks the sort code, bank account number, and account name to confirm the bank details are correct. Currently used for refunds but will be extended to other payment processes once Single Payment is introduced.	Pensions Manager	Change to existing controls

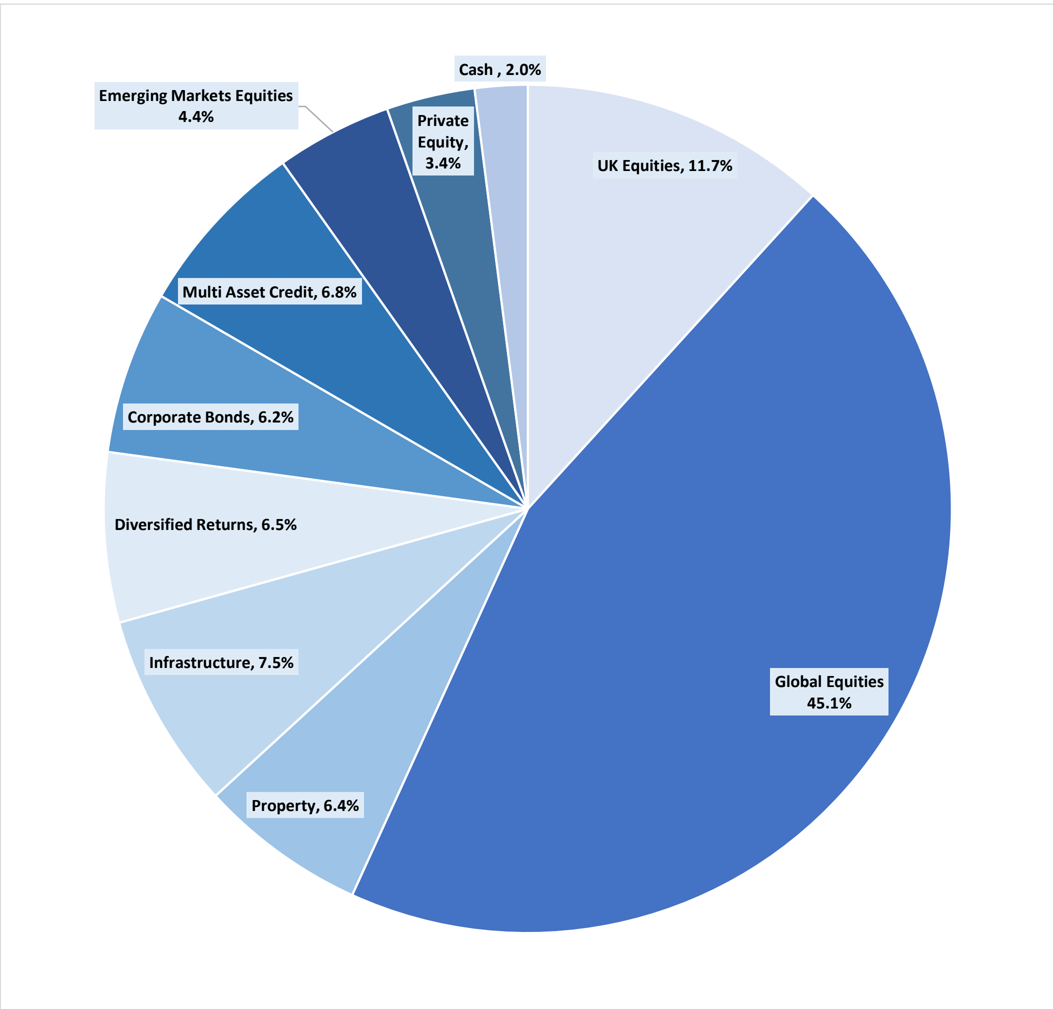
Investment Performance

Fund Information

£464.3M	£4.5Bn	11.4%	12.1%	2.9%
Total Investments Assets Increase	Total Investment Assets	Investment Assets Increase	Total Annual Return	Underperformed Annual Benchmark

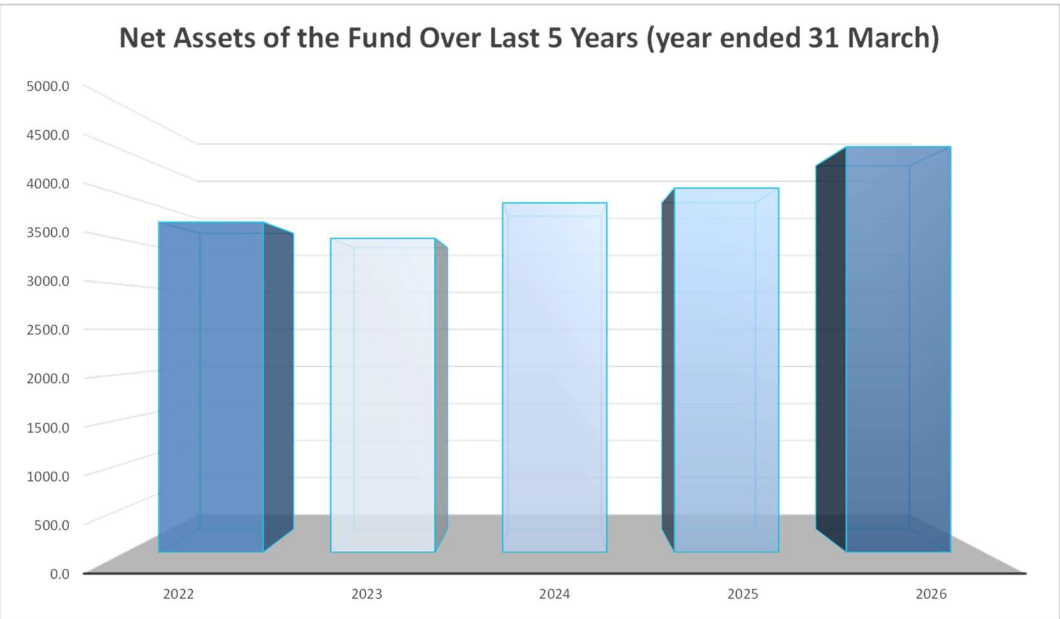
Total Asset Distribution at 31 March 2026

The total asset distribution of the Dorset County Pension Fund at 31 March 2026 is shown in the chart below. These allocations are within the agreed targets.



Net Assets of the Fund (year ended 31 March)

The diagram below shows the change in Net Assets of the Fund over the last five years as at 31 March.



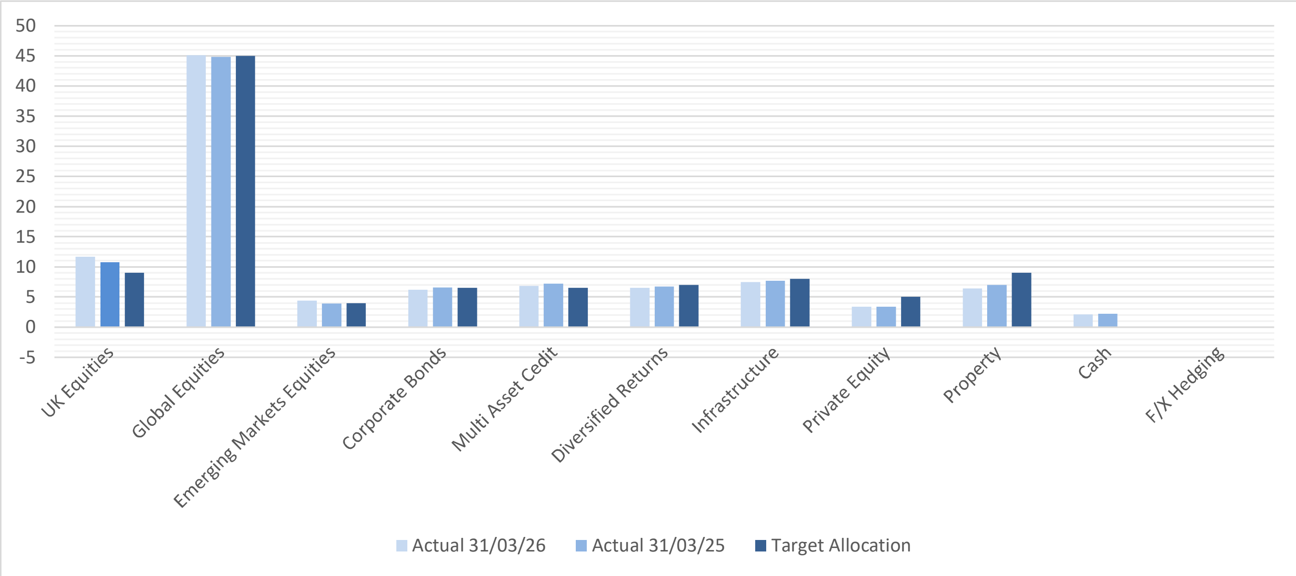
Asset Allocation

Dorset County Pension Fund Committee is responsible for deciding the asset allocation of the fund. The table below summarises the Fund's Asset Allocation.

The main requirement in managing the Fund is to ensure adequate diversification of its assets over different asset classes. The correct balance must be struck between the desire for enhanced returns and potential 'risk' of volatility in those returns i.e. the investment policy of the Fund is aimed at maximising returns within the acceptable limits of risk. The portfolio balance needs to be regularly monitored and adjusted in line with the economic, financial and market indicators.

	31-Mar-25		31-Mar-26		Target Allocation	
Asset Class	**£M**	**%**	**£M**	**%**	**£M**	**%**
UK Equities	436.1	10.7	532.6	11.7	408.3	9.0
Global Equities	1,822.6	44.8	2,044.0	45.1	2,041.5	45.0
Emerging Markets Equities	157.2	3.9	200.7	4.4	181.5	4.0
Total Listed Equities	**2,415.9**	**59.3**	**2,777.3**	**61.2**	**2,631.3**	**58.0**
Corporate Bonds	267.1	6.6	282.3	6.2	294.9	6.5
Multi Asset Credit	292.4	7.2	309.4	6.8	294.9	6.5
Diversified Returns	270.7	6.7	293.8	6.5	317.6	7.0
Infrastructure	312.7	7.7	340.6	7.5	362.9	8.0
Private Equity	137.2	3.4	153.1	3.4	226.8	5.0
Property	285.0	7.0	289.2	6.4	408.3	9.0
Cash	88.8	2.2	95.6	2.1	0.0	0.0
F/X Hedging	0.8	0.0	-4.6	-0.1	0.0	0.0
Total Asset Valuation	**4,070.6**	**100.0**	**4,536.7**	**100.0**	**4,536.7**	**100.0**

The Asset Valuation by Asset Class of the portfolio is shown in the diagram below at 31 March 2026 and 31 March 2025 alongside the Target Allocation.



There was no target allocation for Cash as at 31 March 2026.

F/X Hedging was -0.1% on 31 March 2026. There was no target allocation for F/X Hedging as 31 March 2026.

Investment Managers

The investment managers and their appointed portfolios are shown below, with the figures showing the percentage of the Fund's Investment Assets that each manager is responsible for based on market values at 31 March 2026.

Manager	Asset Class	£M	%
Brunel	Global Equities	2,244.7	49.5
Brunel	UK Equities	532.7	11.7
Brunel	Multi Asset Credit	309.4	6.8
Brunel	Diversifying Returns Fund	293.8	6.5
Brunel	Corporate Bonds	282.3	6.2
CBRE Investment Management	Property/Property Funds	258.2	5.7
IFM	Infrastructure	191.0	4.2
Brunel	Private Equity	97.5	2.1
Cash & Cash Equivalents	Cash & Cash Equivalents/Interest Receivables	95.6	2.1
Federated Hermes	Infrastructure	77.4	1.7
Brunel	Infrastructure	72.1	1.6
HarbourVest	Private Equity	52.8	1.2
Brunel	Property Funds	31.1	0.7
Patria	Private Equity	2.8	0.1
Derivatives	Derivatives	-4.6	-0.1
Total Assets		**4,536.7**	**100.0**

Performance

Performance of the Fund is measured against an overall strategic benchmark. Performance of fund managers is reviewed quarterly by the Pension Fund Committee, which is supported by the Fund's independent adviser.

The overall performance of each manager is measured over rolling three and five-year periods, as inevitably there will be short-term fluctuations in performance.

The table below sets out a more detailed analysis of the Fund's investment returns for one, three and five years, broken down by asset class and enables comparison against their specific benchmarks.

	Dorset	Benchmark	Dorset	Benchmark	Dorset	Benchmark
	1 year		3 year		5 year	
	%	%	%	%	%	%
UK Equities						
Brunel Passive UK Equities	21.5	21.5	13.3	13.3	11.2	11.1
Global Equities						
Brunel Global High Alpha Equity	7.3	16.9	9.2	14.8	7.3	11.8
Brunel Global Sustainable Equities	7.6	18.0	5.8	14.6	4.9	11.0
Brunel Low Volatilty Global Equity	15.4	18.0	N/A	N/A	N/A	N/A
Brunel Passive Developed Equities	17.8	18.0	14.8	15.0	11.5	11.7
Brunel Passive Developed Equities Hedged	19.9	20.2	17.6	17.9	11.1	11.3
Brunel Passive Smart Beta	12.9	12.3	11.3	10.8	10.0	9.5
Brunel Passive Smart Beta Hedged	14.8	14.2	14.0	13.5	9.6	9.1
Brunel Smaller Companies Equities	11.9	24.1	5.3	11.5	3.0	7.0
Corporate Bonds						
Brunel Sterling Corporate Bonds	5.7	4.4	6.2	4.3	N/A	N/A
Multi Asset Credit						
Brunel Multi Asset Credit	5.8	8.3	8.6	8.9	N/A	N/A
Private Equity						
Brunel Private Equity - Cycle 1	11.9	18.0	8.9	14.6	17.9	11.0
Brunel Private Equity - Cycle 3	11.1	18.0	N/A	N/A	N/A	N/A
Brunel Private Equity - Cycle 4	19.3	18.0	N/A	N/A	N/A	N/A
HarbourVest	12.5	21.5	4.0	13.3	14.4	11.1
Patria	-11.4	21.5	-4.3	13.3	4.8	11.1
Property						
CBRE Investment Management	6.3	5.4	4.4	3.4	3.6	2.9
Property Funds						
Brunel Secured Income - Cycle 1	4.5	3.3	1.7	3.0	0.8	5.2
Brunel Secured Income - Cycle 3	4.1	3.3	N/A	N/A	N/A	N/A
Infrastructure						
Brunel Infrastructure - Cycle 3	9.7	3.3	5.6	3.0	N/A	N/A
Federated Hermes Fund	6.5	10.0	-1.3	10.0	2.7	10.0
IFM Fund	11.6	10.0	7.4	10.0	12.2	10.0
Diversified Returns Fund						
Brunel Diversifying Returns Fund	8.5	7.2	7.5	7.8	5.3	6.4
Overall Fund Return	**12.1**	**15.0**	**9.4**	**11.6**	**6.5**	**8.5**

Performance Monitoring

Investment manager performance is reviewed quarterly by the Pension Fund Committee. The Committee review comprehensive quarterly and longer period reports that includes the performance of each manager measured against their benchmark and target. Information on returns is currently provided by State Street.

Fund Returns Achieved Over One, Three and Five Years by Asset Class

The overall performance of the Pension Fund's investments to 31 March 2026 is summarised below (returns for three and five years are annualised figures). Performance of the Pension Fund's investments to 31 March 2026 is summarised below (returns for three and five years are annualised figures.

Rates of Return - One Year Summary

During the year, the Fund underperformed its bespoke benchmark with a return of 12.1% compared to a benchmark of 15.0%. Positives to performance have been attributable to the Brunel Infrastructure Cycle 3 Fund (+6.4%), the Brunel Sterling Corporate Bonds and the Brunel Private Equity Cycle 4 Fund (both +1.3%).

The detractors to performance were the Private Equity manager Patria (-32.9%), the Brunel Smaller Companies Equities whose return was 11.9%, (12.2% below their benchmark of 24.1%), the Brunel Global Sustainable Equity Fund 10.4% below their benchmark and the Brunel Global High Alpha Fund 9.6% below their benchmark.

Rates of Return - Three-Year Summary

Over the three-year period, the Fund returned 9.4% against its bespoke benchmark of 11.6%. Positives to performance have been attributable to the Brunel Infrastructure Cycle 3 Fund (+2.6%), the Brunel Sterling Corporate Bonds (+1.9%) and the Property manager CBRE (+1.0%).

The main detractors to performance were the Private Equity manager Patria (-17.6%), the Infrastructure manager Federated Hermes (-11.3%), Private Equity manager HarbourVest (-9.3%), the Brunel Global Sustainable Equity Fund (-8.8%) and the Brunel Smaller Companies Equities Fund (-6.2%).

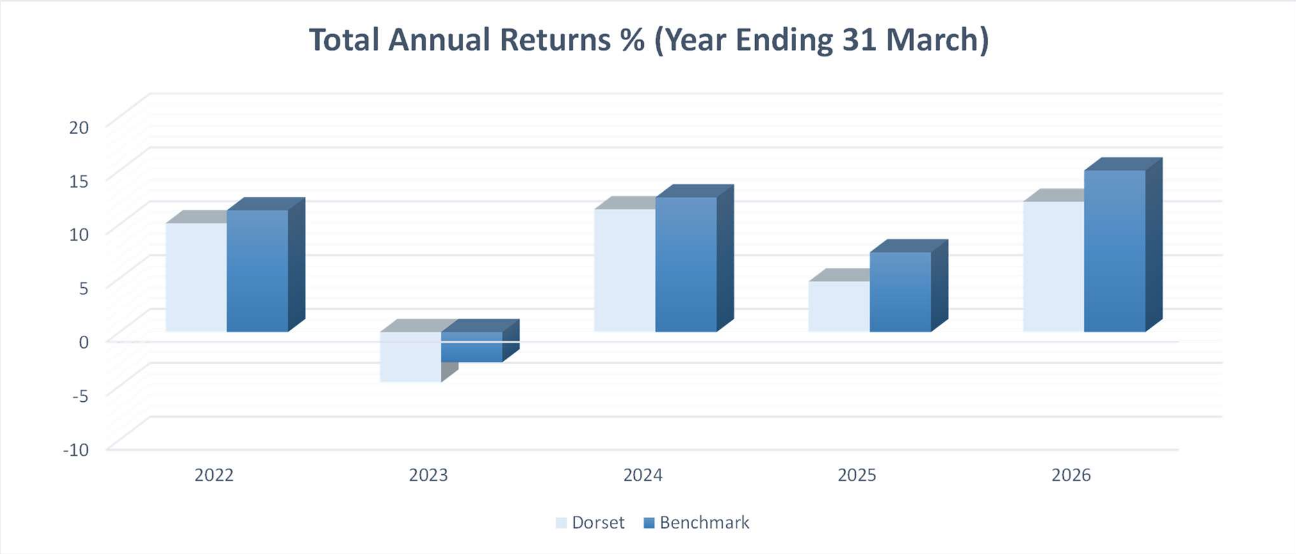
Rates of Return - Five-Year Summary

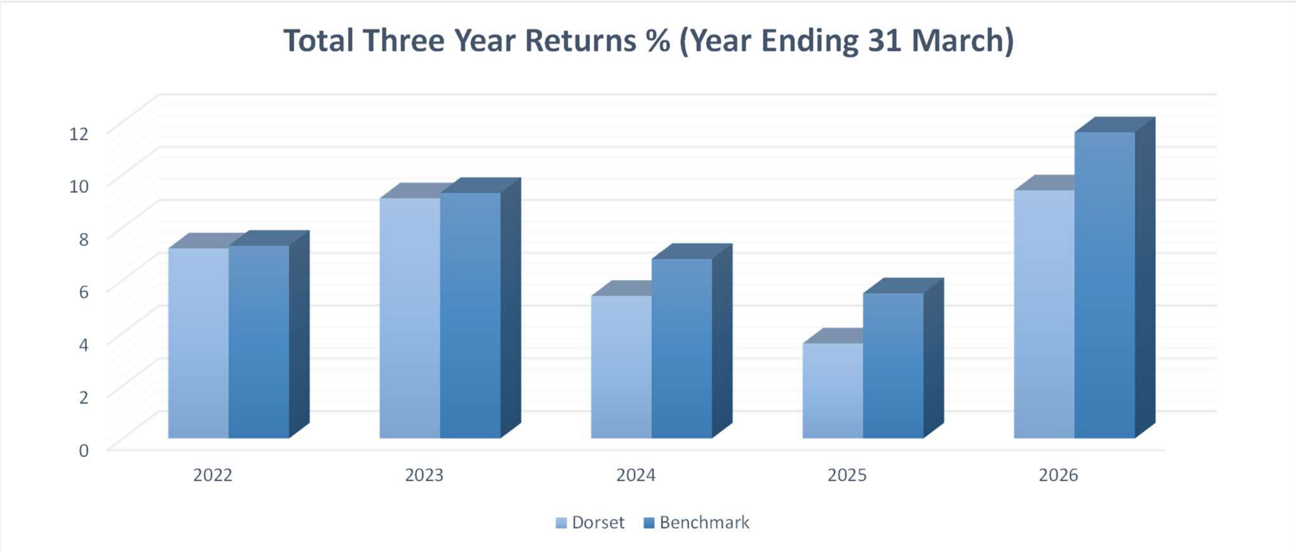
Over the five-year period, the Fund underperformed its benchmark with a return of 6.5% compared to a benchmark of 8.5%. Positives to performance were the Brunel Private Equity Cycle 1 Fund (+6.9), HarbourVest (+3.3%) and Infrastructure manager IFM (+2.2%).

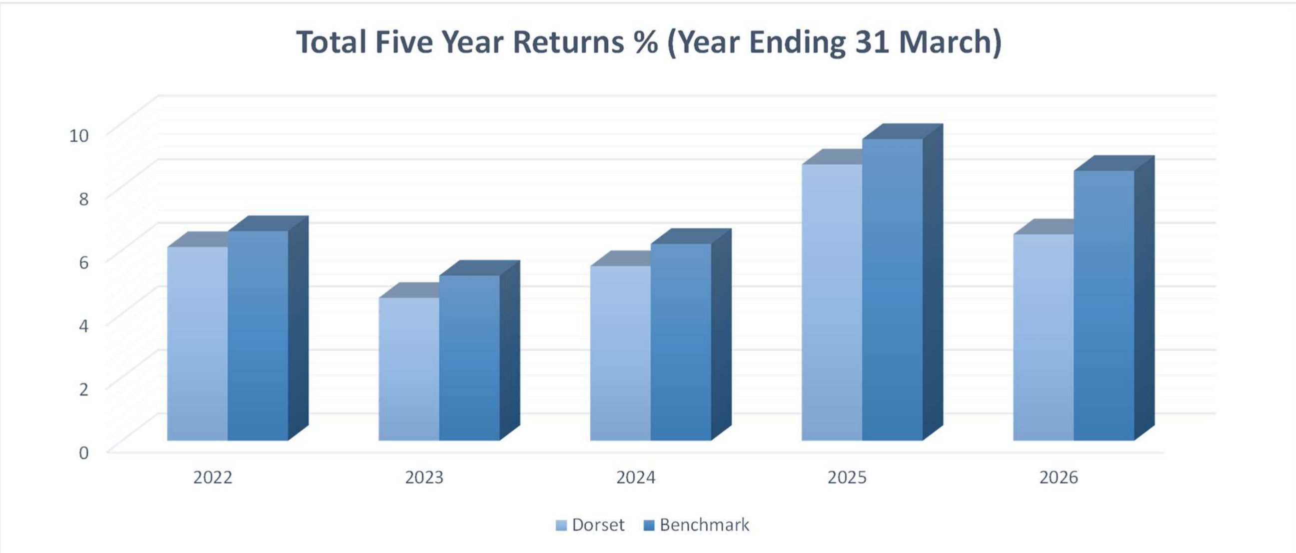
The detractors to performance were Federated Hermes who underperformed their benchmark by 7.3%, Patria who underperformed their benchmark by 6.3% and the Brunel Global Sustainable Equity Fund (-6.1%).

Total Returns Achieved for Annual, Three and Five Years

The charts on page 35 show the total annual, three and five year returns of the Fund compared with its benchmark for each of the last five years at 31 March.


Total Annual Returns % (Year Ending 31 March)
20
15
10
5
0
-5
-10
2022
2023
2024
2025
2026
Dorset
Benchmark


Total Three Year Returns % (Year Ending 31 March)
12
10
8
6
4
2
0
2022
2023
2024
2025
2026
Dorset
Benchmark


Total Five Year Returns % (Year Ending 31 March)
10
8
6
4
2
0
2022
2023
2024
2025
2026
Dorset
Benchmark

Fund Benchmarks

The Fund utilises external investment managers to undertake the day-to-day management of the Fund's assets. Each manager has a specific benchmark and performance target against which their performance is regularly monitored.

The table below shows the Managers of the Fund, their mandate, their respective benchmarks and their date of inception.

Manager	Mandate	Benchmark Indices	Inception Date
Brunel	Global Sustainable Equities	MSCI World All Cap	2020
Brunel	Multi Asset Credit	Sonia + 4%	2021
Brunel	Smaller Companies Equities	MSCI World Small Cap	2021
Brunel	Sterling Corporate Bonds	iBoxx Sterling Non-Gilts Overall Total Return Index	2022
Brunel - Colmore	Infrastructure Cycle 3	Consumer Price Index	2022
Brunel - Colmore	PM Secured Income - Cycle 1	Consumer Price Index	2019
Brunel - Colmore	PM Secured Income - Cycle 3	Consumer Price Index	2023
Brunel - Colmore	Private Equity - Cycle 1	MSCI ACWI	2019
Brunel - Colmore	Private Equity Cycle 3	MSCI AC World Index	2023
Brunel - Colmore	Private Equity Cycle 4	MSCI ACWI	2024
Brunel - Fundrock	Diversifying Returns Fund	SONIA	2020
Brunel - Fundrock	Global Equity High Alpha	MSCI World TR Gross	2019
Brunel - LGIM	Passive Developed Equities	FTSE World Developed	2020
Brunel - LGIM	Passive Developed Equities (Hedged)	FTSE World Developed GBP (Hedged)	2020
Brunel - LGIM	Passive Smart Beta	Passive Smart Beta Benchmark	2018
Brunel - LGIM	Passive Smart Beta (Hedged)	Passive Smart Beta (Hedged) Benchmark	2018
Brunel - LGIM	Passive UK Equities	Passive UK Equities Benchmark	2018
Brunel - Ninety One & Rebeco	Emerging Markets	MSCI EM TR Gross	2026
Brunel - Tutman	Low Volatility Global Equity	MSCI AC World Index	2024
CBRE	Property	MSCI Quarterly Universe	2000
Federated Hermes	Infrastructure	10% Absolute Return	2014
HarbourVest	Private Equity	FTSE All Share	2006
IFM	Infrastructure	10% Absolute Return	2016
Patria	Private Equity	FTSE All Share	2006

Source: State Street

Overview of Assets

The table below shows the Top 10 holdings of the Pension Fund as 31 March 2026.

Security Name	Market Value £	% of Pension Fund
Ninety One	132,640,927.05	2.92
Robeco	68,059,686.05	1.50
AstraZeneca Plc	48,348,937.23	1.07
Nvidia Corporation	45,007,707.44	0.99
Shell Plc	43,910,164.78	0.97
HSBC Holdings Plc	43,234,677.14	0.95
Alphabet Inc.	37,922,853.57	0.84
Microsoft Corporation	36,229,805.50	0.80
Apple Inc.	30,439,841.13	0.67
Unilever Plc	22,230,406.51	0.49

Table excludes cash and non-pooled assets. This is an estimated aggregate position using Brunel Portfolios.

Stewardship and Climate Metrics

Weighted Average Carbon Intensity (WACI) **is** a metric that quantifies the carbon emissions of companies within an investment portfolio relative to their revenue, weighted by the proportion of the portfolio invested in each company. It provides investors with a standardized way to assess how exposed their portfolio is to carbon-intensive companies and to track progress toward decarbonization goals.

Portfolio	WACI		Total Extractive Exposure		Extractive Industries (VOH) 2	
	2024 Q4	2025 Q4	2025 Q4	2026 Q1	2025 Q4	2026 Q1
Global High Alpha Equities	91	160	1.1	1.3	1.6	3.9
MSCI World*	161	164	3.0	2.9	7.1	8.8
Global Sustainable equities	200	238	1.3	1.4	6.1	7.9
MSCI ACWI*	190	193	3.0	3.0	7.1	8.6
Emerging Markets Equity	164	163	0.1	0.1	2.7	2.5
MSCI Emerging Markets*	459	425	5.2	4.3	6.4	7.0
Global Small Cap Equities	154	150	0.9	0.9	1.1	1.4
MSCI Small Cap World*	239	271	3.0	2.9	5.3	6.5
Low Volatility Globl Equities	107	107	0.5	0.8	2.8	3.4
MSCI ACWI*	190	193	3.0	3.0	7.1	8.6
PAB Passive Global Equities	115	117	0.7	0.7	3.7	4.4
FTSE Dev World TR UKPD*	165	168	3.0	3.0	7.4	8.9
PAB Passive Global Equities (Hedged)	115	117	0.7	0.7	3.7	4.4
CTB Passive Global Equities	141	140	1.1	1.1	5.1	5.9
CTB Passive Global Equities (Hedged)	141	140	1.1	1.1	5.1	5.9
FTSE Dev World TR UKPD*	165	168	3.0	3.0	7.4	8.9
Passive Developed Equities	165	168	2.8	2.7	7.3	8.9
Passive Developed Equities (Hedged)	165	168	2.8	2.7	7.3	8.9
Passive UK Equities	156	156	5.1	4.9	15.5	18.7
Passive Smart Beta	316	341	3.0	2.9	11.9	14.1
Passive Smart Beta (Hedged)	316	341	3.0	2.9	11.9	14.1

*Benchmark. [1] Extractive revenue exposure as share (%) of total revenue. [2] Value of holdings (VOH) - companies who derive revenues from extractives. Source: S&P. Changes between periods may reflect improved data quality and coverage.

Scheme Administration

The Local Government Pension Scheme

Dorset County Pension Fund
administered by Dorset Council

The Local Government Pension Scheme
The Local Government Pension Scheme (LGPS) is one of the largest pension schemes in the UK. It is a national pension scheme for people working in local government or working for other employers that participate in the Scheme. The LGPS in England and Wales is administered locally by 86 local pension funds.

The LGPS is a statutory public service pension scheme with, as at 31 March 2025, over 6.8 million members, assets of £402bn, over 18,000 employers participating in the scheme and 15,704 active employers.

The Scheme is regulated by statute through the Department for Ministry of Housing, Communities and Local Government. The LGPS is a defined benefit scheme. This means that benefits are determined by the regulations and are not affected by investment performance or market conditions.

The Scheme is governed by the Public Services Pension Act 2013. The fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended), describe how rights accrue and how benefits are calculated with effect from 1st April 2014. These regulations also contain the administrative provisions for the Scheme.
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended), set out how membership
- accrued prior to 1st April 2014 counts. These regulations also remove the ability of Councillors in England and Wales to continue their participation in the LGPS.
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (as amended), provide the regulatory framework for the investment of pension fund assets.

The LGPS is a registered public service pension scheme. This means that members can receive tax relief on the contributions that are paid, subject to certain limits.

Members include people who work in Local Authorities, including Dorset Council and Bournemouth, Christchurch and Poole Council, education establishments and admitted, resolution and scheduled bodies within Dorset.

Membership is generally available to employees of participating employers who have contracts of employment of three months or more, are under the age of 75 and who are not eligible for membership of other statutory pension schemes.

Membership of the LGPS is therefore not open to teachers, police officers, firefighters and civil servants who have their own pension schemes.

With effect from 1 April 2014 the LGPS changed from a final salary scheme to a career average scheme. All benefits built up in the LGPS after 31 March 2014 will be calculated under the rules of the career average scheme.

The vision is to administer the Dorset County Pension Fund (DCPF) successfully, in a cost-effective way, whilst meeting member expectations, and ensuring our statutory duties are met.

Cost Management

A cost management process ensures the long-term sustainability of the LGPS. The cost of the Scheme is monitored to make sure it stays within limits by the Scheme Advisory Board and HM Treasury. Changes to the Scheme design may be required if the cost of the LGPS becomes higher or lower than those limits.

How the Scheme Currently Works

Scheme Benefits

The main provisions of the LGPS scheme are as follows:

• The scheme provides a guaranteed pension. From the 1st of April 2014 the Scheme became a Career Average Revalued Earnings (CARE) scheme with benefits building at a rate of 1/49th of pay plus an annual revaluation in line with increase in CPI. The Final Salary link was retained for all benefits prior to 31 March 2014 (1/60th of final pay for each year of membership in the scheme after 31 March 2008 and membership to 31 March 2008 calculated as 1/80th final pay pension plus 3/80ths lump sum).

• Up to 25% of the capital value of benefits can be taken as a lump sum by commutation using the 12:1 commutation rate, i.e. for every £1 of pension given up the member gets £12 lump sum on retirement.

• Benefits prior to 31 March 2014 continue to be calculated on final pay, being the best one of the last three years' pay.

• Retirement age for future benefits is now State Pension Age, with protections for older members, but with the right to take pension from age 55 with a reduction for early payment.

• Flexible retirement with employer consent is permitted from age 55.

• Immediate payment of pension benefits following redundancy / efficiency retirement on or after age 55.

• A three-tier ill health benefits system.

• A death grant of three times pay for death in service; five times pension if a deferred beneficiary dies; and 10 times pension less pension already paid if a pensioner dies is payable.

• Spouses' and Civil Partners pensions are generally based on a 1/160th accrual rate. Co-habiting partners pension will also be based on a 1/160th accrual rate but on post 5 April 1988 membership only.

• Members can buy extra scheme pension up to a maximum of £9,054 or they can pay into an Additional Voluntary Contribution (AVC) plan.

• Employers can grant extra pension of up to £9,054.

• Trivial pensions may be commuted into a single lump sum payment in accordance with HMRC rules.

Scheme Employers

Scheme employers are supported by a dedicated team, who are available to assist and support employers. In addition to the information, forms and fact sheets are available on the DCPF's website. Regular training is provided to assist employers in understanding their role and responsibilities, and in completing the data returns required. The DCPF provides an employer specific website to provide support to employers **https://dcpfemployers.org** .

Employer meetings, (Pension Liaison Officers Group – PLOG), are held three times a year, and all employers are invited to attend.

Specific support is provided to employers outsourcing and new employers including a dedicated section on the website.

Full support and regular training are provided to assist employers in completing and maintaining their LGPS discretions policy, including a section on the fund website containing a full list of discretions, policy guidance and a template document at www.dcpfemployers.org .

Value for Money

The DCPF is committed to ensuring that the administration functions represent value for money and ensuring the continued improvement of cost efficiency where possible. The vision is to administer the DCPF successfully, in a cost-effective way, whilst meeting member expectations, and ensuring all statutory duties are met.

The scheme continues to offer value for money to employers and members, by making sure that both Pension Committee and Board have the right skill set and knowledge to ensure governance of the fund; whilst also making sure that the investment and administration teams are, appropriately and adequately resourced to meet the day-to-day challenge for running the Fund.

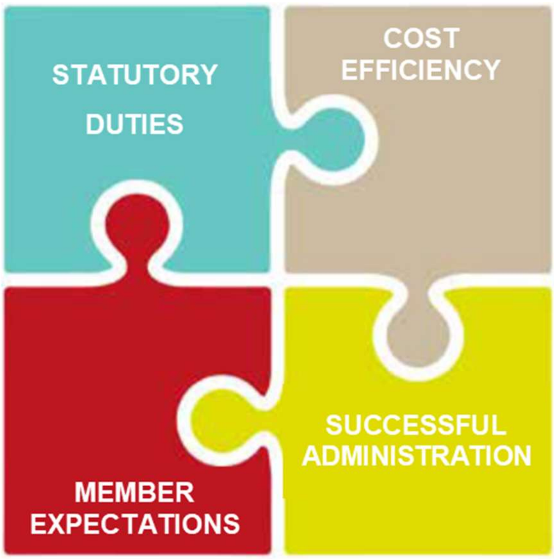
To ensure the effectiveness of the Pension Fund the administration service is monitored and reviewed through external and internal audits. The Pension Fund continues to invest in new technology and staff training to ensure a high-quality service is provided to scheme employers and their scheme members.

Data Quality

Retaining good quality data within the Fund is paramount to ensuring effective governance and administration of members' pension records.

Whilst the Fund has a high level of scheme member data which is considered to be present and accurate, it continually strives to improve its data quality.

Since 2018, the DCPF has developed a Data Improvement Plan following annual reports commissioned to examine the quality of the data held. The annual report, and subsequent improvement plans, have led to the continued improvement of data, and currently all scheme data is in excellent condition. This comes as a continued and joint effort of both the administration team and the DCPF employers who have committed to providing accurate and timely data. Where employers have not been able to meet these requirements, financial penalties as set out in the Pensions Administration Strategy have been imposed, together with an enhanced programme of training and support.
The Pensions Regulator requires all pension schemes to report to them via the annual Scheme Return, the data quality scores, for both common and scheme specific data.



Key Performance Indicators

Key Performance Indicators (KPIs) are annual measures that enable tracking of performance of prioritised activities, and adjust as necessary, within any given year. KPIs are an important part of the annual reporting procedure.

The table below shows a summary of the main tasks, the local target for completion, (Fund KPIs), the legal timescales, the number of tasks completed in each work area, plus the percentage completed within the target time. This represents a section of work only; it does not cover all work areas.

Process	Fund KPI's	Number of Cases Completed On Time or Early	Performance %
Deaths - Calculate and notify amount of dependent's benefit	15 Days	363	96.14
Estimates - Letter notifying estimate of retirement benefits	15 Days	1,062	99.44
Retirements - Process and pay lump sum retirement grant (including all retirement types)	10 Days	1,908	98.32
Deferment - Calculate and notify deferred benefits	40 Days	4,144	86.49
Transfers in - Letter detailing transfer in quote	15 Days	105	99.05
Refund - Process and pay a refund	15 Days	616	100.00
Joiners - Send notification of joining the LGPS to scheme member	30 Days	5,350	99.96
Divorce - estimates for divorce purposes processed	15 Days	207	100.00
General Correspondence	15 Days	5,461	97.55
Total		**19,216**	**96.10**

Communications and Member Engagement

In 2018, the DCPF has an online member self-service portal, which enables active, deferred and pensioner members the option to change basic details, such as address, run through benefit calculations, upload documents and also receive communications.

Active and deferred members, can perform their own benefit calculations from the data held on the member's pension record, enabling members to actively plan for retirement. Members can view and update personal details, which includes changing death grant expression of wish.

Members can register on the My Pension website:

https://mypension.dorsetcouncil.gov.uk .

Annual Benefit Illustrations are issued each year to active and deferred members together with an annual newsletter detailing regulatory changes and key messages for members. Annual newsletters are also sent to pensioner members each year. These communications are very well received by members.

The Communication Policy Statement for the DCPF can be found on the website below.
https://www.dorsetpensionfund.org/forms-and-publications/communications-policy/

In-House AVC Provider

The In-House AVC provider is the Prudential. Additional Voluntary Contributions (AVCs) allow members to build up extra savings for retirement. If members choose to pay AVCs, they are invested separately from the LGPS benefits and provide the member with additional income upon their retirement.

Triennial Valuation

The current rates payable were set at the 2022 valuation and are effective from 1 April 2023 to 31 March 2026; rates for each employer for the three years can be found in the 2022 Valuation document.

Employer contribution rates are individual to each employer and are certified by the Fund Actuary Barnett Waddingham LLP after agreeing assumptions with Dorset County Pension Fund. The rates are reviewed at each triennial valuation, although inter-valuation contribution reviews can be requested by both employers and the administering authority.

Every three years the Fund commissions a formal valuation from Barnett Waddingham LLP which produces two key outputs.
Firstly, it quantifies the funding level, i.e., the level to which the Fund's pension liabilities for the accrued benefits of current employees, deferred pensioners and pensions in payment are matched by the market value of the Fund's assets. A funding level of less than 100% implies that there is a deficit between the Fund's assets and liabilities at that date.

Secondly, it also sets the rate at which employers should contribute to the Fund for the following three years along with any deficit recovery payments.

Employer contributions are split into a primary rate and secondary rate. The primary rate is what is required to meet the future benefits earned by active members (that is, current employees). The primary rate is usually expressed as a percentage of pay. This is then adjusted by the secondary rate to arrive at the overall rate the employer is required to pay. The secondary rate may be in respect of costs associated with the funding of active and inactive members' benefits earned up to the valuation date, although there can be other factors which affect this rate. The secondary rate may be expressed as a lump sum payment or as a percentage of payroll.

The results of the latest triennial valuation, as at 31 March 2025, of the pension fund's assets and liabilities has been published. This estimated that at 31 March 2025 the fund had assets sufficient to cover 98% of its accrued liabilities, an improvement from 96% at the 31 March 2022 valuation.

Scheme Membership

Membership
The Fund was established in 1974 to cover the future pension entitlement of all eligible employees of the County Council and former District Councils. The Fund excludes provision for teachers, police officers and fire-fighters, for whom separate arrangements exist. A number of other bodies also participate in the Scheme. These include Parish and Town Councils, Further and Higher Education Establishments, Academies and Schools, Police and Fire Authorities (non-uniformed staff only) and Admitted Bodies. Admission Bodies are those which are able to apply for membership of the Scheme under the Regulations, or in some circumstances have an automatic right to participate in the Scheme provided they meet certain criteria under the

Regulations. If the Pension Fund Committee agrees to the application, or the organisation meets the criteria giving them the automatic right to participate in the Scheme, an Admission Agreement is drawn up admitting the body into the Scheme.

Employees must normally have a contract of employment for three months or more in order to be eligible for membership. Membership of the Scheme is then compulsory but eligible employees are free to choose whether to remain in the Scheme or make their own personal pension arrangements outside the Scheme.

Contributions

Employees and employers contribute to the scheme. Employees: Members of the LGPS pay a contribution rate dependant on the salary band they fall in to. The contribution rate employees pay depends on their salary. The bands and contribution rates for 2025-26 are set out in the table on page 44.

If a member leaves with at least two years membership and is not entitled to immediate payment of benefits and does not choose to transfer out their accrued benefits, deferred benefits are awarded. Deferred benefits are those which remain in the Fund and are paid when the member reaches retirement age. Such benefits are subject to inflationary increases between the date of leaving and the date of payment.

Standard contributions for members vary from 5.5% to 12.50% depending on the members' level of pensionable pay. Employers meet the balance of the cost of the LGPS through variable employer contributions which are set by the DCPF's actuary every three years following a valuation. Employer contribution rates are shown on pages 46-51.

DCPF's employers are all required to use the employer portal, which enables notifications and data to be exchanged securely. This system links directly into our workflow system.

Timeliness of contributions

The LGPS regulations specify that contributions must be received by the fund by the 22nd of the following month. All employer contributions due for 2025-26 have been received. The last contribution payment was received on 28 April 2026 from an Admitted Body with a small active membership. A total of £21,030.64 was paid late in 2025-26 which was 0.02% of the total employer contributions received. Receipt of contributions is reviewed monthly to determine if any action is required. The Fund Administrator and the Service Managers for Treasury and Investments and Pensions are notified of any non-payments. There were twenty instances of late payments, but no late payment interest was charged due to the amounts being insignificant.

Employees Contributions

Employee contributions are set at a national level and are adjusted on 1 April each year in line with any increase to the CPI. An individual's contribution rate is determined by their pensionable pay. Since 1 April 2014 pensionable pay includes all actual pay, including contractual and non-contractual overtime, and any other emoluments deemed as pensionable. The total pensionable pay will fall into one of nine bands and corresponding contribution rates. Scheme employers are responsible for determining the band for each employee. Employers must review contribution rates when any material change to a member's pay occurs, and at least once a year. Contributions are deducted directly from an employee's salary before tax is deducted and therefore benefit from tax relief.

Employees' contributions in the LGPS are payable based on a banded system of rates linked to pensionable pay. The 2025-2026 employee contribution bandings within the main and 50/50 sections of the LGPS have been confirmed and are detailed below; these are determined by the Government and not within the control of the DCPF or its employers.

There are nine salary bands with a different contribution percentage for each band. The following pay bands and contribution rates will apply in the main and 50/50 sections of the LGPS respectively from 1 April 2025 until 31 March 2026 (inclusive).

LGPS Contribution Bands 2025-26			
Band	**Pay Bands: Actual Pensionable Pay**	**Contribution Rate Main Scheme %**	**Contribution rate 50/50 Scheme %**
1	Up to £17,800	5.50	2.75
2	£17,801 to £28,000	5.80	2.90
3	£28,001 to £45,600	6.50	3.25
4	£45,601 to £57,700	6.80	3.40
5	£57,701 to £81,000	8.50	4.25
6	£81,001 to £114,800	9.90	4.95
7	£114,801 to £135,300	10.50	5.25
8	£135,301 to £203,000	11.40	5.70
9	£203,001 or more	12.50	6.25

Pension Increase

Deferred benefits and pensions in payment are increased each year determined by the increase in the Consumer Price Index (CPI). The pension increase is effective in the first full week of each financial year and is determined by the CPI in the twelve months to the previous September. The increases are payable by the Fund and future increases are estimated at each triennial valuation. This rate is formally announced in October each year and the CPI increase which came into force in April 2025 has been announced as 1.7%.

Pensioners must be over the age of fifty-five or have retired on ill-health grounds to receive the increase. Those in receipt of a widow's, widower's or dependant's benefit receive the increase regardless of age.

The table below shows the rate of increases that have applied for the last ten years.

Year Beginning April	Rate of Increase %	Index
2026	**3.8**	**CPI**
2025	1.7	CPI
2024	6.7	CPI
2023	10.1	CPI
2022	3.1	CPI
2021	0.7	CPI
2020	1.7	CPI
2019	2.4	CPI
2018	3.0	CPI
2017	1.0	CPI

Participating Employers of the Fund

At 31 March 2026 there were 361 employers in the Pension Fund. Participating employers can be scheduled bodies, resolution bodies or admitted bodies, as defined below:

- *Scheduled Bodies.* Employers such as the unitary council (including maintained schools), further education establishments and Academies, whose employees are automatically entitled to be members of the Fund.
- *Resolution Bodies.* These are town and parish councils who can pass a resolution to allow all, or certain categories of employees, to join the LGPS.
- *Admitted Bodies.* These are voluntary, charitable and, in certain circumstances, private sector organisations carrying out scheduled bodies' contracts, where staff can become members of the Scheme by virtue of an Admission Agreement between the Pension Fund and the relevant body. At 31 March 2026

there were 30 Admitted Bodies with active members participating in the Scheme.

The membership of the Scheme is analysed below over the three main categories of Active Members, Deferred Members and Pensioners.

- *Active Members:* Those in employment with the Council or one of the scheme employers making contributions to the Pension Fund.
- *Deferred Members:* Those who have left the Council or one of the Scheme employers but have not yet become entitled to receive their pension from the Scheme.
- *Pensioners:* Those who receive a pension from the Scheme (including spouses' and dependants' pension).

Scheme employers are supported by a dedicated team, who are available to assist and support employers. In addition to the information, forms and fact sheets are available on the website, regular training is provided to assist employers in understanding their role and responsibilities, and in completing the data returns required. All employers are all required to use the employer portal, which enables notifications and data to be exchanged securely. This system links directly to the pension administration system.

Specific support is provided to employers outsourcing and new employers including a dedicated section on the website.
Full support and regular training are provided to assist employers in completing and maintaining their LGPS discretions policy, including a section on the fund website containing a full list of discretions, policy guidance and a template document at:
www.dcpfemployers.org .

Employer Contribution Information – Year Ended 31 March 2026
The tables below show the Scheduled Bodies, Resolution Bodies and Admitted Bodies information as at 31 March 2026.

The following tables show the employers participating in the Dorset County Pension Fund as at 31 March 2026. The contribution rates shown are the percentage of its employees' pensionable pay that each employer paid into the fund during 2025-26 as well as employees' contributions. The contribution rates are set at a level to bring the fund to 100% funding over a period of sixteen years. The contributions received from both employers and their employees during the year are also shown.

Scheduled Bodies	Number of Active Members	Number of Pensioners or Beneficiary	Number of Deferred Members	Employer Contribution Rate Paid %	Employer Contributions £	Employee Contribution Rate Paid %	Employee Contributions £
Principal Councils							
BCP Council	5,092	8,011	6,276	19.0	35,456,934.12	6.4	10,551,779.87
Dorset Council	6,184	12,606	9,618	19.1	40,341,515.12	6.5	11,169,148.70

Scheduled Bodies	Number of Active Members	Number of Pensioners or Beneficiary	Number of Deferred Members	Employer Contribution Rate Paid %	Employer Contributions £	Employee Contribution Rate Paid %	Employee Contributions £
Further and Higher Education Establishments							
Bournemouth University	907	829	1,413	21.0	8,482,412.36	6.8	9,628.81
Arts University Bournemouth	286	124	286	17.0	1,987,639.04	6.4	618,181.46
Bournemouth And Poole College	201	537	629	24.0	1,388,488.14	6.4	2,484,846.25
Coastland College	386	483	674	15.9	1,555,973.27	6.0	442,415.91

Scheduled Bodies	Number of Active Members	Number of Pensioners or Beneficiary	Number of Deferred Members	Employer Contribution Rate Paid %	Employer Contributions £	Employee Contribution Rate Paid %	Employee Contributions £
Parish and Town Councils							
Alderholt Parish Council	2	2	2	22.0	10,444.30	6.2	2,928.62
Bere Regis Parish Council	1	0	0	22.0	3,180.70	5.5	795.14
Blandford Town Council	15	16	9	22.0	92,479.94	6.3	26,354.62
Bothenhampton & Walditch Parish Council	0	1	0	N/A	0.00	N/A	0.00
Bradpole Parish Council	0	0	1	N/A	0.00	N/A	0.00
Bridport Town Council	29	12	13	22.0	137,409.00	6.2	38,094.13
Broadwindsor Group Parish Council (1)	0	0	1	N/A	2,267.80	5.5	566.96
Charminster Parish Council	3	0	0	22.0	4,970.79	5.5	1,235.05
Chesil Bank Parish Council	1	0	0	22.0	2,745.33	5.5	686.36
Chickerell Town Council	7	0	0	22.0	37,179.51	6.3	6,235.43
Christchurch Town Council	11	2	0	22.0	66,737.41	7.0	21,219.69
Colehill Town Council	2	2	2	22.0	13,780.43	6.4	3,987.25
Corfe Mullen Town Council	9	7	2	22.0	52,407.28	6.3	14,950.52
Crossways Parish Council	1	0	1	22.0	5,234.52	5.8	1,380.00
Dorchester Town Council	25	26	10	22.0	154,336.06	6.4	45,023.42
East Stoke Parish Council	1	0	0	22.0	841.77	5.5	210.44
Ferndown Town Council	15	9	1	22.0	88,037.09	6.4	26,105.38
Frome Valley Parish Council (2)	0	0	0	22.0	670.06	5.5	157.55
Gillingham Town Council	16	8	10	22.0	105,572.02	6.3	30,177.03
Highcliffe & Walkford Parish Council	3	0	0	22.0	5,151.47	5.7	1,338.36
Knightsford Parish Council	1	0	0	22.0	2,945.88	5.5	736.44
Lower Winterborne Parish Council	1	0	0	22.0	1,813.53	5.5	453.41
Lyme Regis Town Council	20	22	12	22.0	152,999.88	6.1	43,035.77
Lytchett Matravers Parish Council	1	1	0	22.0	6,085.80	5.8	1,604.57
Lytchett Minster And Upton Town Council	7	5	0	22.0	44,611.22	6.4	13,042.67
Maiden Newton & Frome Vauchurch Parish Council	1	0	0	22.0	2,593.53	5.5	648.41
Milborne St Andrews Parish Council	0	1	0	N/A	0.00	N/A	0.00
Orchards And Margaret Marsh Parish Council	1	0	0	22.0	131.19	5.5	32.79
Portland Town Council	9	6	3	22.0	47,340.11	6.2	13,348.77
Puddletown Area Parish Council	0	1	1	N/A	0.00	N/A	0.00
Shaftesbury Town Council	9	8	13	22.0	47,370.98	6.1	13,235.88
Sherborne Town Council	20	20	8	22.0	115,217.52	6.4	33,403.17
St Leonards Parish Council	2	1	0	22.0	8,731.61	6.2	2,472.24
Stalbridge Town Council	1	0	0	22.0	4,642.33	5.8	1,223.87
Sturminster Marshall Parish Council	1	0	0	22.0	3,769.90	5.5	942.50
Sturminster Newton Parish Council	0	2	0	N/A	0.00	N/A	0.00
Swanage Town Council	37	73	34	22.0	218,391.47	5.8	57,512.96
Toller Porcorum Parish Council	1	0	0	22.0	622.85	5.5	155.71
Verwood Town Council	5	2	1	22.0	31,121.63	7.1	10,049.51
Wareham St Martin Parish Council	0	1	0	N/A	0.00	N/A	0.00
Wareham Town Council	7	13	6	22.0	55,586.13	6.9	17,414.58
West Moors Town Council	2	1	2	22.0	17,003.32	6.6	5,134.06
West Parley Parish Council	1	1	0	22.0	7,325.64	6.5	2,164.44
Weymouth Town Council	49	15	16	22.0	349,220.82	6.7	106,475.20
Wimborne Minster Town Council	8	4	5	22.0	60,503.23	6.4	17,682.37
Wool Parish Council	1	2	1	22.0	5,524.11	5.8	1,456.32

Scheduled Bodies	Number of Active Members	Number of Pensioners or Beneficiary	Number of Deferred Members	Employer Contribution Rate Paid %	Employer Contributions £	Employee Contribution Rate Paid %	Employee Contributions £
Academies and Schools							
Atlantic Academy	63	63	68	23.6	262,983.48	6.1	67,533.14
Authentic Education	647	241	510	23.6	3,025,053.76	6.2	732,869.59
Avonbourne Academy	141	99	133	23.6	658,609.74	6.1	170,826.28
Beaucroft School	141	25	30	23.5	518,427.31	5.7	126,552.02
Bournemouth School Academy	60	43	42	23.6	256,896.61	6.2	67,681.51
Bournemouth School For Girls Academy	64	50	44	23.6	285,083.29	6.4	77,576.26
Bovington Academy	28	2	19	23.6	541,696.48	5.8	19,980.44
Budmouth Academy	85	108	108	23.6	329,261.57	6.0	83,986.09
Burton Primary School	38	3	6	22.2	102,578.03	5.7	26,130.36
Coastal Learning Partnership	887	141	319	23.6	2,190,046.72	5.7	531,656.01
Cornerstone Academy	72	23	48	23.6	263,078.47	5.9	65,737.31
Corpus Christi School	67	7	4	22.2	166,417.12	5.7	42,768.23
Diocese Of Salisbury Academy Trust	546	98	192	23.6	1,098,365.44	5.6	261,260.31
Dorset Studio School	37	7	14	23.6	159,927.18	5.7	38,320.14
First Federation Trust	116	26	55	23.6	284,963.33	5.6	68,339.15
Glenmoor School	7	10	9	23.6	51,904.92	6.3	13,926.09
Hamwic Education Trust	677	189	418	23.6	1,891,026.40	5.8	463,119.15
Heath Academy Trust	122	31	102	23.6	353,737.53	5.7	83,942.84
Highcliffe Academy (HISP)	83	53	70	23.6	343,306.28	5.9	83,103.03
Highcliffe St Mark Primary School	81	29	50	22.2	238,111.14	5.7	61,224.43
Hill View Primary Academy	40	18	20	23.6	129,961.37	5.7	31,274.69
Initio Learning Trust	586	324	429	23.6	2,041,651.00	5.9	514,234.18
Jewell Academy	25	2	26	23.6	113,174.24	5.7	27,362.19
Kingsleigh Primary School	64	23	38	23.6	293,832.18	6.0	74,323.95
Linwood School	317	18	48	22.2	1,175,816.37	5.8	306,250.52
Livingstone Academy Bournemouth	57	0	4	23.6	174,950.63	5.8	43,129.95
Lytchett Minster School	120	43	64	23.6	482,201.44	5.9	121,097.38
Magna Academy	61	18	43	23.6	229,966.13	6.1	59,006.60
Malmesbury Park Primary School	65	33	38	23.6	190,004.05	5.7	46,544.64
Montacute School	89	47	103	23.6	347,087.41	5.7	83,662.18
Moordown St John's CE Primary School	38	21	24	23.6	125,885.51	5.7	30,405.05
Mudeford Infants School	33	7	19	22.2	66,582.16	5.6	16,893.10
Mudeford Junior School	24	4	15	22.2	68,729.44	5.7	17,684.09
Muscliff Primary	71	21	36	23.6	220,372.90	5.8	61,329.47
Ocean Academy	26	3	8	23.6	103,033.92	5.8	25,341.33
Parkfield School	0	8	32	23.6	44,349.43	6.1	1,788.98
Parkstone Grammar School	75	53	65	23.6	297,499.25	6.0	75,566.15
Pickwick Academy Trust	148	6	24	23.6	333,976.38	5.6	78,948.00
Plymouth CAST	316	106	186	23.6	728,439.41	5.8	175,446.71
Pokesdown Coomunity Primary School	84	30	36	23.6	164,296.02	5.7	39,722.16
Poole Grammar Academy	72	66	81	23.6	283,205.60	5.9	70,888.78
Sherborne Area Schools' Trust	469	202	363	23.6	1,618,872.09	6.1	421,877.37
Somerford Primary School	35	10	11	22.2	104,847.99	5.8	27,279.62
Southern Education Trust	562	85	238	23.6	1,487,477.95	6.0	481,057.56
St Edward's School	72	9	27	22.2	285,583.99	6.0	76,796.19
St James' Church of England Primary	46	10	27	23.6	156,968.54	5.7	38,815.54
St Josephs School	43	4	11	22.2	78,963.58	5.6	19,914.76
St Katharine's C of E School	61	1	11	22.2	157,931.31	5.8	41,275.36
St Mark's Primary School	68	14	31	23.6	161,372.58	5.7	38,772.86
St Michael's CE Primary School	64	13	38	23.6	246,554.94	5.7	60,072.87
St Walburga's Catholic Primary School	78	16	7	22.2	130,756.91	5.6	33,224.68
St. Peter's Catholic School	139	98	103	23.6	524,980.92	5.8	130,131.12
Stanley Green Infant Academy	39	6	19	23.6	87,456.33	5.6	20,851.53
Teach Poole	207	46	90	23.6	617,500.63	5.8	150,942.02
The Bishop Of Winchester Academy	58	29	64	23.6	288,955.03	6.2	76,274.31
The Bourne Academy	64	19	59	23.6	332,585.58	6.4	90,299.01
The Epiphany Academy	41	28	20	23.6	124,162.72	5.8	30,398.43
The Priory Primary School	24	6	14	22.2	63,732.28	5.7	16,275.10
The Swanage School	39	5	25	23.6	151,752.22	6.2	39,964.00
The Woodroffe School	53	67	58	23.5	287,996.17	6.1	74,872.63
Twynham Learning	474	141	292	23.6	1,706,616.76	5.9	428,295.05
Wessex Multi Academy Trust	532	187	379	23.6	1,927,275.70	6.0	479,711.91
Westfield Arts College	127	75	104	23.5	487,032.68	5.9	121,276.69
Winchelsea School	118	3	14	23.6	444,168.72	5.8	116,221.48
Winton Academy	69	17	37	23.6	351,254.31	6.1	91,082.02

Scheduled Bodies	Number of Active Members	Number of Pensioners or Beneficiary	Number of Deferred Members	Employer Contribution Rate Paid %	Employer Contributions £	Employee Contribution Rate Paid %	Employee Contributions £
Other Employers							
Aspens Services Ltd (SAST)	9	0	4	22.6	53,603.09	5.6	13,356.53
Aspens Services Ltd (Twynham)	8	0	1	21.8	46,777.59	5.6	12,075.05
Barnardo's	0	2	5	N/A	0.00	N/A	0.00
Bournemouth Airport	0	36	0	N/A	0.00	N/A	0.00
Bournemouth Health	0	1	0	N/A	0.00	N/A	0.00
Bournemouth Transport	0	161	4	N/A	0.00	N/A	0.00
Chartwells Compass	2	0	0	20.4	4,742.35	5.5	1,278.45
Christchurch Learning Centre	5	0	2	22.2	31,011.05	6.1	8,575.76
Churchill (Ambitions)	7	1	1	22.6	10,806.49	5.5	2,629.98
Churchill (Bourne Academy)	2	0	1	24.6	5,620.76	5.5	1,120.06
Churchill (Harbourside)	3	0	0	18.5	3,618.97	5.5	1,075.91
Churchill (Poole)	0	1	1	N/A	0.00	N/A	0.00
Churchill (St Joseph's)	0	1	0	N/A	0.00	N/A	0.00
Churchill Contract Services	0	1	0	N/A	0.00	N/A	0.00
Churchill Purbeck School	0	0	1	N/A	0.00	N/A	0.00
Cleverchefs (Castleman) (3)	7	0	0	N/A	0.00	N/A	0.00
Cleverchefs (Pickwick) (3)	3	0	0	19.3	0.00	N/A	0.00
Dorchester Joint Burial Committee	0	1	1	N/A	0.00	N/A	0.00
Dorset Magistrates' Court	0	88	17	N/A	0.00	N/A	0.00
East Boro Housing Trust	0	16	12	N/A	0.00	N/A	0.00
Edwards & Ward Limited	0	1	0	N/A	0.00	N/A	0.00
Energy Kidz Limited	0	0	1	N/A	0.00	N/A	0.00
Harrison Catering Services Ltd	0	0	2	N/A	0.00	N/A	0.00
Health Sciences University	26	42	31	23.0	312,313.30	7.0	56,185.85
Innovate Services Limited	0	0	2	N/A	0.00	N/A	0.00
Interclean	0	1	0	N/A	0.00	N/A	0.00
Jurassic Coast Trust	0	1	2	N/A	0.00	N/A	0.00
Millbrook Healthcare	5	4	1	26.1	45,987.85	6.4	11,291.03
Police & Crime Commissioner for Dorset	1,397	1,196	879	18.7	8,930,204.52	7.1	3,199,066.05
Rapid Commercial Cleaning Services Limited (4)	3	1	0	22.6	5,113.20	5.5	1,015.82
Taylor Shaw Limited (5)	13	0	0	23.6	0.00	0.0	0.00
The Colliton Club	1	1	1	28.0	5,018.16	5.5	985.80
Wareham Burial Joint Comnittee	0	2	0	N/A	0.00	N/A	0.00
Wessex Education Shared Services	0	10	8	N/A	0.00	N/A	0.00
Wimborne Cemetery	0	1	0	N/A	0.00	N/A	0.00

Admitted Bodies	Number of Active Members	Number of Pensioners or Beneficiary	Number of Deferred Members	Employer Contribution Rate Paid %	Employer Contributions £	Employee Contribution Rate Paid %	Employee Contributions £
Admitted Bodies							
1610	0	6	13	N/A	0.00	N/A	0.00
Abilities Limited	0	0	2	N/A	0.00	N/A	0.00
Action For Children	0	0	5	N/A	0.00	N/A	0.00
Addaction	0	1	0	N/A	0.00	N/A	0.00
Age Concern Bournemouth	1	5	0	24.5	2,261.02	5.5	507.63
Ansbury	0	112	107	N/A	0.00	N/A	0.00
AP Chant Plumbing & Heating	0	3	0	N/A	0.00	N/A	0.00
AQS Homecare	0	12	0	N/A	0.00	N/A	0.00
BH Live	45	90	120	21.5	282,970.30	6.7	87,561.03
Bloom Cleaning (6)	1	0	0	N/A	0.00	N/A	0.00
Bridport Museum Trust	0	1	0	N/A	0.00	N/A	0.00
Care Dorset Limited	222	109	53	22.4	1,076,299.68	5.9	289,471.29
Care Quality Commission	0	0	1	N/A	0.00	N/A	0.00
Care South	0	389	245	N/A	0.00	N/A	0.00
Care Uk Plc	0	51	27	N/A	0.00	N/A	0.00
Caterlink Limited	0	2	4	N/A	0.00	N/A	0.00
Caterlink Limited (St Peter's School)	0	2	0	N/A	2,527.71	5.5	524.61
Caterlink Limited (Wimborne)	1	0	3	21.3	4,795.81	5.8	1,305.90
Churchill (Avonbourne)	6	0	2	18.8	8,470.68	5.5	2,478.13
Churchill (Bearwood)	0	2	1	N/A	0.00	N/A	0.00

Admitted Bodies	Number of Active Members	Number of Pensioners or Beneficiary	Number of Deferred Members	Employer Contribution Rate Paid %	Employer Contributions £	Employee Contribution Rate Paid %	Employee Contributions £
Admitted Bodies							
Churchill Cleaning Dorset Police	0	2	0	N/A	0.00	N/A	0.00
Citizens Advice Bournemouth Christchurch and Poole	0	8	0	N/A	0.00	N/A	0.00
Compass Contract Services Limited	0	4	1	N/A	0.00	N/A	0.00
Convex Leisure Limited	0	3	2	N/A	0.00	N/A	0.00
CSCI	0	17	2	N/A	0.00	N/A	0.00
Cucina Restaurants Limited	6	1	6	26.7	28,585.68	5.6	6,006.72
Cucina Restaurants Limited (Livingstone)	2	0	0	14.5	6,150.05	N/A	1,496.43
DC Leisure Management Limited	0	10	18	N/A	0.00	N/A	0.00
Dorset Association of Town & Parish Councils	1	8	0	26.0	16,362.32	5.8	3,609.08
Dorset Community Action	0	35	4	N/A	0.00	N/A	0.00
Dorset County Museum	3	18	8	24.5	16,811.76	5.7	3,928.44
Dorset Lighting	0	2	0	N/A	0.00	N/A	0.00
East Dorset Housing Association	0	45	19	N/A	0.00	N/A	0.00
Enigma CCTV Ltd	0	2	0	N/A	1,868.22	5.5	373.64
Family Action	2	1	0	23.5	10,024.04	5.8	2,474.01
Gamegrid	0	0	1	N/A	0.00	N/A	0.00
Glen Cleaning	1	0	0	25.4	2,439.12	5.5	528.15
Golf For All	0	0	1	N/A	0.00	N/A	0.00
Hayward Services Limited	15	2	7	20.6	40,294.22	5.5	10,363.25
Healthy Living Wessex	0	2	2	N/A	0.00	N/A	0.00
Horizon Home Care (Southern) Limited	2	1	0	24.2	4,930.26	5.5	1,117.16
HPS Services FM Ltd (Atlantic & Budmouth)	12	7	3	29.9	36,806.56	5.5	23,244.12
HPS Services FM Ltd (Bovington)	1	0	1	26.3	2,021.57	5.5	422.83
KGB Cleaning South West (Hamwic)	1	0	0	23.6	3,122.29	5.5	751.13
KGB Cleaning South West Ltd	0	1	0	N/A	0.00	N/A	0.00
Links4Learning	0	1	1	N/A	0.00	N/A	0.00
Lyme Arts Community Trust	0	1	0	N/A	0.00	N/A	0.00
Mack Trading	0	4	3	N/A	0.00	N/A	0.00
Magna Housing Association Limited	29	264	110	29.0	320,200.29	6.7	74,142.84
Magna Housing Group	4	39	12	22.7	125,668.48	6.6	11,632.99
Mouchel Ltd	0	78	54	N/A	0.00	N/A	0.00
Municipal Hire Services Ltd	0	0	1	N/A	0.00	N/A	0.00
N-Viro Limited	0	0	1	N/A	0.00	N/A	0.00
Openwide International Limited	0	0	1	N/A	0.00	N/A	0.00
Places For People	3	6	4	23.0	16,516.62	6.5	4,576.42
Poole Harbour Commissioners	0	2	1	N/A	0.00	N/A	0.00
Port Health	0	14	0	N/A	0.00	N/A	0.00
Portland Museum Trust	0	0	1	N/A	0.00	N/A	0.00
Purbeck Housing Trust	0	17	5	N/A	0.00	N/A	0.00
Restorative Solutions	1	0	0	29.4	5,904.12	5.8	1,164.84
Sansum Solutions Group Limited (7)	1	0	0	17.8	676.75	5.5	209.10
Schools Plus Limited	0	0	1	N/A	0.00	N/A	0.00
Sequal Solutions Limited	0	2	5	N/A	0.00	N/A	0.00
Sherborne Youth Resource	0	1	0	N/A	0.00	N/A	0.00
Signpost Housing Association Limited	0	54	14	N/A	0.00	N/A	0.00
SLM (Weymouth) Community & Leisure	3	4	7	22.3	18,424.62	6.3	5,223.46
SLM (Weymouth) Fit And Health	0	0	1	N/A	0.00	N/A	0.00
SLM Community & Leisure Blandford	7	5	11	18.0	32,040.33	6.5	11,646.55
SLM Community Leisure Charitable Trust	0	10	28	N/A	0.00	N/A	0.00
SLM Fitness And Health Limited	0	0	1	N/A	0.00	N/A	0.00
SLM Food And Beverage Limited	0	1	2	N/A	0.00	N/A	0.00
South Dorset Community Sports Trust	0	3	1	N/A	0.00	N/A	0.00
Sovereign Housing Group	1	56	13	17.6	217,879.92	12.5	34,978.60
Specialist Fleet Services	0	0	2	N/A	0.00	N/A	0.00
Spectrum Housing Group	7	22	8	17.6	411,251.93	7.7	29,957.82
Stonewater Limited	1	33	11	18.0	138,277.68	10.5	12,412.02
Synergy Housing Group (8)	0	61	47	N/A	110,630.00	N/A	0.00
The Arts Development Company	0	3	3	N/A	0.00	N/A	0.00
The Children's Society Limited	0	0	3	N/A	0.00	N/A	0.00
Tricuro	135	594	412	22.5	851,955.62	6.2	233,358.84
Tricuro Start Team	3	1	4	22.4	19,287.63	5.7	4,890.92
Wessex Museums Trust	0	1	1	N/A	0.00	N/A	0.00
Wessex Water Authority	0	5	0	N/A	0.00	N/A	0.00
Weyco Services Limited	3	3	9	15.9	13,694.58	5.8	4,172.60
Weymouth & Portland Housing Association	0	57	14	N/A	0.00	N/A	0.00
Overall Total	**25,148**	**29,909**	**27,099**		**136,925,216.97**		**38,105,974.02**

1 Broadwindsor Group Parish Council - Last member left the Scheme on 16 November 2025.
2 Frome Valley Parish Council - Last member left the Scheme in March 2026.
3 Cleverchefs Oickwick- They went into administration on 10 November 2025 and their staff transferred to Cleverchefs Catering (Pickwick).
4 Rapid Commercial Cleaning Services Limited - The three employees left employment and tuped to a new employer.
5 Taylor Shaw Limited - Joined the Scheme on 3 November 2025. Backdated payments received in 2026-27.
6 Bloom Cleaning - Backdated contributions expected in 2026-27.
7 Sansum Solutions Group Limited - Last member left the Scheme in August 2025.
8 Synergy Housing Group - Cessation Instalments.

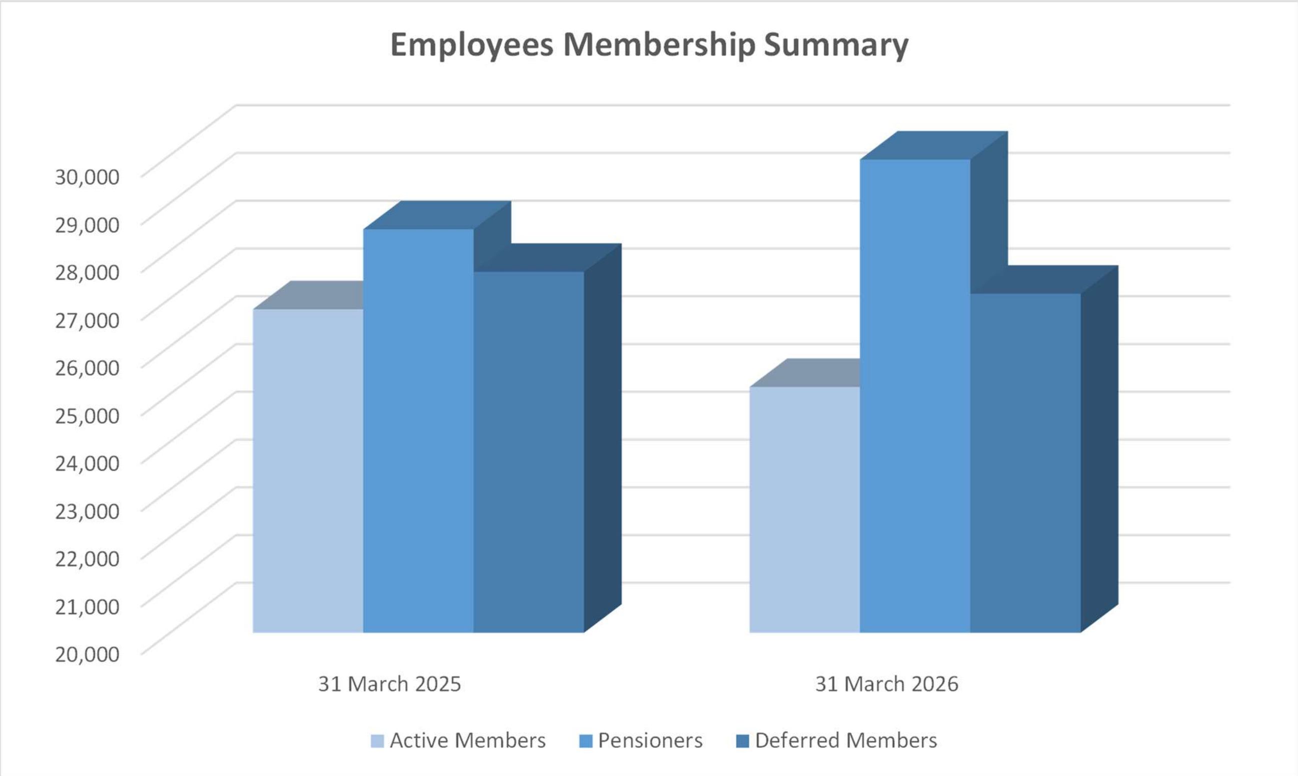
Other Scheme Administration Information

Scheme Membership

On 31 March 2026 there were 25,148 active members, 29,909 pensioners or beneficiaries and 27,099 deferred members, a total of 82,156 scheme members.

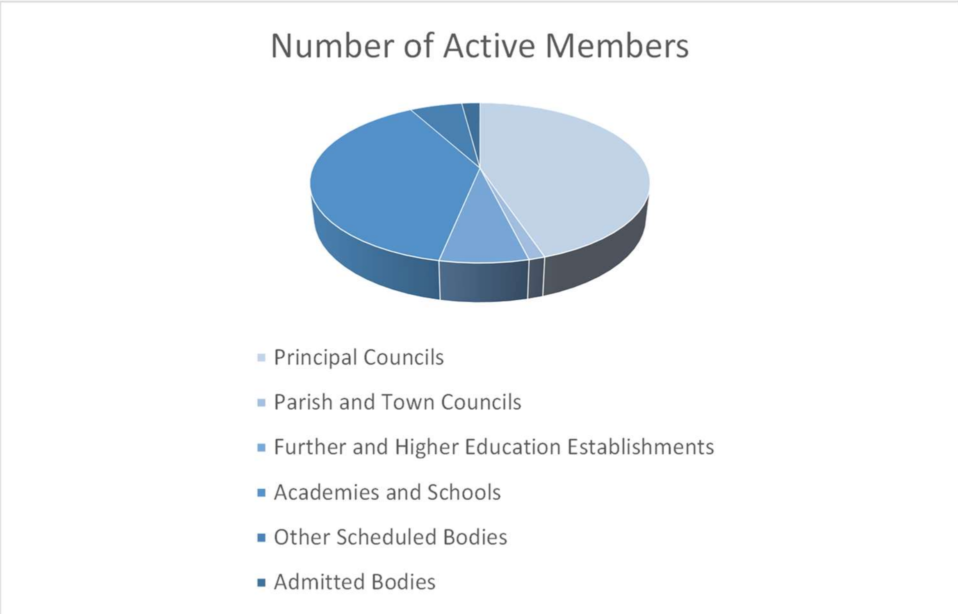
The tables and charts below show the Membership in the Fund over the last two financial years.

Membership Summary	31 March 2025	31 March 2026	Change	Change %
Total Employers	**346**	**361**	15	4.3
Employees				
Active Members	26,774	25,148	-1,626	-6.1
Pensioners	28,448	29,909	1,461	5.1
Deferred Members	27,557	27,099	-458	-1.7
Total	**82,779**	**82,156**	-623	

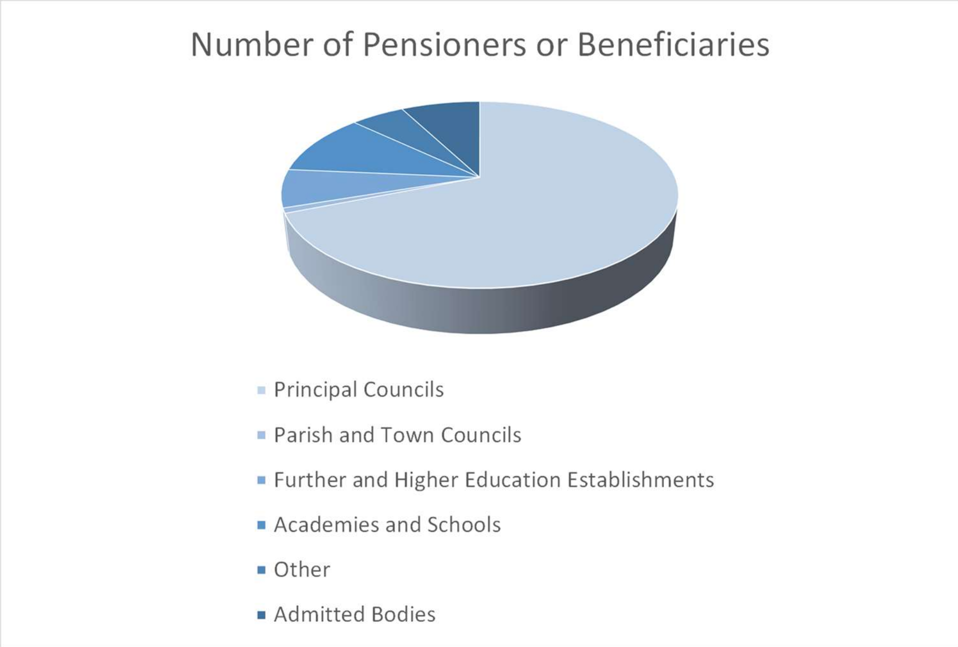


The tables and the charts below show the split of Active members and Pensioners at 31 March 2026.

Active Members 31 March 2026	Number of Active Members	%
Principal Councils	11,276	44.8
Parish and Town Councils	326	1.3
Further and Higher Education Establishments	1,780	7.1
Academies and Schools	9,755	38.8
Other Scheduled Bodies	1,491	5.9
Admitted Bodies	520	2.1
Total	**25,148**	**100.0**

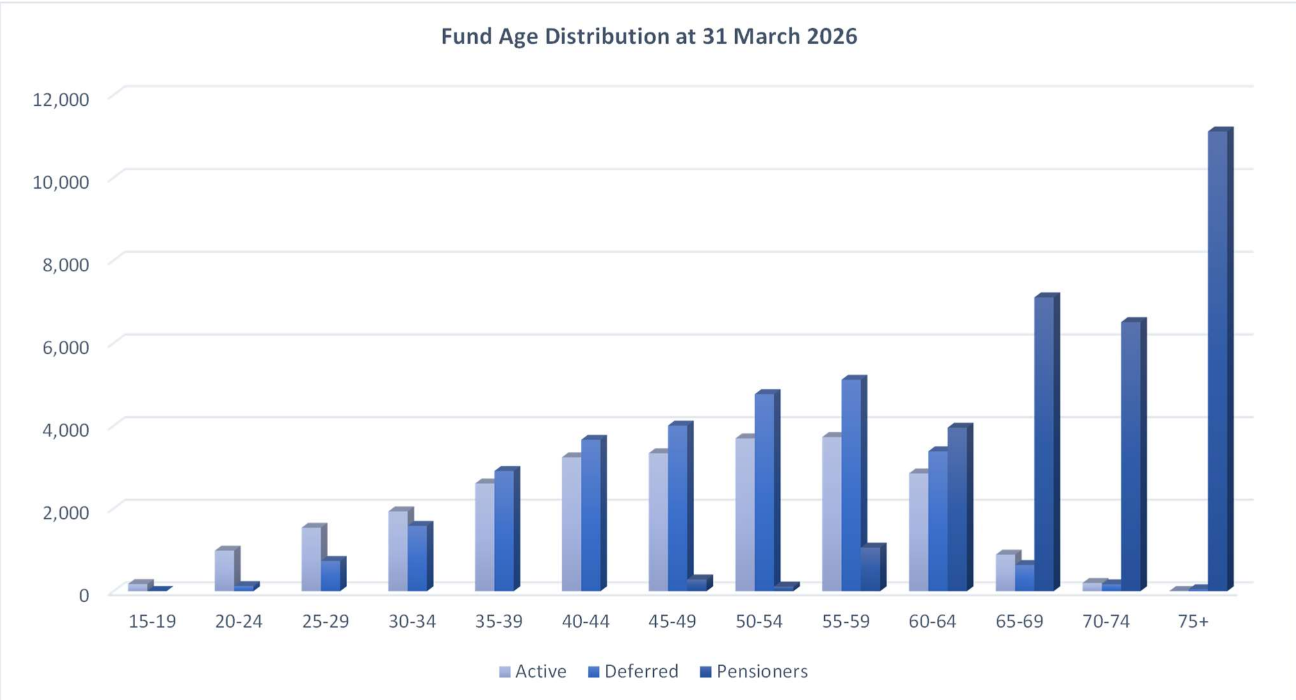


Pensioners 31 March 2026	Number of Pensioners/ Beneficiaries	%
Principal Councils	20,617	68.9
Parish and Town Councils	264	0.9
Further and Higher Education Establishments	1,973	6.6
Academies and Schools	3,190	10.7
Other	1,569	5.2
Admitted Bodies	2,296	7.7
Total	**29,909**	**100.0**



Age Profile of Membership at 31 March 2026

The chart below shows the Fund Age Profile at 31 March 2026.



Starters and Leavers During 2025-26

During 2025-26 there were 4,427 new starters in the Pension Fund and 4,074 that have left the scheme.

Contributions and Benefits

The table and chart below show the history of contributions received and benefits paid over the last five financial years.

Cash Flow Management

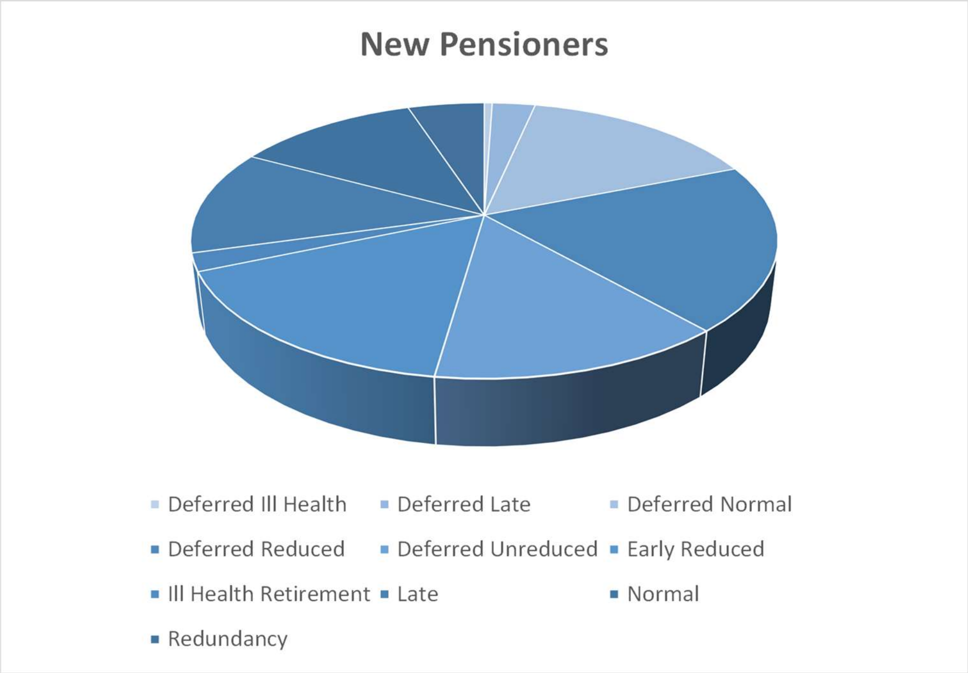
Contributions and pensions paid have increased since 2022-23 reflecting a decrease in the number of active scheme members contributing into the scheme and an increase in pensioners receiving payment of their pension. As detailed on this page, total contributions received by the Fund in 2025-26, including transfers into the Fund, were £175.0m and total pensions paid during the year, including transfers out of the Fund, were £189.5m. This means that the Fund paid out £12.5m more in pensions than it received from contributions in the year. To account for this cash flow requirement, the Fund's investment strategy includes a range of income generating assets to fund the balance between pensions paid and contributions received as well as the general operating costs of the Fund. The cash inflows and outflows of the Fund are monitored and managed by officers to ensure there is sufficient cash available to fulfil day to day requirements.

Year	Member Contributions £'000	Benefits Paid £'000
2025-26	**175,031**	**189,519**
2024-25	174,620	181,830
2023-24	156,866	159,280
2022-23	141,527	141,306
2021-22	139,798	133,759

New Pensioners

The table and chart below show the details of new pensioners split between types of retirement.

New Pensioners	
Type of Retirement	**Total**
Deferred Ill Health	10
Deferred Late	54
Deferred Normal	298
Deferred Reduced	373
Deferred Unreduced	263
Early Reduced	311
Ill Health Retirement	40
Late	235
Normal	230
Redundancy	96
Total	**1,910**



Scheme Administration

Dorset Council is the administering authority for the Dorset County Pension Fund, and the scheme administration is the responsibility of the Fund Administrator. The costs of administering the scheme are charged to the Pension Fund.

Financial Services staff assist the Fund Administrator in their statutory duty to ensure that the Pension Scheme remains solvent and is administered effectively, adhering to the LGPS Regulations in order to meet any current and future liabilities.

Staffing

Over recent years, several experienced team members have left the administration team to pursue other work opportunities. Recruitment and retention of staff is a key issue for LGPS Pension Funds nationally. Externally there is a small pool of individuals who have the relevant qualification and experience to be able to step into roles where it is essential to have previous experience in the administration of the LGPS. In the last twelve months DCPF have been successful in recruiting to vacancies and are training new members of staff for them to be able to fulfil their roles.

There are two separate teams within the Dorset County Pension Fund. There are three sections in Pensions Administration which administers the Local Government Pension Scheme - the Technical Administration Teams, the Employer Relationship and Communication Team, and the Systems and Operations Team, which includes the pensions payroll. The Treasury and Investment Team is responsible for the accounting of the Pension Fund.

The Pensions Administration team is accountable to the Pension Fund Committee, the Local Pensions Board, participating Employers and Scheme members. The team is fully committed to providing a quality service to meet the needs of the Fund's various stakeholders and to deliver excellent customer care.

The Pensions Administration Team provide a wide range of services including:

- Administration of the affairs of Dorset County Pension Fund.
- Administration of new starters in the Scheme.
- Calculation of pensions and lump sums for retiring members of the LGPS and provision of early retirement estimates.
- Calculation of service credit calculations, outgoing transfer value calculations and divorce estimates for the Local Government.
- Calculation of deferred pensions and refunds for early leavers.
- Calculation of widows and dependants benefits for retired and active members.
- Dealing with the administration of in-house AVCs and APCs.
- Maintenance of the database of pension scheme members and provision of annual benefit statements and deferred benefit statements.
- Undertaking the annual pension increase exercise.
- Performance monitoring, including provision of Key Performance Indicators reports.
- Promotion and facilitation of relationships and working arrangements between the Fund and its Employers.
- Responsible for the design, procurement and issuing of fact sheets, newsletters, information and guidance to scheme members and employers.
- Liaison with the Actuary to provide information for the triennial valuation, annual accountancy disclosures and ad hoc work for employer movements within the fund for employers and prospective employers.
- Preparation of Pensions Fund Committee reports relating to all administration functions.
- Supporting the Local Pensions Board and overseeing policies relating to governance, including the Risk Register.
- The calculation of Annual Allowance tax charges.
- The deduction and payment to HMRC of pensions tax.
- The provision of member support services, including email and telephone helplines, plus a member website and online portal.
- Provision and maintenance of the pensions software system, including member and employer portals.
- Maintenance and monitoring of good quality data.
- Completion of statistical and financial returns and reports for the Actuary, Government and other bodies, including Government Actuary's Department (GAD) and The Pensions regulator.
- Provision of a pension payroll service.
- Liaison with external and internal audit.
- Collection, validation and allocation of members CARE pay through end of year processes.

A team of 5.6 full time equivalent staff in the Treasury and Investments Team provide support to the Fund Administrator in his statutory role in relation to accounting and investment related activities for the Pension Fund, including:

- Collection of employee and employer contributions to be invested into the LGPS.
- Day-to-day accounting for the Pension Fund.
- Liaison with External and Internal audit.
- Preparation of the Pension Fund Accounts for inclusion in Dorset Council's Statement of Accounts.
- Preparation of the Annual Report and Accounts of the Pension Fund.
- Reconciliation of all Managers' purchases, sales and dividends received.
- Allocation of cash to Investment Managers.
- Appointment of Advisers and Actuary.
- Investment of the Fund's surplus cash balances.
- Liaison with Investment Managers, Advisers and Actuary.
- Monitoring and review of Investment Managers, Advisers and Actuary.
- Preparation of the Investment Strategy Statement and Funding Strategy Statement.
- Rebalancing of Investment Managers' portfolios to their target asset allocation.
- Completion of statistical and financial returns for Government and other bodies.
- Co-ordination of the production of FRS 102/IAS19 information for employers.
- Co-ordination of reports for Quarterly Pension Fund Committee meetings and the Pension Fund's Annual Meeting.
- Preparation of Pension Fund Committee reports relating to investments and accounting issues.

Communications

The Pension Fund is committed to establishing and maintaining effective communications with its members and other interested parties. The Fund has a Communications Policy statement formalising the processes by which this will be achieved. This policy statement is available on the Fund's website at:
https://www.dorsetpensionfund.org/forms-and-publications/communications-policy/

UK General Data Protection Regulations (UK GDPR)

The law on Data Protection has changed from 25th May 2018. The General Data Protection Regulation (GDPR) is a new, Europe-wide law that replaces the Data Protection Act 1998 in the UK and supersedes the UK Data Protection Act 1998 (DPA 1998). It is part of the wider package of reform to the data protection landscape that includes the Data Protection Act 2018 (DPA 2018).

The GDPR sets out requirements for how organisations need to handle personal data from 25 May 2018. In addition to other changes, it will enhance the rights of people whose data is held (known as data subjects in the Data Protection Act) and give them more control over what happens to their data.

It also allows for financial penalties to be imposed on any organisation that breaches those rights or does not comply with the 'accountability principle' – which basically means that data controllers and data processors i.e. organisations and certain individuals – including councils, need to put technical and organisational measures in place to protect the data they hold from loss, unauthorised access etc and to ensure the rights of data subjects are protected.

The GDPR has direct effect across all EU member states and has already been passed. This means organisations will still have to comply with this regulation and we will still have to look to the GDPR for most legal obligations. However, the GDPR gives member states limited opportunities to make provisions for how it applies in their country. One element of the Data Protection Act 2018 is the details of these. It is therefore important the GDPR and the 2018 Act are read side by side.

Equality and Diversity

The DCPF has a workforce that reflects and is part of the community it serves. It is the policy of Dorset Council to ensure that all its employees are selected, trained and promoted on the basis of their ability, the requirements of the job and other similar non-discriminatory criteria. All employment decisions are based purely on relevant and objective criteria.

Dorset aim to deliver accessible, high-quality and value for money services to all our customers, without discrimination on grounds of group memberships; for example, sex, race, disability, sexual orientation, religion, belief or age.

Information Technology

The DCPF requires administration software to fulfil its function of providing an efficient compliant service for the LGPS members and pensioners across over 360 employers, covering a membership of over 82,000.

The LGPS regulations, The Pension Regulator, HMRC and the scheme actuaries requires the DCPF to manage the LGPS properly to ensure it has accurate, complete and up-to-date records in order to pay the correct level of benefits to its members with sufficient funding levels. In order to do this, there is the necessity to have administration software and associated software to maintain the controls and processes within the Pensions Administration Team to meet these standards.

The Pension Team's main administration system is Universal Pension Management (UPM), provided under licence by CIVICA, the contract was awarded in October 2020 with an initial contract license of 7 years with the option to extend by a further 3 years.

The Pension Administration System, UPM delivers fully integrated functions, Pensions Administration, Case Management, Information Management and Payroll.

UPM offers a fully integrated Employers and Members portal which allows Employers to submit starters, leavers and change in contracts for members via a secure electronic exchange. Members and Pensioners can register for the portal, whereby they can update personal details which automatically update their pension record in UPM, it has the ability for members to run pension benefit estimates and access an electronic version of the Annual Benefit Statement.

The Fund's financial data is collected from several different payroll providers and collated on the Council's SAP system. This system is maintained in-house by Dorset Council's ICT team and includes comprehensive contingency and business continuity provisions. The payment of pensions is managed in-house by the Pension Fund, using SAP ERM System.

All council staff involved in Pension Fund Administration and Investment activities have access to the internet and the council's intranet.

Website

Dorset County Pension Fund
administered by Dorset Council

The DCPF has its own website, with information for all member types, and for employees. The website contains sections dedicated to the following:

- About the Scheme.
- Your Pension.
- Forms and Publications.
- Help & Support.
- New and Events.
- Member Self-Service.
- Employers Guide.
- New and Ceasing Employers.
- End of Year Returns.
- Monthly Returns
- Contacts.

The website addresses are:
The web address for the member website is www.dorsetpensionfund.org .
The web address for the employer website is www.dcpfemployers.org .

Benefit Statements

The Pensions Administration Team is required each year to send annual benefits statements to its active and deferred members. The statement is intended to inform the scheme member of the value of their benefits and provide an overview of when they may become payable.

Performance Standards

The Pensions Team has a number of service standards that it seeks to meet in order to ensure that it is providing an efficient and timely service to members of the LGPS. The standards are:

New Active Members

Membership Certificate: Dorset aim to issue a Membership Certificate to a new member within one month of receiving a completed notification from the member's employer.

Transfers In: Dorset aim to acknowledge the member's request for transfer details and calculate the estimated benefits that a transfer value will buy and issue a quotation within 10 days of receiving details from the previous scheme and any additional essential information required from His Majesty's Revenue & Customs. Dorset aim to request payment of the transfer value within 5 days of receiving confirmation from the member that the transfer is to proceed. Dorset aim to confirm the actual benefits purchased by the transfer value within 10 days of receiving payment from the previous scheme.

Existing Active Members

Annual Benefit Statements: Provided pay details are received from employers promptly after the year end and all information is held, Dorset will make available each year an Annual Benefit Statement to each member showing the estimated current value of accrued benefits, the value of prospective benefits at normal retirement age, the estimated current value of death-in-service benefits and, for tax purposes the amount of Annual Allowance used by the change in benefit value since the previous year.

Paying Extra Contributions: The DCPF aim to provide information within 10 days of receiving a request from a member wishing to pay extra contributions.

Retirements: The DCPF aim to send details of the benefits payable and pay the member's tax-free cash lump sum within 10 days of receiving all of the information required from the member's employer and/or the member.

Deaths: The DCPF aim to send details of the benefits payable within 10 days of receiving all the information required from the late member's employer and will pay the lump sum death grant within 10 days of receiving Grant of Probate (or other appropriate documentation) or authorisation from two delegated officers.

Early Leavers: The DCPF aim to send details of the benefit options available within 30 days of receiving all the information required from the employer.

Refunds: The DCPF aim to pay a refund by the end of the month following receipt of the member's formal request for payment.

Transfers Out: The DCPF aim to issue a quotation, guaranteed for 3 months, within 10 days of receiving the member's request and confirmation of the member's contracted-out rights from His Majesty's Revenue & Customs (where appropriate). The DCPF aim to pay a transfer value within five days of receiving confirmation from the member that the transfer is to be made and all the information required to make payment is received.

Deferred Members

Annual Benefit Statements: The DCPF aim to make available to each deferred member a Benefit Statement by 31 August annually, showing the current value of the member's preserved benefits.

Annual Correspondence

Annual Benefit Illustrations are issued each year to active and deferred members together with an annual newsletter detailing regulatory changes and key messages for members. Annual newsletters are also sent to pensioner members each year. These communications are very well received by members.

Provided the DCPF hold an address which has been confirmed the member will be written to setting out the benefit options available to them.

Lump Sum Death Grant nominations

The LGPS provides a lump sum tax free death grant for members who die while still working and contributing to the LGPS. The death grant is a tax-free lump sum payment of three times a member's pay. If a member is already in receipt of another LGPS pension or have a deferred pension benefit in the LGPS, different rules will apply to any potential death grant.

If a member has nominated someone to receive their death grant, this is displayed in their Annual Benefit Illustration. If this table does not show a name, no nomination for a recipient of the LGPS death grant has been made.

LGPS members can make or update their nominations online at:
https://mypension.dorsetcouncil.gov.uk
or by completing a form and returning to the DCPF. The form is available from the fund or online at:
www.dorsetpensionfund.org/forms-and-publications .

The McCloud Remedy
When public service pensions schemes changed from final salary to carer average schemes in 2014 and 2015, older members were protected from the changes.

In 2018, the Courts found that younger members had been discriminated against because the protection did not apply to them. Changes made to the LGPS from 1 October 2023 removes the discrimination found in the court case. These changes are called the McCloud Remedy. Not all LGPS members are affected by the changes. There is more information on the national LGS website, including a short video.
Please visit:
www.lgpsmember.orf/Mccloud-remedy .

Help with Pension Problems

Internal Dispute Resolution Procedure
Decisions
From the day a person starts a job with an employer, to the day when benefits or dependant's benefits are paid, the employer and the Pension Scheme administering authority have to make decisions under the Pension Scheme rules that affect the member (or their dependants). When the member (this includes dependants) is notified of a decision they should check, as far as they can, that it is based on the correct details and that they agree with the decision.

Complaints
If they are not satisfied with any decision affecting them made in relation to the Scheme, members or their representatives have the right to ask for it to be looked at again under the formal complaint procedure. They also have a right to use the procedure if a decision should have been made by their employer or administering authority, but it hasn't been. The complaint procedure's official name is the "Internal Dispute Resolution Procedure" (IDRP).

There are also a number of other regulatory bodies, such as Money Helper, which may be able to assist.

The formal complaint procedure has two stages. Many complaints are resolved at the first stage. Any complaint you make should be treated seriously and considered thoroughly and fairly.

Members can ask someone to take your complaint forward on your behalf. This could be, for instance, a trade union official, welfare officer, your husband, wife or partner, or a friend.

No charge is made at any stage for investigating a complaint under the internal dispute resolution procedure. But expenses that members will have to meet are your own (and/or your representative's) time, stationery and postage.

At any stage during the formal complaint procedure, members can contact Money Helper for information and advice.

Member complaints are always addressed informally initially and are usually resolved satisfactorily before the need to proceed to the formal IDRP process.

The following gives an overview of the IDRP process:

First stage:
If a member needs to make a formal complaint, they should make it:

- in writing, and
- normally within 6 months of the day when they were told of the decision they want to complain about.

The complaint will be considered carefully by a person nominated by the body that took the decision against which the member wishes to complain. This guide calls them the “nominated person”. That person is required to give the member their decision in writing.

If the nominated person's decision is contrary to the decision the member complained about, the employer or administering authority that made that original decision will now have to deal with your case in accordance with the nominated person's decision.

If the decision the member complained about concerned the exercise of discretion by the employer or administering authority, and the nominated person decides that the employer or administering authority should reconsider how they exercised their discretion, they will be required to reconsider their original decision.

Second Stage:
The member can ask the pension scheme administering authority to take a fresh look at the complaint in any of the following circumstances:

- the member is not satisfied with the nominated person's first stage decision;
- the member has not received a decision or an interim letter from the nominated person, and it is 3 months since the member lodged their complaint; and
- it is one month after the date by which the nominated person told the member (in an interim letter) that they would give them a decision, and they have still not received that decision.
- This review would be undertaken by a person not involved in the first stage decision.

The member will need to send the appropriate administering authority their complaint in writing. The administering authority will consider the complaint and give the member their decision in writing.

If the member is still unhappy following the administering authority's second stage decision, they can take the case to the Pensions Ombudsman provided they do so within 3 years from the date of the original decision (or lack of a decision) about which the member is complaining.

If a member is unhappy with the service received, they should contact staff in the Pensions Administration team in the first instance as many issues can be resolved without the need to resort to the lengthy process of IDRP. It could simply be that there is a misunderstanding of the Regulations, and that the decision made is in fact correct and this can be explained to the member accordingly.

Pensions Ombudsman
In cases where a complaint or dispute has not been satisfactorily resolved through the IDRP, an application can be made to the Pensions Ombudsman within three years of the event that gave rise to the complaint or dispute or, if later, within three years of when the individual first knew about it (or ought to have known about it). There is discretion in certain instances for the time limit to be extended.

The Ombudsman can investigate and determine any complaint or dispute involving maladministration of the scheme or matters of fact or law and his or her decision is final and binding (unless the case is taken to the appropriate Court on a point of law). Matters where legal proceedings have already started cannot be investigated by the Pensions Ombudsman.

The Pensions Ombudsman’s website can be found at:
www.pensions-ombudsman.org.uk .
or they can be contacted on 0800 917 4487.

The address is:
10 South Colonnade
Canary Wharf
London
E14 4PU

The Pensions Regulator (TPR)

The Pensions Regulator is the public body that protects workplace pensions in the UK. They work with employers and those running pensions so that people can save safely for their retirement. Their aim is to be a strong, visible regulator so that we build people's confidence in pensions.

The Pensions Regulator has responsibility for overseeing the LGPS and is committed to ensuring that every fund reaches a basic level of compliance against the law and the Regulator's Code of Practice 14 for public sector schemes. Further information can be found at: https://www.thepensionsregulator.gov.uk .

The Financial Conduct Authority (FCA)

The FCA regulates the conduct of financial service firms and financial markets in the UK. The website provides advice and information to consumers in the avoidance of pension scams and includes a register members can check to find a suitably qualified independent financial advisor.

In writing:
FCA Head Office
12 Endeavor Square
London, E20 1JN
By telephone: 0207 066 1000
Website: https://www.fca.org.uk/

Money Helper

Money Helper is available at any time to assist members and beneficiaries of the scheme in connection with any pension query that they may have difficulty which they cannot resolve with the scheme administrator. Information can be found at the following:
www.moneyhelper.org.uk .
Telephone No: 0800 011 3797.

How Can I trace pension rights?

The Pension Tracing Service holds details of pension schemes, including the LGPS, together with relevant contact addresses. It provides a tracing service for ex-members of schemes with pension entitlements (and their survivors), who have lost touch with previous schemes. All occupational and personal pension schemes must register if the pension scheme has current members contributing to the scheme or people expecting benefits from the scheme.

If members need to use this tracing service, please write to:
Address:
The Pension Tracing Service
15 Post Handling Site B
Wolverhampton
WV99 1AS.
Telephone: 0800 731 0193
Website: www.gov.uk .

Pension Scams Pledge

The DCPF have pledged to do what we can to protect scheme members and follow the principles of the Pension Scams Industry Group (PSIG) Code of Good Practice as it applies to LGPS Funds.

Pledging to combat pension scams confirms our intent to protect our LGPS members and demonstrates that we are committed to stopping scammers in their tracks.

Dorset County Pension Fund have committed to:

- Regularly warn members about pension scams.
- Encourage members asking for cash drawdown to get impartial guidance from The Pensions Advisory Service.
- Get to know the warning signs of a scam and best practice for transfers by key staff completing the scams module in the Trustee Toolkit; studying and using resources on the Financial Conduct Authority (FCA) ScamSmart website.
- Take appropriate due diligence measures by carrying out checks on pension transfers and documenting pension transfer procedures.

- Clearly warning members if they insist on high-risk transfers being paid.
- Report concerns about a scam to the authorities and communicate this to the scheme member.

Gender Pensions Gap

New legislation, the LGPS (Miscellaneous Amendments) (Member Benefits) Regulations 2026, for the Local Government Pensions Scheme (LGPS) mandates gender gap reporting from the 2025 valuation cycle. This requirement aims to improve equity in retirement outcomes for LGPS members, particularly women. The reporting approach, including derivation of statistics, is consistent with the guidance '2025' Fund Valuations: Guidance for Gender Pensions Gap reporting, dated 2 February 2026.

The figures below are based on the 2025 actuarial valuation.

The Gender Pensions Gap (GPG) is calculated as:

$$GPG = \frac{Mean\ pension\ value\ for\ males - Mean\ pension\ value\ for\ females}{Mean\ pension\ value\ for\ males}$$

The GPG is expressed as a percentage. For example, a GPG of 10% indicates that, on average within the population analysed, for every £1 of pension accrued by males, females will have accrued £0.90.

Active members

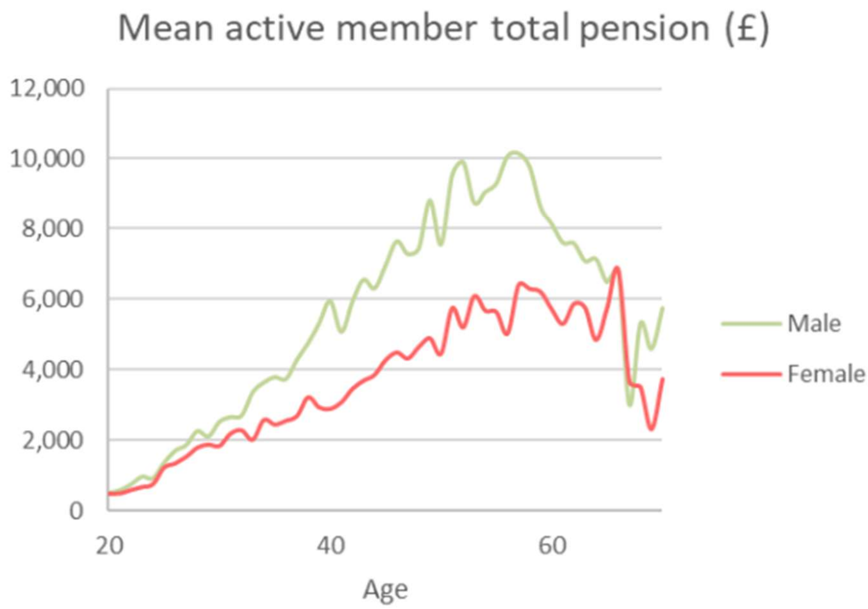
The results in this section set out the analysis for members who were active at 31 March 2025. Please note that the number of active members in the table below will differ from the total number of active records set out above, as in the Gender pension gap (GPG) analysis we have treated members with multiple records as a single member.

Fund Level Analysis

At overall fund level, the gender pensions gap (GPG) for active members of the Fund is 35%. Further detail is set out in the table below.

Gender Pension Gap for Active Member	Number of members	Percentage of Overall Membership	Mean Age	Mean FTS Pay (£)	Mean Actual Pay (£)	Mean CARE Pension (£)	Mean Final Salary Pension (£)	Mean Combined Pension (£)
Females	15,683	73%	47	34,634	23,707	3,075	3,600	**4,139**
Males	5,718	27%	47	39,746	32,005	4,495	6,055	**6,327**
			Gender Gap	13%	26%	32%	41%	**35%**

A chart of mean pensionable pay and a chart of mean total pension for males and females by age is shown below.



Employer Category Analysis

In line with the Guidance, analysis at employer category level is set out below. All local authority-maintained schools have been aggregated with their corresponding local authority for the purposes of this analysis.

Local Authorities and Connected Bodies (SF3 Number 1)

GPG for Local Authorities and Connected Bodies	Number of Members	Percentage of Overall Membership	Mean Age	Mean FTE Pay (£)	Mean Actual Pay (£)	Mean CARE Pension (£)	Mean Final Salary Pension (£)	Mean Combined Pension (£)
Females	8,699	68%	47	37,326	27,520	3,663	4,434	**5,084**
Males	4,143	32%	48	40,398	33,769	4,802	6,551	**6,918**
			Gender Gap	8%	19%	24%	32%	**27%**

Centrally Funded Public Sector Bodies Excluding Academies (SF3 Number 2, Local Authority Indicator 1)

GPG for Centrally Funded Public Sector Bodies (Exc. Academies)	Number of Members	Percentage of Overall Membership	Mean Age	Mean FTE Pay (£)	Mean Actual Pay (£)	Mean CARE Pension (£)	Mean Final Salary Pension (£)	Mean Combined Pension (£)
Females	1,143	65%	45	38,075	27,935	3,634	4,053	**4,644**
Males	612	35%	45	42,419	33,924	4,948	5,149	**6,327**
			Gender Gap	10%	18%	27%	21%	**27%**

Academies (SF3 Number 2, Local Authority Indicator 2)

GPG for Academies	Number of Members	Percentage of Overall Membership	Mean Age	Mean FTE Pay (£)	Mean Actual Pay (£)	Mean CARE Pension (£)	Mean Final Salary Pension (£)	Mean Combined Pension (£)
Females	5301	0.86	47	28573	16747	1866	1704	**2256**
Males	831	0.14	45	33012	22073	2344	2732	**2768**
			Gender Gap	0.13	0.24	0.2	0.38	**0.18**

Other Public Sector Bodies (SF3 Number 3)
No employers in the Fund are classified as SF Number 3.

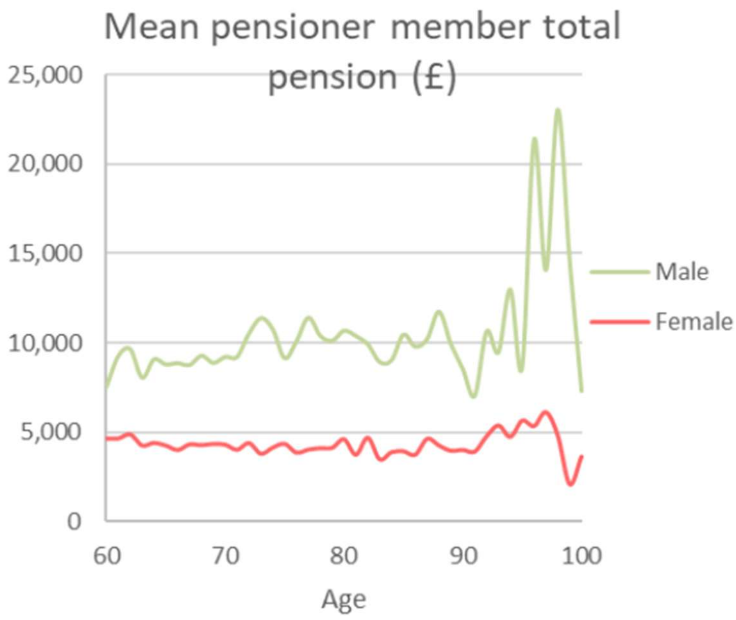
Private/Voluntary/Other Bodies (SF3 Number 4)

GPG for Other Private/Voluntary/ Other Bodies	Number of Members	Percentage of Overall Membership	Mean Age	Mean FTE Pay (£)	Mean Actual Pay (£)	Mean CARE Pension (£)	Mean Final Salary Pension (£)	Mean Combined Pension (£)
Females	540	80%	55	31,384	21,664	4,288	3,148	**6,316**
Males	132	20%	52	35,276	30,256	6,281	5,184	**10,170**
			Gender Gap	11%	28%	32%	39%	**38%**

Pensioner Members
The GPG for pensioner members of the Fund is 56%. Further detail is set out in the table below.

Gender Pension Gap for Pensioner Members	Number of Members	Percentage of Overall Membership	Mean Age	Mean Pension (£)
Females	15,978	68%	71	**4,233**
Males	7,618	32%	73	**9,664**
			Gender Gap	**56%**

A chart of mean total pension for males and females by age is shown below.



BARNETT WADDINGHAM

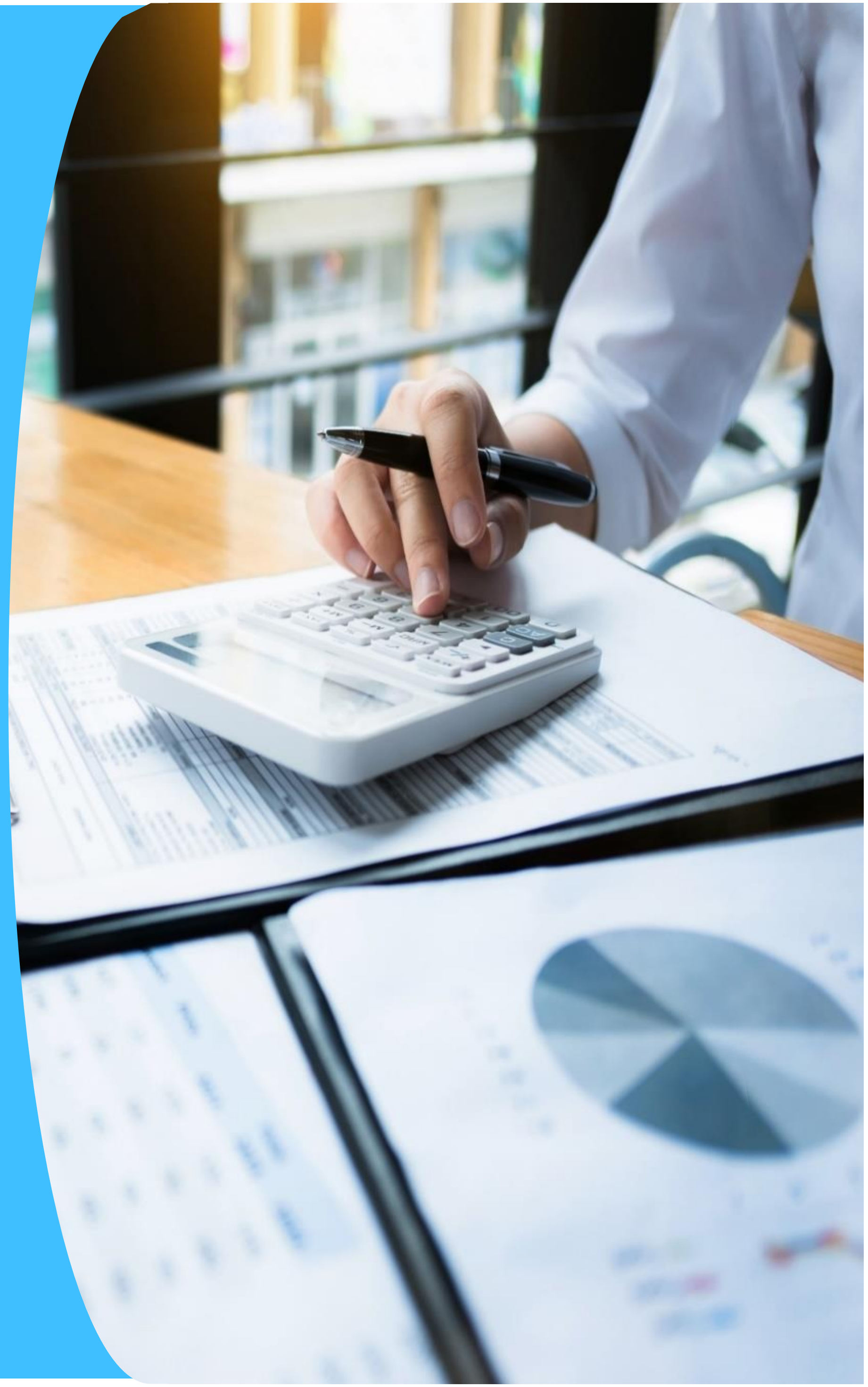
Part of HOWDEN

Dorset County Pension Fund

Dorset County Pension Fund

IAS26 as at 31 March 2026
v1

11 June 2026



Introduction

We have been instructed by Dorset Council, the administering authority to the Dorset County Pension Fund (the Fund), to undertake pension expense calculations in respect of pension benefits provided by the Local Government Pension Scheme (the LGPS) to members of the Fund as at 31 March 2026. We have taken account of current LGPS Regulations, as amended, as at the date of this report.

This report is addressed to the administering authority and its advisers; in particular, this report is likely to be of relevance to the Fund's auditor.

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations and summarised on the LGPS website.

This report is prepared in accordance with our understanding of IAS26. This advice complies with Technical Actuarial Standard 100: General Actuarial Standards (TAS 100) as issued by the Financial Reporting Council (FRC). In calculating the disclosed numbers we have adopted methods and assumptions that are consistent with IAS19.

This report should be read in conjunction with the post accounting date briefing note for disclosures as at 31 March 2026.

In this report, we have allowed for the results of the 2025 actuarial valuation of the Dorset County Pension Fund. Where assumptions have differed from actual experience, this will lead to changes to the balance sheet position. There is a positive experience item in the reconciliation of the liabilities, which means that experience has been worse than assumed.

Experience has been observed due to changes in the underlying member data and because observed CPI inflation over the accounting period has differed from the assumption made. Experience has also been observed in relation to the impact of changing the financial assumptions - there was a very significant change to discount rates following the UK mini budget event in September 2022 which led to significant changes to the balance sheet position, and the estimated impact of the change in assumptions was larger than implied when re-callibrating at the full actuarial valuation as at 31 March 2025.

We would be pleased to answer any questions arising from this report.

Roisin McGuire FFA
Principal

Data used

We have used the following items of data which we received from the administering authority:

Results of the latest funding valuation as at	31 March 2025
Results of the previous IAS26 report as at	31 March 2025
Fund asset statement as at	31 March 2026
Fund income and expenditure items to	31 March 2026
Details of any new unreduced early retirement payments out to	31 March 2026

The data has been checked for reasonableness, including consistency with previous valuation data where relevant, and we are happy that the data is sufficient for the purposes of this advice.

Although some estimation of the data to the accounting date may be required, we do not believe it is likely to be material to the results in this report.

We are not aware of any material changes or events since we received the data.

Fund membership statistics

The table below summarises the membership data at 31 March 2025.

Member data summary	Number	Salaries/Pensions £000s	Average age
Actives	23,562	558,146	47
Deferred pensioners	37,198	65,649	51
Pensioners	28,472	154,769	73

Payroll

The total pensionable payroll for the employers in the Fund is set out below and is based on information provided to us by the administering authority.

Estimated payroll for the year to 31 March 2026	£596,369,000

Unfunded benefits

We have excluded any unfunded benefits as these are liabilities of employers rather than the Fund.

Early retirements

We requested data on any early retirements in respect of the Fund from the administering authority for the year ending 31 March 2026.

We have been notified of 88 new early retirements during the year which were not allowed for at the previous accounting date. The total annual pension that came into payment was £869,300.

Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2026 is calculated to be 11.82% based on the Fund asset statements and Fund cashflows as set out in the Data section preceding this section.

The estimated asset allocation for the Fund is as follows (noting that due to rounding they may not total 100%):

Asset breakdown	31 Mar 2026		31 Mar 2025	
	£000s	%	£000s	%
Equities	2,931,272	64%	2,553,773	63%
Cash	107,720	2%	102,835	3%
Other Bonds	282,327	6%	267,053	7%
Diversified Growth Fund	288,930	6%	271,487	7%
Property	289,294	6%	285,006	7%
Infrastructure	340,555	7%	312,725	8%
Multi Asset Credit	309,397	7%	292,438	7%
Total	**4,549,495**	**100%**	**4,085,317**	**100%**

Financial Assumptions

Details of the actuarial methods and derivation of the assumptions used can be found in the 31 March 2026 briefing note issued alongside this report unless noted otherwise below. The key assumptions used are set out below.

Financial assumptions	31 Mar 2026 p.a.	31 Mar 2025 p.a.	31 Mar 2024 p.a.
Discount rate	6.10%	5.85%	4.90%
Pension increases (CPI)	2.90%	2.90%	2.90%
RPI inflation	3.30%	3.20%	3.20%
Salary increases	3.90%	3.90%	3.90%

Projected unit method is used in our calculations.

In addition, we have allowed for actual ONS CPI inflation observed between March 2025 and March 2026. This is reflected in the Experience loss/(gain) on defined benefit obligation figure in the results.

Fund duration

The estimated Macaulay duration of the Employer's liabilities as at the accounting date using the assumptions set out above is 15 years.

Demographic Assumptions

Post retirement mortality	31 Mar 2026	31 Mar 2025
Base table	S4PA	S3PA
Multiplier (M/F)	95% / 115%	95% / 100%
Future improvements model	CMI_2025	CMI_2023
Long-term rate of improvement	1.50%	1.25%
Smoothing parameter	7.0	7.0
Initial addition parameter	0.0% p.a.	0.00 p.a.
2020 weight parameter	n/a	0%
2021 weight parameter	n/a	0%
2022 weight parameter	n/a	15%
2023 weight parameter	n/a	15%
Half life parameter	1.0	n/a

The assumed life expectancies, based on the assumptions set out above, are set out in the table below:

Life expectancy from age 65 (years)		31 Mar 2026	31 Mar 2025
Retiring today	Males	22.3	21.8
	Females	23.2	24.0
Retiring in 20 years	Males	23.9	23.1
	Females	24.9	25.4

We have adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2025, except for an update of the CMI projection model. Details of the post retirement mortality assumption are set out above; further details of the demographic assumptions adopted can be found in the briefing note corresponding to this report, and the Fund's actuarial valuation report.

Results

Balance sheet Net pension asset in the statement of financial position	As at 31 Mar 2026 £000s	As at 31 Mar 2025 £000s	As at 31 Mar 2024 £000s
Present value of the defined benefit obligation	3,978,587	3,723,670	4,227,493
Fair value of Fund assets (bid value)	4,549,495	4,085,317	3,919,664
Net liability in balance sheet	**(570,908)**	**(361,647)**	**307,829**

The present value of the defined benefit obligation consists of both vested and non-vested benefits, where members have not reached their vesting period. Non-vested benefits have been assumed to have a negligible value.

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year to 31 Mar 2026 £000s	Year to 31 Mar 2025 £000s
Opening defined benefit obligation	**3,723,670**	**4,227,493**
Current service cost	84,150	93,459
Interest cost	213,613	203,612
Change in financial assumptions	(146,722)	(632,328)
Change in demographic assumptions	(27,621)	(10,473)
Experience loss/(gain) on defined benefit obligation	278,610	(10,006)
Liabilities assumed / (extinguished) on settlements	-	-
Estimated benefits paid net of transfers in	(190,105)	(185,416)
Past service costs, including curtailments	4,886	3,848
Contributions by Scheme participants	38,106	33,481
Closing defined benefit obligation	**3,978,587**	**3,723,670**

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to 31 Mar 2026 £000s	Year to 31 Mar 2025 £000s
Opening fair value of Fund assets	**4,085,317**	**3,919,664**
Interest on assets	238,556	191,276
Return on assets less interest	243,605	9,821
Other actuarial gains/(losses)	-	-
Administration expenses	(2,909)	(2,909)
Contributions by employers	136,925	119,400
Contributions by Scheme participants	38,106	33,481
Estimated benefits paid net of transfers in	(190,105)	(185,416)
Settlement prices received / (paid)	-	-
Closing Fair value of Fund assets	**4,549,495**	**4,085,317**

Sensitivity analysis	£000s	£000s	£000s
Adjustment to discount rate	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	3,922,310	3,978,587	4,036,221
Adjustment to long term salary increase	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	3,981,123	3,978,587	3,976,065
Adjustment to pension increases and deferred revaluation	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	4,037,183	3,978,587	3,933,386
Adjustment to life expectancy assumptions	**+1 Year**	**None**	**- 1 Year**
Present value of total obligation	4,117,615	3,978,587	3,844,843

Governance

The Pension Fund Committee

Pension Fund Committee
The Pension Fund Committee overseas the management of the Dorset County Pension Fund and act as trustees of the Fund.

The Pension Fund Committee is primarily responsible for all functions of the Council as the administering authority of the Dorset County Pension Fund, including making investment policy, overseeing how the scheme is run and monitoring performance.

The committee will consist of 9 Members comprising 5 Members appointed by Full Council (not more than 2 being also appointed to Cabinet); 3 persons nominated by the Bournemouth Christchurch and Poole Council and 1 person nominated by the unions who have membership that includes officers.

Councillor John Beesley is the Committee's representative on the Brunel Oversight Board and the Scheme Advisory Board. In this capacity, Councillor Beesley gives updates on governance relating to investment pooling at the quarterly Pension Fund Committees.

The Dorset County Pension Fund Committee Members at 31 March 2026 were as follows.

Dorset County Pension Fund Committee	
Committee Member	**Representing**
Councillor Andy Canning (Chair)	Dorset Council
Councillor Andy Todd (Vice-Chair)	Dorset Council
Councillor John Beesley	BCP Council
Councillor David Brown	BCP Council
Councillor Will Chakawhata	Dorset Council
Mr Adrian Felgate	Scheme Member Representative
Councillor Steve Murcer	Dorset Council
Councillor Joe Salmon	BCP Council
Councillor Amdy Skeats	Dorset Council

Pension Fund Committee Changes
During the 2025-26 financial year there have been changes of Committee members with Councillor John Beesley and Councillor Joe Salmon rejoining/joining the Committee. Councillors Felicity Rice and Patrick Canavan left the Pension Fund Committee during 2025-26.

Councillor Andy Canning

Dorset Council (Chairman)

Councillor Andy Todd

Dorset Council (Vice-Chair)

Councillor John Beesley

BCP Council

Councillor David Brown

BCP Council

Councillor Will Chakawhata

Dorset Council

Mr Adrian Felgate
Scheme Member Representative

Councillor Steve Murcer
Dorset Council

Councillor Joe Salmon
BCP Council

Councillor Andy Skeats
Dorset Council

Pension Fund Committee Members Attendance
The table below summarises the meetings which have taken place, including attendance by members of the Pension Fund Committee.

Committee Member	24 Jun 2025	9 Sep 2025	2 Dec 2025	17 Mar 2026	Total	Voting rights
Councillor Andy Canning (Chair)	✓	✓	✓	✓	4/4	✓
Councillor Andy Todd (Vice-Chair)	✓	✓	✓	✓	4/4	✓
Councillor John Beesley	N/A	N/A	✓	✓	2/2	✓
Councillor David Brown	✓	✓	✓	✓	4/4	✓
Councillor Patrick Canavan	✓	✓	N/A	N/A	2/2	✓
Councillor Will Chakawhata	✓	✓	✓	X	3/4	✓
Mr Adrian Felgate	✓	✓	✓	✓	4/4	✓
Councillor Steve Murcer	✓	✓	✓	✓	4/4	✓
Councillor Felicity Rice	✓	✓	✓	N/A	3/3	✓
Councillor Joe Salmon	N/A	N/A	N/A	✓	1/1	✓
Councillor Andy Skeats	✓	✓	✓	X	3/4	✓

key and Notes

✓	In Person
✓	Online
X	Apologies received

Committee Structure

The Council delegates the management of the Fund to the Pension Committee. A Committee of elected members, five Dorset Councillors, three Councillors representing Bournemouth, Christchurch and Poole Council and one voting Scheme Member representative are responsible for making investment policy, overseeing how the scheme is run and monitoring performance. The Committee is supported by an investment management expert who is not involved in the management of the Fund's Assets. The Committee meets on a quarterly basis.

Committee Responsibilities Delegated to the Fund Administrator

The Committee delegates to the Fund Administrator the following responsibilities:

- Managing and monitoring the investment managers, consultants and custodian.
- Managing the Fund's cash assets directly held by the Administering Authority.
- Transferring assets between the Administering Authority, the investment managers and custodian.
- Accounting for all investment transactions.
- Within limits, authorising expenditure from the Fund.
- Paying the fees of the investment managers and the custodian.
- When necessary, exercising the Fund's voting rights after consulting the Chair and Vice-Chair.
- Admitting organisations into the Pension Scheme after consulting the Chair and Vice-Chair.

Committee Responsibilities

The Pension Fund Committee's terms of reference are set out below and the Committee is responsible for monitoring all aspects relating to the investment of the assets of the Fund as follows:

- To undertake statutory functions on behalf of the Local Government Pension Scheme and ensure compliance with legislation and best practice.
- To determine policy for the investment, funding and administration of the pension fund.
- To consider issues arising and make decisions to secure efficient and effective performance and service delivery.
- To appoint and monitor all relevant external service providers:
  - *fund managers.*
  - *custodian.*
  - *corporate advisors.*
  - *independent advisers.*
  - *actuaries.*
  - *governance advisers.*
  - *all other professional services associated with the pension* fund.
- To monitor performance across all aspects of the service.
- To ensure that arrangements are in place for consultation with stakeholders as necessary.
- To consider and approve the annual statement of pension fund accounts.
- To consider and approve the Dorset County Pension Fund actuarial valuation and employer contributions.
- Approval of key policies and statement:
  - Investment Strategy Statement.
  - Funding Strategy Statement.
  - Governance Compliance Statement.
  - Communications Strategy Statement.

Matters Discussed by the Committee

During 2025-26 the following items were discussed by the Committee.

Standing items at each board meeting:

- Pension Fund Investments.
- Scheme Advisory Board Update.
- Pensions Administration report.

In addition, other subjects included in the agendas were:

- To consider the draft pension fund accounts and the independent auditor's audit plan for 2024-25.

- To approve the draft Funding Strategy Statement for consultation.
- To approve the Pension Fund Annual Report 2023-24 for publication.
- To approve the Funding Strategy Statement.
- To approve the pension fund's Treasury Management Strategy for 2026-27.
- To approve the Pension Fund Annual Report 2024-25 for publication.

Code of Conduct

Councillors are required to comply with the requirements of the Localism Act 2011 regarding disclosable pecuniary interests which are to:

- Check if there is an item of business on this agenda in which you or a relevant person has a disclosable pecuniary interest.
- Inform the Secretary to the Committee in advance about your disclosable pecuniary interest and if necessary, take advice.
- Check that you have notified your interest to your own Council's Monitoring Officer (in writing) and that it has been entered in your Council's Register (if not this must be done within 28 days, and you are asked to use a notification form available from the clerk).
- Disclose the interest at the meeting and in the absence of a dispensation to speak and/or vote, withdraw from any consideration of the item.

The code includes general provisions on ethics and standards of behaviour which require elected members to treat others with respect and not to bully, intimidate or do anything to compromise the impartiality of those who work for or on behalf of the Council.

Accountability and Transparency

Pensions Committee meetings are open to members of the public.

Agendas and Minutes

Pensions Committee agendas and minutes are published on the Dorset Council website at: https://moderngov.dorsetcouncil.gov.uk .

Conflicts of Interest

The Pension Fund is governed by elected members acting as trustees and the code of conduct for elected members' sets out how any conflicts of interest should be addressed.

The fund recognises the potential that actual or perceived conflicts of interest may arise from time to time. For example, Dorset Council is the administering authority but is also a participating employer in the fund as well as key service provider. Individuals involved in managing, overseeing or advising the fund may also have professional or personal obligations outside the fund, which could give rise to a perceived or actual conflict of interest requiring management. The fund has therefore adopted a conflicts of interest policy. The conflicts of interest policy sets out how the administering authority will identify, manage and mitigate potential conflicts of interest.

The Code also contains rules about "disclosable pecuniary interests" and sets out the action an elected member must take when they have such an interest in Council business, for instance withdrawing from the room or chamber when the matter is discussed and decided in committee, unless dispensation has been obtained from the Council's Monitoring Officer.

2026-27 Pension Fund Committee Meetings

Pension Fund Committee Meetings have been scheduled for the following dates in 2026-27.

- Tuesday 2 June 2026.
- Tuesday 8 September 2026.
- Tuesday 1 December 2026.
- Tuesday 2 March 2027.

The Local Pension Board

Introduction
With effect from 1 April 2015 Dorset County Pension Fund created a Local Pension Board. The role of the Local Pension Board is to help the Dorset Pension Fund comply with all the legislative requirements to ensure the scheme is being effectively and efficiently governed and managed

The Local Pension Board helps ensure that the Fund is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of local government pension schemes issued by the Pension Regulator and with due regard to guidance issued by government, The Pensions Regulator and the LGPS Advisory Board.

Local Pension Boards are constituted entirely under the Public Service Pensions Act 2013 and are not local authority committees.

The Membership of the Local Pension Board
The Local Pension Board consists of eight members plus an independent chair and is constituted as follows.

- 1 Independent Chair.
- 4 employer representatives.
- 4 scheme membership representatives.

The Local Pension Board membership at 31 March 2026 was as follows.

The Local Pension Board Membership	
Board Member	**Representative**
Richard Bates (Chair)	Independent
Adam Richens (Vice-Chair)	Scheme Member Representative
Jon Bird	Scheme Member Representative (Union Nominated)
Neal Butterworth	Employer Representative (Dorset Police)
Liz Bishopp	Employer Representative (Ferndown Town Council)
Lisa Musleh	Scheme Member Representative
Jonathan Stiby	Scheme Member Representative
Councillor David Taylor	Employer Representative (Dorset Council)
Vacancy	Employer Representative (BCP Council)

The Local Pension Board Attendance

The table below summarises the meetings which have taken place including attendance by members of the Local Pension Board.

The Local Pension Board met three times during the 2025-26 scheme year.

Board Member	23 Jul 2025	1 Oct 2025	7 Jan 2026	Total
Richard Bates (Chair)	✓	✓	✓	3/3
Adam Richens (Vice Chair)	✓	x	✓	2/3
Jon Bird	x	✓	✓	2/3
Liz Bishopp	x	✓	✓	2/3
Neal Butterworth	✓	x	✓	2/3
Lisa Musleh	N/A	N/A	✓	1/1
Mary O' Sullivan	x	✓	N/A	1/2
James Stevens	x	✓	N/A	1/2
Jonathan Stiby	✓	✓	✓	3/3
Councillor David Taylor	✓	✓	✓	3/3

Local Pension Board Membership Changes during 2025-26

- Adam Richens changed from being an Employer Representative in October 2025 to become a Member Representative.
- Mary O'Sullivan resigned as an Employer Representative in October 2025.
- James Stevens resigned as a Member Representative in October 2025.
- Lisa Musleh became a Member Representative in January 2026.

The Function of the Local Pension Board

The function of the Local Pension Board as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013 is to assist the Scheme Manager.

- To secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS.
- To secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator.
- To secure the effective and efficient governance and administration of the LGPS for the Dorset County Pension Fund; and
- To provide the Scheme Manager with such information as it requires to ensure that any member of the Local Pension Board or person to be appointed to the Local Pension Board does not have a conflict of interest.

The Role of the Local Pension Board

The Local Pension Board is responsible for:

- Scrutinising the progress of actions to meet the performance objectives of the Pension Fund.
- Reviewing and monitoring the training plan of the Local Pensions Board and elected members and officers with delegated responsibilities for the governance, management, and administration of the Pension Fund.
- Reviewing and monitoring the performance of external business partners, including the pensions administration service, the actuary, the custodian, and the investment consultant.

- Reviewing and monitoring the Risk Register and risk monitoring of scheme employers.
- Reviewing the implementation of revised policies and procedures, including the administering discretions.
- Reviewing the compliance of projects commissioned by the Pension Fund Committee, including the Triennial Valuation of the Pension Fund.
- Ensuring pension rules and regulations are being complied with when officers are making decisions on pension matters.
- Scrutinising data quality.
- Reviewing internal audit reports.
- Assisting in the development of improved customer services.
- Reviewing compliance of Investment Managers with Investment Management Agreements; and
- Reviewing progress of agreed actions to address finding from any review of the Pension Fund activities.

Matters discussed by the Local Pension Board
During 2025-26 the following items were discussed by the Local Pension Board.

Standing items at each Local Pension Board meeting:

- LGPS Administration report, which includes Key Performance Indicators.
- Papers from the Pension Fund Committee.
- Investment Update.
- Risk Register.

In addition, other subjects included:

- Fund Valuation 2025.
- Overseas Pensioner Mortality Screening.
- LGPS Access for Elected Members.
- McCloud Judgement.
- Pensions Dashboard.
- LGPS 'Access and Protections' Consultation.
- LGPS Miscellaneous Amendments (Access & Fairness) Regulations.
- End of Year Processes 2025.
- Annual Benefit Statements 2025.
- Fit for the Future – Governance Requirements.
- Business Continuity Plan
- Data Quality Results 2025 and Data Quality Report.
- Changes to Independent Disputes Resolution Procedure (IDRP) Policy.

Agendas and Minutes
The Local Pension Board agendas, minutes and additional reports are published on the Dorset County Pension Fund website:
https://dorsetpensionfund.org/about-the-scheme/about-the-pension-fund/local-pension-board/

Scheme Compliance/Breaches
During the 2025-26 scheme year no materially significant breaches of the law were identified that required reporting to The Pensions Regulator (TPR).

The TPR's guidance on reporting breaches of the law can be found here:
www.thepensionsregulator.gov.uk

Training
Dorset County Pension Fund is committed to providing training to those involved in the governance of the Fund and to ensure members have the necessary skills and knowledge to act effectively in line with their responsibilities.

The Local Pension Board Training Policy for Dorset County Pension Fund can be found on our website here:
https://www.dorsetpensionfund.org/

The Pensions Regulator Public Service Toolkit
All Local Pension Board members are required to complete the Pensions Regulator's online Public Service toolkit. The programme is split into seven separate courses designed to cover the governance and administration of public service schemes, as described in the following:
https://www.thepensionsregulator.gov.uk

- Conflicts of interest.
- Managing risk and internal controls.

- Maintaining accurate member data.
- Maintaining member contributions.
- Providing information to members and others.
- Resolving internal disputes.
- Reporting breaches of the law.

LGPS Online Learning Academy (LOLA)
Local Pension Board members are also given access to Hymans Robertson's online platform, LOLA. This is designed to support the training needs of Pension Committees, Local Pension Boards and Fund Officers. The learning plan consists of a series of short video presentations with additional learning materials and quizzes.

2026-27 Local Pension Board Meetings
Local Pension Board Meetings have been scheduled for the following dates.

- Wednesday 22 April 2026.
- Wednesday 24 June 2026.
- Wednesday 7 October 2026.

Further details can be found here:
www.hymans.co.uk/services/lgps-online-learning-academy/

Training Sessions and Events
Various conferences and seminars organised by industry bodies such as the Local Government Association (LGA) and the Chartered Institute of Public Finance and Accountancy (CIPFA) take place during the year. Attendance at these events will count as Local Pension Board member training, along with bespoke sessions arranged for Board meetings.

APPENDIX C: PENSION FUND ACCOUNTS 2025-26

2024/25		FUND ACCOUNT		2025/26	
£'000	£'000		*Note*	£'000	£'000
		Dealings with members, employers and others directly involved in the Fund:			
	174,620	**Contributions**	*8*		**175,031**
138,248		Employer contributions		136,925	
36,372		Member contributions		38,106	
	22,951	**Transfers in from other pension funds**	*9*		**18,485**
	197,571	**Total additions from dealing with members etc.**			**193,516**
	(181,830)	**Benefits**	*10*		**(189,519)**
(147,340)		Pensions		(155,195)	
(31,218)		Commutation and lump sum retirement benefits		(29,550)	
(3,272)		Lump sum death benefits		(4,774)	
	(27,631)	**Payments to and on account of leavers**	*11*		**(19,313)**
(508)		Refunds of contributions		(620)	
(27,123)		Transfers to other pension funds		(18,693)	
	(11,890)	**Net additions/(withdrawals) from dealings with members and others**			**(15,316)**
	(22,204)	**Management expenses**	*12*		**(26,785)**
	(34,094)	**Net additions/(withdrawals) including Fund management expenses**			**(42,101)**
		Returns on investments:			
	21,937	**Investment Income**	*13*		**23,153**
	177,810	**Profit/(loss) on disposal of investments and changes in the value of investments**			**483,298**
	199,747	**Net return on investments**			**506,451**
	165,653	**Net increase/(decrease) in assets available for benefits during the year**			**464,350**
	3,919,664	**Opening net assets of the Fund**			**4,085,317**
	4,085,317	**Closing net assets of the Fund**			**4,549,667**

NET ASSETS STATEMENT

31 March 2025				31 March 2026	
£'000	£'000		*Note*	£'000	£'000
	750	**Long term investments**	*14*		**786**
750		Brunel Pension Partnership Ltd		786	
	4,003,758	**Investment assets**	*15*		**4,468,149**
60		Equities		125	
3,631,761		Pooled investment vehicles		4,077,540	
137,149		Private equity		153,095	
211,980		Property		215,065	
21,444		Cash & cash equivalents		21,766	
782		Derivative contracts	*17*	-	
582		Other investment assets		558	
	-	**Investment liabilities**			**(4,836)**
-		Derivative contracts	*17*	(4,836)	
-		Other investment liabilities		-	
	4,004,508	**Total net investments**			**4,464,099**
	89,004	**Current assets**			**92,959**
17,925		Contributions due from employers		13,014	
66,795		Cash & cash equivalents (not forming part of investment assets)		72,870	
4,284		Other current assets		7,075	
	(8,195)	**Current liabilities**			**(7,391)**
(470)		Unpaid benefits		(750)	
(7,725)		Other current liabilities		(6,641)	
	4,085,317	**Net assets available to fund benefits**			**4,549,667**

DISCLOSURE NOTES

NOTE 1. DESCRIPTION OF THE FUND

The Dorset County Pension Fund ("the Fund") is part of the Local Government Pension Scheme (LGPS) and is administered by Dorset Council ("the Council").

a) General

The scheme is governed by the Public Service Pensions Act 2013. The fund is administered in accordance with the following secondary legislation:

- the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended)
- the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- the LGPS (Management and Investment of Funds) Regulations 2016.

It is a contributory defined benefit pension scheme administered by the Council to provide pensions and other benefits for pensionable employees of the Council, other councils and a range of other scheduled and admitted bodies within the county area. Teachers, police officers and firefighters are not included as they come within other national pension schemes. The Fund is overseen by the Pension Fund Committee, which is a committee of the Council.

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

- **Scheduled bodies**, which are automatically entitled to be members of the Fund.
- **Admitted bodies**, which participate in the Fund under the terms of an admission agreement between the Fund and the employer. Admitted bodies include voluntary, charitable and similar not-for-profit organisations, or private contractors undertaking a local authority function following outsourcing to the private sector.

Membership details are set out below:

31 March 2025		31 March 2026
346	**Total Employers**	**361**
	Employees	
6,523	Administering Authority	6,184
19,587	Other Scheduled Bodies	18,419
664	Admitted Bodies	545
26,774	**Total Employees**	**25,148**
	Pensioners	
10,199	Administering Authority	10,639
15,995	Other Scheduled Bodies	16,915
2,254	Admitted Bodies	2,355
28,448	**Total Pensioners**	**29,909**
	Deferred Pensioners	
9,070	Administering Authority	8,698
16,910	Other Scheduled Bodies	16,905
1,577	Admitted Bodies	1,496
27,557	**Total Deferred Pensioners**	**27,099**
82,779	**Total Members**	**82,156**

c) **Funding**
Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the Local Government Pension Scheme Regulations 2013 and ranged from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2026. Employers' contributions are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2025. Currently, employer contribution rates range from 10.0% to 29.0% of pensionable pay.

d) **Benefits**
Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is uprated annually in line with the Consumer Prices Index. A range of other benefits are also provided including early retirement, disability pensions and death benefits.

NOTE 2. BASIS OF PREPARATION

The statement of accounts summarise the Fund's transactions for the 2025/26 financial year and its financial position at 31 March 2026. The accounts have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 ("the Code"), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis.

Paragraph 3.3.1.2 of the Code requires disclosure of any accounting standards issued but not yet adopted. There are no changes in accounting requirements for 2026/27 that are anticipated to have a material impact on the Fund's financial performance or financial position.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The Fund has opted to disclose this information by appending an actuarial report.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Account:

Contribution income
Normal contributions are accounted for on an accruals basis as follows:

- Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes which rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommended by the Fund actuary for the period to which they relate.
- Employer deficit funding contributions are accounted for on the basis advised by the Fund actuary in the rates and adjustment certificate issued to the relevant employing body. Additional employers' contributions in respect of ill-health and early retirements are accounted for in the year the event arose. Any amount due in the year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long term financial assets.

Transfers to and from other schemes
Transfers in and out relate to members who have either joined or left the Fund:

- Individual transfers in/out are accounted for when received or paid. Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (Note 9).

- Bulk (group) transfers are accounted for in accordance with the terms of the transfer agreement.

Investment income

- Interest income is recognised in the Fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.
- Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.
- Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.
- Rental income is recognised on a straight-line basis over the term of the lease. Contingent rents based on the future amount of a factor that changes other than with the passage of time, such as turnover rents, are only recognised when contractually due.
- Changes in the value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities, providing that payment has been approved.

Taxation

The Fund is a registered public service scheme under Section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

Management expenses

The Fund discloses its pension fund management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016). All items of expenditure are charged to the Fund on an accruals basis as follows:

Administrative expenses:

All staff costs relating to the pensions administration team are charged direct to the fund. Council recharges for management, accommodation and other overhead costs are also accounted for as administrative expenses of the Fund.

Oversight and Governance:

All costs associated with governance and oversight are separately identified, apportioned to this activity and charged as expenses to the Fund.

Investment management expenses:

Investment fees are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return on investments. Where fees are netted off returns by investment managers, these expenses are grossed up to increase the change in value of investments. Fees charged by external investment managers and custodians are set out in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change. The costs of the time spent by officers on investment management activity are also included.

Net Assets Statement:

Financial assets
All investment assets are included in the financial statements on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the Fund becomes party to the contractual acquisition of the asset. Any gains or losses on investment sales arising from changes in the fair value of the asset are recognised in the fund account.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13 (see Note 18). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

Freehold and leasehold properties
Properties are valued annually as at the year-end date by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' (RICS) Valuation Standards. See Note 18 for more details.

Foreign currency transactions
Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, overseas investments and purchases and sales outstanding at the end of the reporting period.

Derivatives
The Fund uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes.

Cash and cash equivalents
Cash comprises cash in hand and demand deposits and includes amounts held by the Fund's external managers. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, subject to minimal risk of changes in value and are close to maturity at the time of acquisition, generally within three months or less.

Loans and receivables
Financial assets classed as amortised cost are carried in the net asset statement at the value of outstanding principal receivable at the year-end date plus accrued interest.

Financial liabilities
A financial liability is recognised in the net assets statement on the date the Fund becomes legally responsible for that liability. The Fund recognises financial liabilities relating to investment trading at fair value as at the reporting date, and any gains or losses arising from changes in the fair value of the liability between contract date, the year-end date and the eventual settlement date are recognised in the fund account as part of the change in value of investments.

Other financial liabilities classed as amortised cost are carried in the net asset statement at the value of the outstanding principal at 31 March each year. Any interest due not yet paid is accounted for on an accruals basis and included in administration costs.

Actuarial present value of promised retirement benefits
The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of International Accounting Standard (IAS) 19 and relevant actuarial standards. As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of an actuarial report appended to the accounts.

Additional voluntary contributions
The Fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from those of the Fund. AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed for information in Note 23.

Contingent assets and contingent liabilities
A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

A contingent liability arises where an event prior to the year-end has created a possible financial obligation whose existence will only be confirmed or otherwise by future events. Contingent liabilities can also arise in circumstances where it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the net asset statement but are disclosed by way of narrative in the notes (see Note 25).

NOTE 4. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Directly held property
The Fund's investment portfolio includes a number of directly owned properties which are leased commercially to various tenants. The Fund has determined that these contracts all constitute operating lease arrangements under the classifications permitted by the Code, therefore the properties are retained on the net asset statement at fair value.

NOTE 5. PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error.

Prior period adjustments are accounted for by restating the comparative figures for each prior period presented in the financial statements and notes and by adjusting the opening balances for the current period for the cumulative effect.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting Financial Statements.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the pension fund's financial position. Where a change is made, if the new pronouncement does not include specific transition provisions, then the change in accounting policy is applied retrospectively. Retrospective application means adjusting the opening balance of each affected component for the earliest prior period presented, along with other comparative amounts disclosed for each prior period presented, and restating them as if the new accounting policy had always been applied.

NOTE 6. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends and future expectations. However actual outcomes could be different from the assumptions and estimates made.

The items in the net asset statement for which there is a significant risk of material adjustment the following year are as follows:

Private equity investments (Note 18)
Private equity investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (December 2018). Investments are not publicly listed and as such there is a degree of estimation involved in the valuation.

Private equity investments are valued at £153m in the financial statements. Valuations could be affected by material events occurring between the date of the financial statements provided and the Fund's reporting date, changes to expected cashflows, differences between audited and unaudited accounts, by up to 15% i.e. an increase or decrease of £23m.

Freehold and leasehold property (Note 18)
Valuation techniques are used to determine the carrying values of directly held freehold and leasehold property. Where possible these valuation techniques are based on observable data, otherwise the best available data is used.

Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could affect the fair value of property-based investments by up to 15% i.e. an increase or decrease of £32m on carrying values of £215m.

Level 2 and 3 investments (Note 18)
The Fund's remaining level 2 and 3 investments (excluding private equity investments and freehold and leasehold property mentioned above) are valued at £3,684m and £415m respectively, £4,099m in total. Uncertainty will exist when investments are not valued using quoted prices in active markets, or by reference to markets which are not considered to be active and are valued based on alternative pricing sources supported by observable inputs. Level 3 investments will have significant unobservable inputs.

For every 1% increase in the value of level 2 and 3 investments, the value of the Fund will increase by £41m with a decrease having the opposite effect.

Actuarial present value of promised retirement benefits (Note 22)
Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, salary increases, changes in retirement ages, mortality rates and returns on Fund assets. A firm of consulting actuaries, Barnett Waddingham LLP, is engaged to provide the Fund with expert advice about the assumptions to be applied.

If actual results differ from key assumptions:

- a 0.1% p.a. increase in the discount rate would reduce future pension liabilities by c. £170m
- a 0.5% p.a. increase in earnings inflation would increase future pension benefits by c. £120m
- a 0.1% p.a. increase in long-term rate of mortality improvement would increase future pension benefits by c. £190m.

NOTE 7. EVENTS AFTER THE REPORTING DATE

There are events, both favourable and unfavourable, that can occur between the end of the reporting period and the date when the financial statements are authorised for issue. There are events that provide additional information about conditions that existed at the end of the reporting period (adjusting events), and events that occur after the reporting period (non-adjusting events).

Reforms to LGPS asset pooling arrangements in England and Wales (non-adjusting event)

Up to 31 March 2026 the Fund's assets, together with the assets of nine other LGPS pension funds, were managed by Brunel Pension Partnership Ltd ("Brunel"), an LGPS investment pooling company owned wholly in equal shares by the ten administering authorities. From 1 April 2026, in response to the government's 'fit for future' pensions reforms, the Fund's assets are managed by Local Pension Partnership Investments Ltd (LPPI).

No other events after the reporting date have been identified.

NOTE 8. CONTRIBUTIONS RECEIVABLE

By category:

2024/25		2025/26
£'000	Employer contributions	£'000
108,094	Contributions re future service costs	112,591
18,676	Contributions re past service costs (deficit recovery)	20,042
-	Voluntary additional contributions	-
5,908	Augmentation cost of early retirements	4,181
5,570	Exit payments from employers	111
-	Exit credits to employers	-
138,248	**Total employer contributions**	**136,925**
36,372	**Member contributions**	**38,106**
174,620	**Total contributions receivable**	**175,031**

By type of employer:

2024/25		2025/26
£'000		£'000
51,567	Administering authority	54,451
113,540	Other scheduled bodies	116,853
9,513	Admitted bodies	3,727
174,620	**Total contributions receivable**	**175,031**

NOTE 9. TRANSFERS IN FROM OTHER PENSION FUNDS

2024/25		2025/26
£'000		£'000
22,896	Individual transfers from other pension funds	18,223
55	AVC to purchase scheme benefits	262
22,951		**18,485**

NOTE 10. BENEFITS PAYABLE

By category:

2024/25 £'000		2025/26 £'000
147,340	Pensions	155,195
31,218	Commutation and lump sum retirement benefits	29,550
3,272	Lump sum death benefits	4,774
181,830	**Total benefits payable**	**189,519**

By type of employer:

2024/25 £'000		2025/26 £'000
59,473	Administering authority	63,900
108,371	Other scheduled bodies	112,875
13,986	Admitted bodies	12,744
181,830	**Total benefits payable**	**189,519**

NOTE 11. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

2024/25 £'000		2025/26 £'000
508	Refunds to members leaving service	620
8,431	Group transfers to other pension funds	-
18,692	Individual transfers to other pension funds	18,693
27,631		**19,313**

NOTE 12. MANAGEMENT EXPENSES

The table below shows a breakdown of the management expenses incurred during the year.

2024/25 £'000		2025/26 £'000
2,726	Administrative expenses	2,798
610	Oversight and governance costs	791
18,868	Investment management expenses	23,196
22,204	**Total management expenses**	**26,785**

The scale fee for the 2025/26 external audit is £100,886 and is included in oversight and governance costs above. Additional fees for the audit relating to 2025/26 are estimated to be £15,000. This includes £5,000 for 2025 triennial valuation data testing and £10,000 for direct properties valuation work. The total fee for the 2025/26 external audit is estimated to be £115,886.

There is a non-audit service fee of £1,100 for 2025/26 in relation to the provision of an IAS19 assurance letter to United Learning Trust, a scheduled body of the pension fund.

Investment management expenses consisted of:

2024/25 £'000		2025/26 £'000
15,699	Investment management fees	18,457
32	Performance related fees	759
21	Custody fees	24
1,758	Transaction costs	1,994
1,358	Other fees and costs	1,962
18,868	**Total investment management expenses**	**23,196**

Transaction costs associated with pooled investment vehicles are taken into account in calculating the bid/offer spread of these investments and are therefore embedded within the purchase and sales costs and not separately identifiable. All other transaction costs have been charged to the fund account.

The following table summarises investment management expenses by asset class:

2024/25 £'000		2025/26 £'000
15,294	Pooled investments	18,816
2,873	Private Equity	3,589
516	Property	626
164	Derivatives (FX contracts)	141
21	Custody Costs	24
18,868	**Total investment management expenses**	**23,196**

NOTE 13. INVESTMENT INCOME

2024/25 £'000		2025/26 £'000
6	Equities	256
3,433	Pooled Investments	3,198
2,427	Pooled Property Investments	3,225
11,824	Direct Property	11,965
214	Private Equity	202
3,413	Interest from Cash and Short Term Deposits	3,986
620	Fee Rebate Income	321
21,937	**Total Investment Income**	**23,153**

NOTE 14. LONG TERM INVESTMENTS

In response to the requirements of the investment regulations for LGPS funds to pool investment assets, Brunel Pension Partnership Ltd (Brunel) was formed to oversee the investment assets for the Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset, and Wiltshire LGPS funds.

Each of the ten funds owned an equal share of Brunel, with share capital invested by each fund at a cost of £840k. The value of each fund's shareholding based on Brunel's most recently audited accounts was £786k (£750k at 31 March 2025).

NOTE 15. INVESTMENT ASSETS

31 March 2025			31 March 2026	
Market Value		**Description / Investment Manager**	**Market Value**	
%	£'000		£'000	%
0.0%	**60**	**Equities**	**125**	**0.0%**
0.0%	60	Investec	125	0.0%
3.4%	**137,149**	**Private Equity**	**153,095**	**3.4%**
1.4%	56,205	HarbourVest	52,837	1.2%
0.2%	8,029	Patria	2,793	0.1%
0.3%	11,365	Capital Dynamics Global Secondary Fund V	10,475	0.2%
0.4%	14,002	Neuberger Berman Private Equity Impact Fund	13,160	0.3%
0.4%	16,603	Neuberger Berman SCIOP IV	16,897	0.4%
0.3%	11,039	Neuberger Berman Clifton Fund III	25,516	0.5%
0.1%	5,394	Ardian LBO Fund	6,545	0.1%
0.1%	5,519	Vespa Capital III	8,950	0.2%
0.1%	2,760	Summit Eur Growth EQ III SCSP LP	3,378	0.1%
0.1%	4,886	Alpinvest Secondaries Fund VII Limited Partnership	4,786	0.1%
0.0%	1,345	Neuberger Berman Clifton Private Equity IV	7,758	0.2%
5.3%	**211,980**	**Property (directly owned)**	**215,065**	**4.8%**
5.3%	211,980	CBRE Global Investors	215,065	4.8%
		Pooled Investment Vehicles:		
6.7%	**267,053**	**Bonds**	**282,327**	**6.3%**
6.7%	267,053	Royal London Mutual Insurance Mutual Fund	282,327	6.3%
10.9%	**436,080**	**UK Equities - Quoted**	**532,564**	**11.9%**
5.3%	212,237	LGIM UK Equity Index (passive)	532,564	11.9%
5.6%	223,843	Brunel UK Equities	-	0.0%
49.4%	**1,979,734**	**Global Equities - Quoted**	**2,244,701**	**50.2%**
9.3%	373,355	LGIM Smart Beta Fund	424,865	9.5%
5.7%	229,038	LGIM World Developed Equities Index Fund	272,269	6.1%
6.8%	270,952	Brunel Global High Alpha Equities	290,598	6.5%
3.9%	157,228	Brunel Emerging Markets Equities	-	0.0%
9.6%	383,022	Brunel Global Sustainable Equities	412,307	9.2%
6.5%	262,841	Brunel Smaller Companies Equities	294,100	6.6%
7.6%	303,298	Brunel Low Volatility	349,861	7.8%
0.0%	-	Ninety One Funds Series IV E (Emerging Markets)	132,641	3.0%
0.0%	-	Robeco Capital Growth Funds RO (Emerging Markets)	68,060	1.5%
7.3%	**292,439**	**Multi Asset Credit (MAC)**	**309,397**	**6.9%**
1.5%	61,883	CQS Global Funds Mutual Fund	65,686	1.5%
1.5%	60,013	Oaktree (LUX) III SA SICAV Mutual Fund	63,308	1.4%
4.3%	170,543	Neuberger Berman Investment Mutual Fund	180,403	4.0%
1.8%	**73,026**	**Property Funds**	**74,229**	**1.7%**
0.1%	2,290	Standard Life UK Shopping Centre Trust	-	0.0%
0.3%	13,912	CBRE UK Long Income Property Fund	13,255	0.3%
0.7%	28,030	Aberdeen Standard Long Lease Property Fund	29,892	0.7%
0.7%	28,794	M&G Secured Income Property Fund	31,082	0.7%
6.8%	**270,705**	**Diversified Returns Funds**	**293,766**	**6.6%**
6.8%	270,705	Brunel Diversifying Returns Fund	293,766	6.6%
7.8%	**312,725**	**Infrastructure**	**340,555**	**7.6%**
1.9%	77,642	Hermes GPE Infrastructure Funds	77,432	1.7%
4.3%	171,151	IFM Global Infrastructure Fund	191,032	4.2%
0.7%	27,435	Greencoats Renewable Income Infrastructure Fund	24,906	0.6%
0.9%	36,497	STEPSTONE B III	47,186	1.1%
90.7%	**3,631,761**	**Total - Pooled Investments**	**4,077,540**	**91.2%**

31 March 2025			31 March 2026	
Market Value		Description / Investment Manager	Market Value	
0.5%	21,444	Cash & Cash Equivalents	21,766	0.5%
0.0%	782	Derivatives	-	0.0%
0.0%	582	Investment Receivables	558	0.0%
100.0%	**4,003,758**	**Total Investment Assets**	**4,468,149**	**100.0%**

Single investments exceeding 5% of total value of the net assets are shown in the table above.

Investments analysed by fund manager:

31 March 2025			31 March 2026	
Market Value		Description / Investment Manager	Market Value	
%	£'000		£'000	%
85.9%	**3,439,680**	**Investments managed by the Brunel Pension Partnersh**	**3,692,586**	**82.6%**
0.7%	28,030	Aberdeen Standard Investments	29,892	0.7%
0.1%	4,886	Alpinvest Partners	4,786	0.1%
0.1%	5,394	Ardian	6,545	0.1%
46.8%	1,871,889	Brunel Pension Partnership Ltd	1,640,633	36.7%
0.3%	11,365	Capital Dynamics	10,475	0.2%
1.5%	61,883	CQS	65,686	1.5%
0.7%	27,435	Greencoat Capital	24,906	0.6%
20.3%	814,629	LGIM	1,229,698	27.5%
0.7%	28,794	M&G Investments	31,082	0.7%
5.3%	213,533	Neuberger Berman	243,734	5.5%
1.5%	60,013	Oaktree	63,308	1.4%
6.7%	267,053	Royal London	282,327	6.3%
0.9%	36,497	StepStone Infrastructure and Real Assets	47,186	1.1%
0.1%	2,760	Summit Partners	3,378	0.1%
0.1%	5,519	Vespa Capital	8,950	0.2%
13.5%	**541,269**	**Investments managed outside the Brunel Pension Parti**	**753,239**	**16.9%**
5.7%	228,182	CBRE Investment Management	228,320	5.1%
1.9%	77,642	Federated Hermes	77,432	1.7%
1.4%	56,205	HarbourVest	52,837	1.2%
4.3%	171,151	IFM Investors	191,032	4.3%
0.0%	60	Investec	125	0.0%
0.2%	8,029	Patria	2,793	0.1%
0.0%	-	Ninety One	132,641	3.0%
0.0%	-	Robeco	68,060	1.5%
0.5%	**22,808**	**Cash, derivatives and investment receivables:**	**22,324**	**0.5%**
0.5%	21,444	Cash	21,766	0.5%
0.0%	782	Derivatives	-	0.0%
0.0%	582	Investment Receivables	558	0.0%
100.0%	**4,003,758**	**Total Investment Assets**	**4,468,149**	**100.0%**

NOTE 15B. PROPERTY HOLDINGS

The pension fund's investment portfolio includes a number of directly owned properties that are leased commercially to various tenants. Details of these properties are as follows:

31 March 2025		31 March 2026
£'000		£'000
235,645	**Opening balance**	**211,980**
716	Purchases	55
(23,966)	Disposals	-
(415)	Change in market value	3,030
211,980	**Closing balance**	**215,065**

The future minimum lease payments receivable are as follows:

31 March 2025 £'000		31 March 2026 £'000
9,498	Within one year	10,437
20,667	Between one and five years	23,041
37,360	Later than five years	28,928
67,524	**Total future lease payments due under existing contracts**	**62,405**

NOTE 16. RECONCILIATION OF MOVEMENTS IN INVESTMENTS AND DERIVATIVES

The following tables summarise details of purchases, sales and changes in the market valuation of investments in the fund during the financial year and prior year.

2025-26	**Value 1 April 2025 £'000**	**Purch's & Derivative payments £'000**	**Sales & Derivative receipts £'000**	**Change in market value £'000**	**Value 31 March 2026 £'000**
Long Term Investments	750	-	-	36	786
Equities	60	315,052	(317,616)	2,629	125
Pooled Investment Vehicles	3,631,761	508,701	(516,360)	453,438	4,077,540
Private Equity	137,149	20,577	(19,087)	14,456	153,095
Property	211,980	55	0	3,030	215,065
Total Securities	**3,981,700**	**844,385**	**(853,063)**	**473,589**	**4,446,611**
Forward Foreign Exchange	782	-	-	(5,618)	**(4,836)**
Total Securities and Derivatives	**3,982,482**	**844,385**	**(853,063)**	**467,971**	**4,441,775**
Other Investment Balances:					
Cash & cash equivalents*	21,444			15,304	**21,766**
Other investment assets	582			23	**558**
Other investment liabilities	-			-	-
Total Net Investments	**4,004,508**			**483,298**	**4,464,099**

2024-25	**Value 1 April 2024 £'000**	**Purch's & Derivative payments £'000**	**Sales & Derivative receipts £'000**	**Change in market value £'000**	**Value 31 March 2025 £'000**
Long Term Investments	722	-	-	28	750
Equities	77	-	0	(17)	60
Pooled Investment Vehicles	3,464,168	420,731	(417,196)	164,058	3,631,761
Private Equity	138,390	14,478	(20,827)	5,108	137,149
Property	235,645	716	(23,966)	(415)	211,980
Total Securities	**3,839,002**	**435,925**	**(461,989)**	**168,762**	**3,981,700**
Forward Foreign Exchange	(2,824)	-	-	3,606	782
Total Securities and Derivatives	**3,836,178**	**435,925**	**(461,989)**	**172,368**	**3,982,482**
Other Investment Balances:					
Cash & cash equivalents*	27,895			5,448	**21,444**
Other investment assets	729			(6)	**582**
Other investment liabilities	-			-	-
Total Net Investments	**3,864,802**			**177,810**	**4,004,508**

The closing value of securities and derivatives equals the opening value plus purchases and derivative payments, less sales and derivative receipts, plus increases (or less decreases) in market value over the period. The value of other investment balances will change with cashflows over the year and therefore closing values do not ‘cast’ from opening values in the same way as for securities and derivatives.

*The change in market value shown for cash and cash equivalents is the net increase/(decrease) in cash balances resulting from the realised profits or losses on forward foreign currency contracts during the period.

NOTE 17. ANALYSIS OF DERIVATIVES

The Fund's holdings in derivatives are to hedge liabilities or hedge exposures to reduce risk. To maintain appropriate diversification a significant proportion of the Fund's equity portfolio is in overseas stock. To reduce the volatility associated with fluctuating currency rates, the Fund hedges 50% of the US Dollar, Euro and Japanese Yen exposure within its global equities investments. As at 31 March, the Fund held the following open forward currency contracts.

Settlement	Currency Bought	Local Value 000s	Currency Sold	Local Value 000s	Asset Value £'000	Liability Value £'000
2-6 months	GBP	41,654	EUR	47,835	0	(298)
2-6 months	GBP	42,500	JPY	8,897,939	0	(198)
2-6 months	GBP	340,199	USD	454,229	0	(4,340)
Open Forward Currency Contracts at 31 March 2026					**-**	**4,836**
Net Forward Currency Contracts at 31 March 2026						**4,836**

Settlement	Currency Bought	Local Value 000s	Currency Sold	Local Value 000s	Asset Value £'000	Liability Value £'000
2-6 months	GBP	36,936	EUR	43,722	185	(0.3)
2-6 months	GBP	34,747	JPY	6,557,632	478	(0)
2-6 months	GBP	329,365	USD	424,943	119	0
2-6 months	USD	11,230	GBP	8,701	0	0
Open Forward Currency Contracts at 31 March 2025					**782.1**	**(0.3)**
Net Forward Currency Contracts at 31 March 2025						**781.8**

NOTE 18. FAIR VALUE OF INVESTMENT ASSETS

All investment assets have been valued using fair value techniques based on the characteristics of each asset class. Asset valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values, as follows:

- **Level 1**: where fair values are derived from unadjusted quoted prices in active markets for identical assets;
- **Level 2**: where quoted market prices are not available, for example, where an asset is traded in a market that is not considered to be active, but where valuation techniques are based significantly on observable market data;
- **Level 3**: where at least one input that could have a significant effect on the asset's valuation is not based on observable market data.

During the year ended 31 March 2026 there were no transfers between levels 1, 2 or 3 of the fair value hierarchy.

The basis of the valuation of each class of investment asset is summarised below.

Description of Asset		Basis of Valuation	Key Inputs	Key Sensitivities
Level 1:				
	Market quoted investments	Published bid market price ruling on the final day of the accounting period.	Not required.	Not required.
	Exchange traded pooled investments	Published exchange prices at the reporting date.	Not required.	Not required.
	Cash and cash equivalents	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments.	Not required.	Not required.
Level 2:				
	Pooled investments - unit trusts etc.	Closing bid price where bid and offer prices are published, or closing single price where single price only is published.	Net Asset Value (NAV) based pricing set on a forward pricing basis.	Not required.
	Cash and cash equivalents	Where held in vehicles priced once a month.	Not required.	Not required.
Level 3:				
	Freehold and leasehold properties	Valued at fair value at the reporting date by Savills, acting as independent valuers and in accordance with current RICS Valuation Standards.	Existing lease terms and rentals, independent market research, nature of tenancies, covenant strength for existing tenants, assumed vacancy levels, estimated rental growth, discount rate.	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations, as could more general changes to market prices.
	Unquoted equity	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines (2018) and the IPEV Board's Special Valuation Guidance (March 2020).	Earnings (EBITDA) and revenue multiples, discount for lack of marketability, control premium.	Valuations could be affected by material events occurring between the date of the financial statements provided and the Fund's reporting date, changes to expected cashflows, differences between audited and unaudited accounts.
Level 3:				
	Property funds (where regular trading does not take place)	Underlying assets valued at fair value at the reporting date by each fund's valuers in accordance with current RICS Valuation Standards, taking account of other financial assets and liabilities within the fund structure.	Existing lease terms and rentals, independent market research, nature of tenancies, covenant strength for existing tenants, assumed vacancy levels, estimated rental growth, discount rate.	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations, as could more general changes to market prices.

Sensitivity of assets valued at Level 3

The Fund has determined that the valuation methods described above are likely to be accurate within the following ranges, and has set out below the consequent potential impact on the closing values of investments held at 31 March 2026.

	Valuation range % (+/-)	Value at 31 March 2026 £'000	Value on Increase £'000 £'000	Value on Decrease £'000 £'000
Pooled Investment Vehicles	15.00%	414,784	477,001	352,566
Private Equity	15.00%	153,095	176,059	130,131
Property	15.00%	215,065	247,325	182,805
Total		**782,944**	**900,385**	**665,502**

	Valuation range % (+/-)	Value at 31 March 2025 £'000	Value on Increase £'000 £'000	Value on Decrease £'000 £'000
Pooled Investment Vehicles	15.00%	384,405	442,066	326,744
Private Equity	15.00%	137,149	157,721	116,577
Property	15.00%	211,980	243,777	180,183
Total		**733,534**	**843,564**	**623,504**

The following tables provides an analysis of the Fund's assets and liabilities by fair value hierarchy.

31 March 2026	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at fair value through profit and loss				
Equities	125	-	-	125
Pooled investments	-	3,662,756	340,555	4,003,311
Pooled property investments	-	-	74,229	74,229
Private equity	-	-	153,095	153,095
Derivative contracts	-	-	-	-
Cash and cash equivalents	586	21,180	-	21,766
Sub-total	**711**	**3,683,936**	**567,879**	**4,252,526**
Non financial assets at fair value through profit and loss				
Property	-	-	215,065	215,065
Financial liabilities at fair value through profit and loss				
Derivative contracts	-	(4,836)	-	(4,836)
Total	**711**	**3,679,100**	**782,944**	**4,462,755**

31 March 2025	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at fair value through profit and loss				
Equities	60	-	-	60
Pooled investments	-	3,247,356	311,379	3,558,735
Pooled property investments	-	-	73,026	73,026
Private equity	-	-	137,149	137,149
Derivative contracts	-	782	-	782
Cash and cash equivalents	264	21,180	-	21,444
Sub-total	**324**	**3,269,318**	**521,554**	**3,791,196**
Non financial assets at fair value through profit and loss				
Property	-	-	211,980	211,980
Financial liabilities at fair value through profit and loss				
Derivative contracts	-	-	-	-
Total	**324**	**3,269,318**	**733,534**	**4,003,176**

The following table provides a reconciliation of fair value measurements within Level 3.

	Pooled Investment £'000	Private Equity £'000	Property £'000	Total £'000
Opening value at 1 April 2025	**384,405**	**137,149**	**211,980**	**733,534**
Purchases and derivative payments	47,754	20,577	55	68,386
Sales and derivative receipts	(43,747)	(19,087)	-	(62,834)
Unrealised gains and losses	28,157	4,393	3,030	35,580
Realised gains and losses	(1,785)	10,063	-	8,278
Closing value at 31 March 2026	**414,784**	**153,095**	**215,065**	**782,944**

	Pooled Investment £'000	Private Equity £'000	Property £'000	Total £'000
Opening value at 1 April 2024	**362,050**	**138,390**	**235,645**	**736,085**
Purchases and derivative payments	21,731	14,478	716	36,925
Sales and derivative receipts	(5,347)	(20,827)	(23,966)	(50,140)
Unrealised gains and losses	11,350	(8,289)	(415)	2,646
Realised gains and losses	(5,379)	13,397	-	8,018
Closing value at 31 March 2025	**384,405**	**137,149**	**211,980**	**733,534**

NOTE 19. CLASSIFICATION OF FINANCIAL INSTRUMENTS

As at 31 March 2026	Fair value through profit and loss £'000	Assets at amortised cost £'000	Liabilities at fair value through profit & loss £'000	Liabilities at amortised cost £'000
Financial assets				
Long term investments	786			
Equities	125	-		
Pooled investments	4,003,311	-		
Pooled property investments	74,229	-		
Private equity	153,095	-		
Derivative contracts	-	-		
Cash and cash equivalents	94,073	563		
Other investment balances	-	558		
Debtors	-	7,075		
Total	**4,325,619**	**8,196**		
Financial liabilities				
Derivative contracts			4,836	
Other investment balances				-
Sundry creditors				7,391
Total			**4,836**	**7,391**

As at 31 March 2025	Fair value through profit and loss £'000	Assets at amortised cost £'000	Liabilities at fair value through profit & loss £'000	Liabilities at amortised cost £'000
Financial assets				
Long term investments	750			
Equities	60	-		
Pooled investments	3,558,735	-		
Pooled property investments	73,026	-		
Private equity	137,149	-		
Derivative contracts	782	-		
Cash and cash equivalents	83,044	5,195		
Other investment balances	-	582		
Debtors	-	4,284		
Total	**3,853,546**	**10,061**		
Financial liabilities				
Derivative contracts			-	
Other investment balances				-
Sundry creditors				8,195
Total			**-**	**8,195**

NOTE 19A. NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

All realised gains and losses arise from the sale or disposal of financial assets that have been derecognised in the financial statements. The Fund has not entered into any financial guarantees that are required to be accounted for as financial instruments.

2024/25 £'000		2025/26 £'000
	Financial assets	
172,783	Fair value through profit and loss	464,769
	Financial liabilities	
	Fair value through profit and loss	
172,783	**Total**	**464,769**

NOTE 20. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Fund's primary long-term risk is that its assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunities for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, interest rate risk and currency risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet its forecast cash flows.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Committee. The Pension Fund Committee receives regular reports from all investment managers and from its Independent Investment Adviser on the nature of the investments made and their associated risks.

(a) Market Risk
Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities. In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of asset classes, geographical and industry sectors, and individual securities. Exposure to

specific markets and asset classes is limited by applying strategic targets to asset allocation, which are agreed and monitored by the Pension Fund Committee.

(a) (i) Other Price Risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all such instruments in the market. The Fund's investment managers mitigate this risk through diversification in line with their own investment strategies.

The following table demonstrates the change in the net assets available to pay benefits if the market price for each class of investment had increased or decreased by 15%, excluding cash and other investment assets.

As at 31 March 2026	Value £'000	Change %	Increase £'000	Decrease £'000
Equities	125	15.00%	19	(19)
Pooled Investment Vehicles	4,077,540	15.00%	611,631	(611,631)
Private Equity	153,095	15.00%	22,964	(22,964)
Derivatives	-	15.00%	-	-
Total	**4,230,760**		**634,614**	**(634,614)**

As at 31 March 2025	Value £'000	Change %	Increase £'000	Decrease £'000
Equities	60	15.00%	9	(9)
Pooled Investment Vehicles	3,631,761	15.00%	544,764	(544,764)
Private Equity	137,149	15.00%	20,572	(20,572)
Derivatives	782	15.00%	117	(117)
Total	**3,769,752**		**565,462**	**(565,462)**

(a) (ii) Interest Rate Risk

Interest rates can vary and can affect both income the Fund and the value of Fund assets, both of which affect the value of net assets available to pay benefits. The Fund's exposure to interest rate movements on those investments at 31 March 2026 and 2025 are provided below, based on underlying financial assets at fair value.

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of an increase or decrease of 1% (100 basis points) in interest rates.

The analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash and cash equivalents but they will affect the interest received on those balances.

As at 31 March 2026	Market Value £'000	Impact of 1% Rate Decrease £'000	Increase £'000
Cash & cash equivalents	94,636	-	-
Assets held in pooled investment vehicles:			
Bonds	282,327	16,108	(16,108)
Multi Asset Credit (MAC)	309,397	7,410	(7,410)
Total	**686,360**	**23,518**	**(23,518)**

As at 31 March 2025	Market Value £'000	Impact of 1% Rate Decrease £'000	Increase £'000
Cash & cash equivalents	88,239	-	-
Assets held in pooled investment vehicles:			
Bonds	267,053	15,342	15,342
Multi Asset Credit (MAC)	292,439	7,086	(7,086)
Total	**647,730**	**22,428**	**8,256**

(a) (iii) Currency Risk
Currency risk represents the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on any cash balances and investment assets not denominated in UK sterling (GBP).

To mitigate the effect of movements in foreign exchange rates against its overseas equities investments, the Fund has in place a 50% passive currency hedge against the three major currencies, the US Dollar, the Euro and the Japanese Yen, and 50% of its holdings in the LGIM Passive Developed Equities and Smart Beta funds are in hedged units.

Following analysis of historical data, the Fund considers the likely volatility associated with foreign exchange rate movements to be not more than +/- 15% in total. The following summarises the Fund's exposure to currency exchange rate movements on its investments net of these hedges.

As at 31 March 2026	Total Exposure £'000	Unhedged Exposure £'000	Potential Movement £'000
Equities	125	63	9
Pooled Investment Vehicles	3,038,896	2,016,896	302,534
Private Equity	153,095	153,095	22,964
Total	**3,192,116**	**2,170,054**	**325,508**

As at 31 March 2025	Total Exposure £'000	Unhedged Exposure £'000	Potential Movement £'000
Equities	60	30	4
Pooled Investment Vehicles	2,714,029	1,802,776	270,416
Private Equity	137,149	137,149	20,572
Total	**2,851,237**	**1,939,954**	**290,993**

(b) Credit Risk
Credit risk represents the risk that the counterparty to a financial transaction will fail to discharge an obligation and cause the Fund to incur a financial loss. The selection of high quality counterparties, brokers and financial institutions minimises credit risk and the market values of investments generally reflect an assessment of credit risk.

Deposits are not made with banks and financial institutions unless they are rated independently and meet the Fund’s credit criteria. The Fund also sets limits as to the maximum percentage of deposits placed with any one individual institution. In addition, the Fund invests in low volatility money market funds, all of which have a AAA rating from the leading credit rating agencies.

The table below summarises the Fund's exposure to credit risk at 31 March 2026 and 31 March 2025.

Investment	31 March 2026 £'000	31 March 2025 £'000
Cash and Cash Equivalents	94,636	88,239
Assets held in pooled investment vehicles:		
Bonds	282,327	267,053
Multi Asset Credit (MAC)	309,397	292,439
Total	**686,360**	**647,731**

(c) Liquidity Risk
Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. Such risks are mitigated by maintaining a detailed cashflow model and taking appropriate steps to ensure that there is adequate cash available to meet liabilities as they fall due.

The Fund has immediate access to its cash holdings and defines liquid assets as assets that can be converted to cash within three months' notice, subject to normal market conditions. As at 31 March 2026, liquid assets were £3,685m representing 81% of total net assets (£3,270m at 31 March 2025 representing 80% of total net assets at that date).

NOTE 21. FUNDING ARRANGEMENTS

In accordance with the LGPS Regulations, the Fund's actuary, Barnett Waddingham LLP, undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The most recent such valuation took place as at 31 March 2025, setting employer contribution rates for the period 1 April 2026 to 31 March 2029.

The next valuation is taking place as at 31 March 2028 and will set employer contribution rates for the period 1 April 2029 to 31 March 2032.

The key elements of the funding policy are:

- to ensure that the long-term solvency of the Fund i.e. that sufficient funds are available to meet all pension liabilities as they fall due for payment;
- to ensure that employer contribution rates are as stable as possible;
- to minimise the long term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return;
- to reflect the different characteristics of employing bodies in determining contribution rates where it is reasonable to do so; and
- to use reasonable measures to reduce the risk to other employers and ultimately to the council taxpayer from an employer defaulting on its pension obligations.

Contribution rates for the year ending 31 March 2026 were set at the valuation calculated as at 31 March 2022. The common contribution rates set at the 2025 valuation for the three-year period ending 31 March 2029 are as follows.

	2026/27	2027/28	2028/29
Primary rate (future service contributions)	16.30%	16.30%	16.30%
Secondary rate (deficit recovery contributions)	4.50%	3.90%	3.60%
Total employer contributions	**20.80%**	**20.20%**	**19.90%**

The contribution rates paid by each employer, in addition to those paid by members of the scheme, are set to be sufficient to meet the liabilities that build up each year within the Fund in respect of the benefits earned by each employer's active members of the Fund during the year plus an amount to reflect each participating employer's share of the value of the Fund's assets compared with the liabilities that have already accrued at the valuation date. Each employer pays an individual rate of contributions to reflect its own particular circumstances and funding position within the Fund. The contribution rates were calculated using the projected unit method taking account of market conditions at the valuation date.

At the 2025 actuarial valuation, the Fund was assessed as 98% funded (96% at the 2022 valuation) with a deficit recovery period of no more than 13 years (16 years at the 2022 valuation). The key assumptions applied by the actuary for the 2025 and 2022 valuations are summarised below. To be consistent with the market value of assets, the liabilities were valued allowing for expected future investment returns and increases to benefits as determined by market levels at the valuation date.

	Valuation 2022	**Valuation 2025**
Annual rate of return on investments (discount rate)	4.90%	5.10%
Annual rate of increases in pay (long term)	4.00%	3.70%
Annual rate of inflation (CPI)	3.00%	2.70%

NOTE 22. ACTUARIAL PRESENT VALUE OF PROMISED RETIREMENT BENEFITS

In addition to the triennial funding valuation, the Fund's actuary, Barnett Waddingham LLP, also undertakes a valuation of the Fund's liabilities on an IAS 19 basis every year using the same base data as the funding valuation rolled forward to the current financial year but taking account of changes in membership numbers and updating assumptions to the current year. This annual valuation is not carried out on the same basis as that used for setting employer contribution rates and the Fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

This valuation as at 31 March 2026 is set out in Appendix D to these financial statements.

NOTE 23. ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVC)

The Council administers an in-house AVC Scheme with two designated providers, Prudential Plc and Utmost Life and Pensions Limited (formerly Equitable Life). The amounts contributed to AVC plans by employees who are members of the pension scheme do not form any part of, and are not included in, the Fund accounts.

Each employer in the Fund is responsible for collecting from their own employees and paying to the AVC provider those contributions due on AVC plans. Dorset Council, in its capacity as a scheme employer, deducted and paid to the AVC providers a total of £2,084k in 2025/26 (£1,714k in 2024/25).

The market value of the separately invested additional voluntary contributions as at 31 March 2026 was £11,217k (£9,551k as at 1 April 2025).

NOTE 24. RELATED PARTY TRANSACTIONS

Related party issues arise primarily from the fact that the Council is the administering authority for the Fund. The Council also has various operational, contractual and financial dealings with a number of scheduled and admitted bodies of the Fund, however, these activities do not relate to the Council's role as administering authority for the Fund.

The Pension Fund has transactions with Brunel Pension Partnership Ltd (“Brunel”), company number 10429110. Brunel was formed on 14 October 2016 and oversees the investment of pension fund assets for Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset and Wiltshire funds. Each of the ten administering authorities, including Dorset Council, own 10% of Brunel. Transactions with Brunel were £2.9m for 2025/26 and £1.5m for 2024/25. The 2025/26 amount includes a payment of £1.3m towards the expected costs of winding up the company.

The Council remits monthly contributions to the Fund in arrears, and total contributions for the year were £50m. £3.7m of this related to March 2026 contributions and was accrued as at 31 March 2026. Management and administration costs of £3.0m were incurred by the Council and recharged to the Fund in 2025/26. In addition, at any given time there may be amounts which have been paid or received by both the Council or the Fund where indebtedness arises between the two. These can arise due to operational necessity or where single transactions have elements relating to both the Council and the Fund and are settled on a regular basis.

NOTE 24A. KEY MANAGEMENT PERSONNEL

Senior officers of the Council are members of the Fund as employee contributors. As at 31 March 2026, no members of the Pension Fund Committee were contributing members of the Fund. The key management personnel of the Fund are the members of the Pension Fund Committee and the Council's Chief Financial Officer (who is the Fund Administrator). The £3.0m recharge from the Council includes a charge of £24k for the Chief Financial Officer's time spent working for the Fund. The £24k charge is categorised as a short-term employee benefit.

NOTE 25. CONTINGENT ASSETS, LIABILITIES AND CONTRACTUAL COMMITMENTS

Recovery of withholding tax
The Fund is continuing the process required to recover withholding tax from various EU investments following rulings requiring equal treatment for all EU investors. These claims will be retrospective and will cover a varying number of years depending on the domicile. Neither the amount nor the expected time of settlement are known so consequently the financial statements as at 31 March 2026 do not reflect any potential recovery of tax.

Commitments to private markets' portfolios
Outstanding capital commitments (investments) at 31 March 2026 were approximately £110m (£135m at 31 March 2025). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the pension fund. The amounts ‘called’ by these funds are irregular in both size and timing over a number of years from the date of each original commitment.

Virgin Media case
In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Ltd) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The case was taken to The Court of Appeal in June 2024 and the original ruling was upheld.

In September 2025, the government published proposed amendments to the Pension Schemes Bill that would allow retrospective actuarial validation to confirm whether historic changes to contracted-out benefits complied with statutory requirements. The legislation set out that for the LGPS (England and Wales), the scheme manager role was to be carried out by the Ministry of Housing, Communities and Local Government (MHCLG) as the responsible authority for the scheme.

In January 2026, The Pensions Regulator and the Financial Reporting Council issued guidance for scheme managers and scheme actuaries responsible for giving retrospective confirmation. The Government Actuary’s Department have been working with MHCLG to consider whether any action was required in respect of the LGPS (England and Wales). The Government was confident that public sector pension schemes, including the LGPS, would not have failed the Reference Scheme Test at all relevant times during the period in question. No changes to the scheme were therefore expected to arise as a result of this legal case.

Asset Pools

Asset Pools Background

In 2015 the Department of Communities and Local Government (as it then was) issued LGPS: Investment Reform Criteria and Guidance which set out how the government expected LGPS funds to establish asset pooling arrangements. The objective was to deliver:

- Benefits of scale;
- Strong governance and decision making;
- Reduced costs and excellent value for money; and
- An improved capacity and capability to invest in infrastructure.

To meet these requirements, the Fund joined with nine other LGPS administering authorities (Avon, Buckinghamshire, Cornwall, Devon, Gloucestershire, Oxfordshire, Somerset, Wiltshire and the Environment Agency) to form the Brunel Pension Partnership. The expected costs and savings for the Fund in the original business case approved in January 2017 and then submitted to Government, are set out in the following table.

Table 1: Expected Costs and Savings from Pooling (as per Business Case)

	2016 2018 £'000	2018 2019 £'000	2019 2020 £'000	2020 2021 £'000	2021 2022 £'000	2022 2023 £'000	2023 2024 £'000	2024 2025 £'000	2025 2036 £'000	Total £'000
Set up costs	1,183	-	-	-	-	-	-	-	-	1,183
Ongoing Brunel Costs	-	487	637	657	679	701	724	747	10,019	14,650
Dorset Fund Savings	-	(125)	(129)	(133)	(137)	(141)	(145)	(149)	(1,972)	(2,931)
Transition costs	-	1,283	1,896	123 -	-	-	-	-		3,301
Fee savings	-	(59)	(1,499)	(2,562)	(2,986)	(3,453)	(3,953)	(4,232)	(71,046)	(89,788)
Net costs / (savings)	**1,183**	**1,586**	**905**	**(1,915)**	**(2,444)**	**(2,893)**	**(3,374)**	**(3,634)**	**(62,999)**	**(73,585)**

Following approval of the business case, Brunel Pension Partnership Ltd was established in July 2017 as a company wholly owned in equal shares by the ten administering authorities and authorised by the Financial Conduct Authority (FCA).

LGPS pool companies are responsible for implementing the strategic asset allocations of their participating funds by investing their assets within defined outcome focused investment portfolios. In particular, they research and select the external managers or pooled funds needed to meet the investment objective of each portfolio. However, responsibility for setting strategic asset allocations remains with the administering authorities.

The financial performance of the pool company is monitored to ensure that it is delivering on the key objectives of investment pooling. This includes reporting of the costs associated with the appointment and management of the pool company including set up costs, investment management expenses and the oversight and monitoring of the pool company by the client/shareholder administering authorities. The set up and transition costs incurred to date are set out in the following table.

Table 2: Investment Pool Set Up Costs

	2025/26 Direct	2025/26 Indirect	Total	Cumulative to date
	£'000	£'000	£'000	£'000
Set Up Costs				
Recruitment	-	-	-	18
Legal	-	-	-	133
Consulting, Advisory & Procurement	-	-	-	82
Other support costs e.g. IT, accommodation	-	-	-	0
Share purchase / subscription costs	-	-	-	840
Total Set Up Costs	**-**	**-**	**-**	**1,072**
Transition Costs				
Transition fees		-	-	320
Taxation		-	-	552
Other transition costs		-	-	3,460
Total Transition Costs	**-**	**-**	**-**	**4,332**

The Fund transitioned its first assets to Brunel's management in July 2018 and by 31 March 2026 approximately 86% of assets had transitioned. The investment fee savings achieved to date are summarised in the following table.

Table 3: Investment Fee Savings from Pooling

	Value OBC 31-Mar-16 £'000	Value 31-Mar-26 £'000	Price Variance £'000	Quantity Variance £'000	Total Saving / (Cost) £'000
UK Passive Equities	365,654	532,564	-96	0	-96
UK Active Equities	218,539	0	5,548	17,744	23,292
Global Passive Equities	0	272,269	275	-554	-279
Global Climate Transition Equities	0	0	35	-64	-29
Global Paris Aligned Equities	0	0	94	-179	-85
Smart Beta Passive Equities	0	424,865	584	-1,916	-1,332
Low Volatility Equities	227,083	349,861	249	7,988	8,238
Emerging Markets Equities	65,186	198,870	1,507	1,207	2,714
High Alpha Global Equities	0	290,598	5,249	-10,838	-5,589
Global Smaller Companies Equities	0	294,100	2,252	-8,169	-5,917
Global Sustainable Equites	0	412,307	5,750	-11,778	-6,028
Core Global Equites	333,306	0	0	21,607	21,607
Diversifying Returns Fund	107,588	293,766	2,951	2,538	5,489
Multi Asset Credit	0	309,401	704	-3,733	-3,029
Sterling Corporate Bonds	286,117	282,327	1,444	14,229	15,673
Sub-Total Listed Markets	**1,603,473**	**3,660,930**	**26,546**	**28,082**	**54,629**
Private Markets			4,304	-7,038	-2,734
Total			**30,850**	**21,044**	**51,895**

This analysis shows the fee savings achieved for the assets that have transitioned to Brunel portfolios against the fees charged at the time the business case for pooling was prepared in 2016. Where the Fund did not have an investment in an equivalent mandate an average of the fees paid by other client funds at that time is used as a proxy fee.

The price variance measures the extent to which changes in fee rates have generated savings or costs, and the quantity variance shows the difference in fees payable as a result of changes in asset value since the original business case.

A summary of the costs and savings to date compared to the original business case is provided in the following table.

Table 4: Expected vs Actual Costs and Savings to Date

	2024/25				2025/26			
	Budget		Actual		Budget		Actual	
	In Year £'000	To Date £'000	In Year £'000	To Date £'000	In Year £'000	To Date £'000	In Year £'000	To Date £'000
Set up costs	0	1,183	0	1,072	0	1,183	0	1,072
Ongoing Brunel Costs	747	4,631	1,331	7,062	772	5,403	1,515	8,577
Client Savings	(149)	(959)	(133)	(919)	(154)	(1,113)	(133)	(1,052)
Transition costs	0	3,301	0	4,332	0	3,301	0	4,332
Fee savings*	(4,232)	(18,742)	(6,820)	(24,572)	(4,527)	(23,269)	(6,278)	(30,850)
Net costs/(savings)	**(3,634)**	**(10,586)**	**(5,622)**	**(13,025)**	**(3,909)**	**(14,495)**	**(4,896)**	**(17,921)**

**Price variance only.*

In April 2025 the administering authorities of two of the eight LGPS investment pools in England and Wales (Brunel and ACCESS) were instructed by government to join one of the six other pools. In September 2025, the Pension Fund Committee resolved that Local Pension Partnership Investments (LPPI) was the preferred pool Dorset wished to work with, alongside five of the other Brunel partner funds plus three existing LPPI partner funds and in March 2026, the Committee resolved to become a shareholder and client of LPPI. All pension fund investment assets are now under the management of LPPI and the process for winding up Brunel has begun.

Other Material

Knowledge and Skills

There is a requirement for all those involved in the management and oversight of public sector pension funds (whether members or officers) to ensure they achieve the level of knowledge and skill necessary for performing their duties and responsibilities effectively.

Dorset County Pension Fund recognises the importance of ensuring that it has the necessary resources to discharge its pensions administration responsibilities and that all staff and members charged with the financial administration, governance and decision-making with regard to the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

The Dorset County Pension Fund seeks to utilise individuals who are both capable and experienced and it will provide/arrange training for staff and members of the pensions decision-making and governance bodies to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

Training

As an administering authority of the LGPS, Dorset Council recognises the importance of ensuring that all officers and Pension Fund Committee and Local Board members charged with financial management and decision making for the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

It therefore seeks to appoint individuals who are both capable and experienced and will provide and arrange training for relevant officers and members. This training is designed to enable officers and members to acquire and maintain an appropriate level of expertise, knowledge, and skills. A formal training plan is prepared each year to identify and meet the training needs of the Pension Fund Committee and Local Pension Board, both as a group and as individuals, and is based upon the recommendations of the CIPFA Pensions Finance Knowledge and Skills Framework.

All public sector organisations charged with the financial management of pension schemes will be aware of the schemes' growing complexity. Public sector pension scheme financial management demands appropriate skills, including knowledge of financial markets and products; financial services procurement; pensions accounting and auditing; actuarial practices; investment performance and risk management and the implications of legal and regulatory requirements.

Every public sector organisation should secure appropriate training, having assessed the professional competence of both those involved in pension scheme financial management and those with a policy, management and/or oversight role. They should also ensure that those charged with pension scheme governance have access to the skills and knowledge they require to carry out this role effectively.

CIPFA has published its Pensions Finance Knowledge and Skills Framework as a basis for the training and development of those involved in pension scheme finances. The six areas within the Knowledge and Skills framework are:

- Pensions legislative and governance context.
- Pensions accounting and auditing standards.
- Financial services procurement and relationship management.
- Investment performance and risk management.
- Financial markets and product knowledge.
- Actuarial methods, standards and practices.

As an administering authority of the Local Government Pension Scheme, Dorset Council has always recognised the importance of ensuring that all officers and members of the Pension Fund Committee charged with the financial management and decision making with regard to the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them. The Fund provides and arranges training for officers and members of the Pension Fund Committee to enable them to acquire and maintain an appropriate level of expertise, knowledge, and skills.

The administering authority recognises the importance of training, both for Committee members, Local Pension Board and pension fund staff responsible for financial management and decision making within the Fund. Training is provided to ensure committee members, Local Pension Board and staff, possess an appropriate level of knowledge, skill and understanding to carry out their duties. Specifically, the administering authority must ensure:

• that decisions are taken by persons or organisations with the skills, knowledge advice and resources necessary to make them effectively monitor implementation; and

• those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive and manage conflicts of interest.

Topics for training in 2025-26 for members and officers are shown in the table below.

Date	Training	By Whom
24/06/2025	Investment Training	Steve Tyson, Apex, Independent Investment Adviser
24/06/2025	Pension Fund Investment	David Wilkes, Service Manager
09/09/2025	LGPS Investment Policy	David Wilkes, Service Manager
02/12/2025	Funding Strategy Statement	Roisin McGuire & Hagen Eichel - Barnett Waddingham
02/12/2025	LPPI Introduction Meeting	Chris Rule & Matthew Graham - LPPI
17/03/2026	UK Government Bonds ("Gilts")	David Wilkes, Service Manager

Pension Fund Documents

The precis and the links below relate to important documents of the Dorset County Pension Fund.

Investment Strategy Statement
The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 require administering authorities of LGPS funds to formulate and to publish a statement of its investment strategy, in accordance with guidance issued from time to time by the Secretary of State. This statement must be reviewed by the administering authority at least every three years, or more frequently should any significant change occur.

The regulations provide a prudential framework, within which administering authorities are responsible for setting their policy on asset allocation, risk and diversity. Administering authorities must invest, in accordance with its investment strategy, any pension fund money that is not needed immediately to make payments. The Investment Strategy Statement is therefore an important governance tool as well as providing transparency in relation to how LGPS funds' investments are managed.

All functions of Dorset Council ("the Council") as the administering authority for the Dorset County Pension Fund ("the Fund") have been delegated to the Pension Fund Committee ("the Committee"). This includes responsibility for determining the overall investment strategy and strategic asset allocation of the Fund, and in doing so taking proper professional advice.

The Fund's primary purpose is to provide pension benefits for its members. The Fund's investments will be managed to achieve a return that will ensure the solvency of the Fund and provide for members' benefits in a way that achieves long term cost efficiency and effectively manages risk. The Investment Strategy Statement therefore sets out a strategy that is designed to achieve an investment return consistent with the objectives and assumptions set out in the Fund's Funding Strategy Statement.

The Investment Strategy Statement sets out in more detail the Fund's:
• assessment of the suitability of particular types of investments, and the balance between asset classes.
• approach to risk and how risks will be measured and managed, consistent with achieving the required investment return.
• approach to investment pooling and its relationship with its investment pooling manager; and
• policy on how environmental, social or corporate governance considerations are taken into account in its investment strategy, including its stewardship responsibilities as a shareholder and asset owner.

This statement replaces the previous version of the Investment Strategy Statement (ISS) first published September 2024 and has been amended to reflect the results of the strategic allocation review agreed by the Committee 17 March 2026.

The full report can be read following the link below:
https://www.dorsetpensionfund.org/forms-and-publications/investment-strategy-statement

Funding Strategy Statement
This is the Funding Strategy Statement for the Dorset County Pension Fund (the Fund). It has been prepared by Dorset Council in our capacity as Administering Authority of the Fund.

This statement has been prepared:

- in accordance with Regulation 58 of the LGPS Regulations 2013 as amended (the Regulations);
- with regard to the guidance (Guidance for Preparing and maintaining a Funding Strategy Statement (FSS)) jointly produced by the Scheme Advisory Board (SAB), the Chartered Institute of Public Finance and Accountancy (CIPFA) and Ministry of Housing, Communities and Local Government (MHCLG); and
- having taken advice from the Fund Actuary, Barnett Waddingham.

This statement should be read in conjunction with our Investment Strategy Statement (ISS).

Employers and other relevant parties have been consulted during the development of this FSS.

This FSS was approved by the Pension Fund Committee on 17 March 2026 on the recommendation of the Chief Financial Officer (section 151 officer) and following consultation with our employers.

The full report can be read following the link below:
https://www.dorsetpensionfund.org/forms-and-publications/dorset-funding-strategy-statement

Pensions Administration Strategy Statement
Dorset County Pension Fund ("the Fund") is responsible for the administration of the Local Government Pension Scheme ("LGPS") within the geographical area of Dorset. The Fund also administers the LGPS on behalf of a number of qualifying employers who are not situated within the Dorset area. The service is carried out by Dorset Council ("the administering authority") on behalf of qualifying employers and ultimately the LGPS members.

This document is the Pensions Administration Strategy statement outlining the policies and performance standards towards providing a cost-effective, inclusive and high-quality pensions and administration service. Delivery of such an administration service is not the responsibility of one person or one organisation but is rather the joint working of a number of different stakeholders, which between them are responsible for delivering the pensions administration service to meet the diverse needs of the membership. As the cost of this service is borne by the Fund and effectively recharged pro-rata to each employer via the contribution rate, it is in everyone's interests to ensure an efficient cost-effective provision.

The full report can be read following the link below:
https://www.dorsetpensionfund.org/forms-and-publications/administration-strategy

Communication Policy Statement
The Dorset County Pension Fund are continuously looking at ways to improve communications with the various stakeholders in the Local Government Pension Scheme administered by Dorset County Council.

The Fund aims to use the most appropriate communication medium for the audiences receiving the information. This may involve using more than one method of communication. This document explains our existing methods of communication and describes some of our future plans.

The full report can be read following the link below:
https://www.dorsetpensionfund.org/forms-and-publications/communications-policy

Voting Guidelines

Brunel Pension Partnership

Brunel Pension Partnership set out a range of principles on key topics, which express expectations of companies and their boards and management. Failure to meet any of these will be factored into the assessment of whether to support a relevant resolution proposed by management or by shareholders at a company's annual or extraordinary general meeting, or otherwise in writing.

The Responsible Investment priorities, which are used to focus the engagement programme, are detailed on Brunel's website. Brunel's Climate Change Policy provides further detail on their engagement programme. Some engagement themes do not have a directly-related voteable action – for these areas, it can be more effective to communicate views via engagement with companies. Brunel have included the engagement outcomes below, to demonstrate how engagement and voting is linked, and to indicate how they will engage and/or vote on each principle. Where Brunel feel that companies are consistently unreceptive to engagement, Brunel will consider voting to oppose relevant board members or resolutions. Omission of an issue in the voting policy does not preclude a vote against a particular resolution.

Brunel Voting Principles

What companies can expect from Brunel

• *Voting*: Brunel will always seek to exercise their rights as shareholders through voting.

• *Consistency*: Brunel aim to vote consistently on issues, in line with their Voting Policy, applying due care and diligence, allowing for case-by-case assessment of companies and market-specific factors. Brunel will consider engagement with companies when voting.

• *No abstention*: Brunel aim to always vote either in favour or against a resolution and only to abstain in exceptional circumstances or for technical reasons, such as where their vote is conflicted, a resolution is to be withdrawn, or there is insufficient information upon which to base a decision.

• *Supportive*: Brunel aim to be knowledgeable about companies with whom they engage and to always be constructive. Brunel aim to support boards and management where their actions are consistent with protecting long-term shareholder value.

• *Long-term*: Brunel seek to protect and optimise long-term value for shareholders, stakeholders and society.

• *Engagement*: Brunel support aligning their voting decisions with company engagement. Brunel will escalate the vote if concerns have been raised and not addressed in the prior year.

• *Transparency*: Brunel will be transparent and publish their voting activity no less than twice per year.

What Brunel expects of companies

• *Accountability*: The directors of a company must be accountable to its shareholders and make themselves available for dialogue with shareholders.

• *Transparency*: Brunel expect companies to be transparent and to disclose, in a timely and comprehensible manner, information to enable well-informed investment decisions. This includes environmental and social issues that could have a material impact on the company's long-term performance.

• *One Share, One Vote*: Brunel support one share, one vote. Where a company issue shares with differing rights, they must define these rights transparently and clearly explain why rights are not equal.

• *Informed votes*: Brunel expect companies to make complete materials for general meetings available to shareholders and, where possible, to do so in advance of the legal timeframes for the meeting.

• *Development*: Brunel encourage companies to explore technology to improve the voting process and confirmation, such as blockchain, virtual meetings, electronic voting, and split voting (ownership proportion).

Voting Guidelines

Brunel have set out their voting guidelines in the sequence that reflects the level of individual direct control that the company has in managing the topic. For example, climate change is a risk that a company, despite its individual action, in and of itself has no direct control over – it can, however, control its response to that risk.

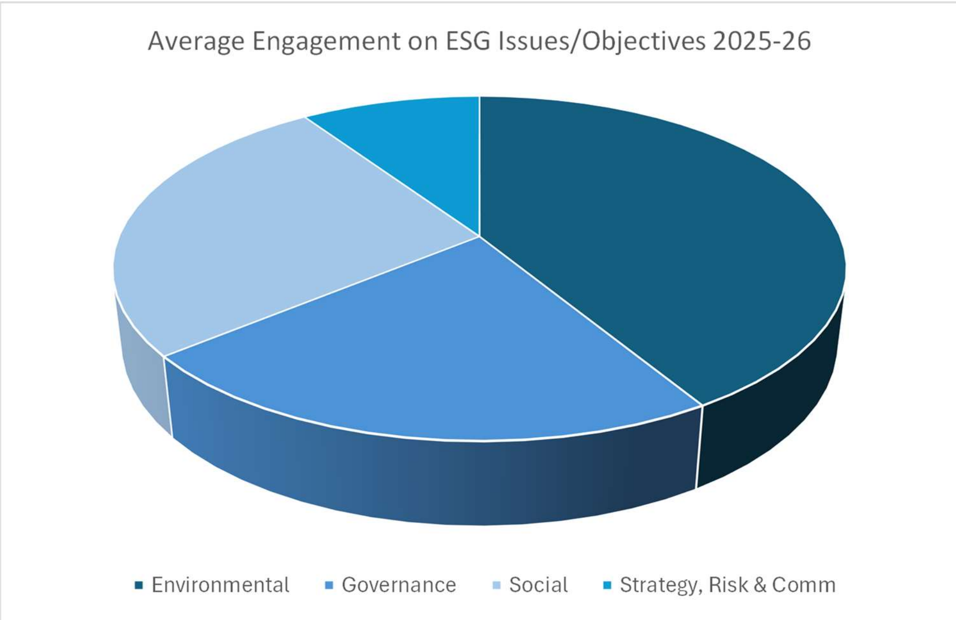
In contrast, appointments to the board, remuneration policy and systems of internal control are wholly within an organisation's sphere of influence. Brunel believe that taxation and the availability and use of human and natural capital sit between these two extremes. By structuring guidelines in this order, we are highlighting the need for companies to respond to high level global risks; these are often not a focus of attention but failure to manage them can have significant financial consequences. The ordering of the voting principles does not indicate their level of importance.

The principle and Outcome/Voting Guidance can be found at:
https://www.brunelpensionpartnership.org/wp-content/uploads/2024/05/Brunel-Voting-Guidelines-2024.pdf

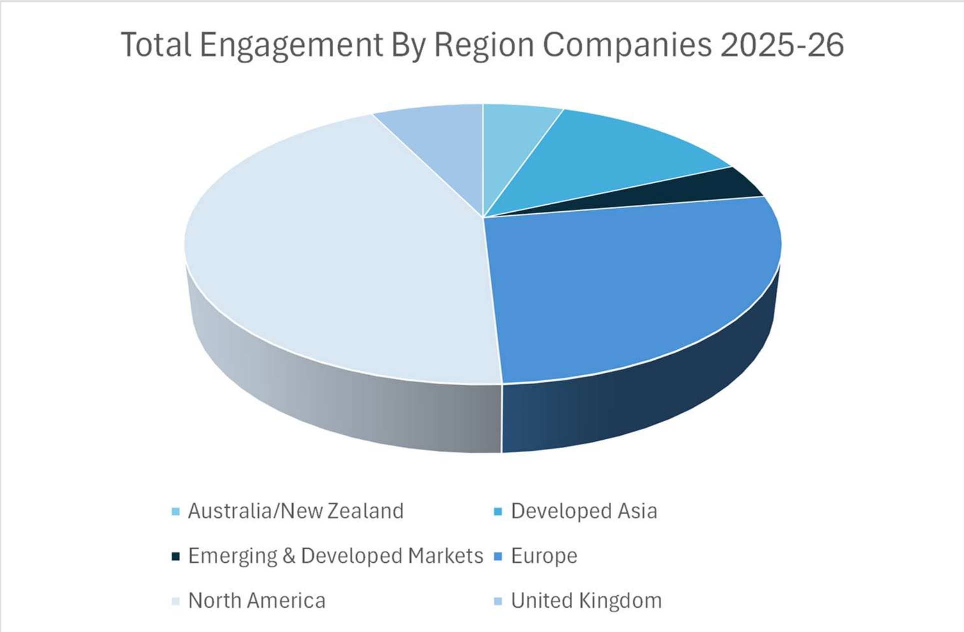
Voting – Engagement by Region

Throughout 2025-26 Brunel Pension Partnership/Federated Hermes engaged with a total of 1,125 global companies held in the Dorset County Pension Fund portfolio on a range of 3,854 environmental, social and governance issues and objectives. The charts and tables below show the Engagement on environmental, social and governance issues and objectives and the Engagement with companies by region. A sample of voting analysis are shown below.

Engagement On ESG Issues Objectives				
	30 June 2025	30 September 2025	31 December 2025	31 March 2026
	%	%	%	%
Environmental	33.5	49.9	42.2	39.6
Governance	35.1	15.6	17.5	22.7
Social	22.2	23.6	32.1	28.2
Strategy, Risk & Comm	9.2	10.9	8.2	9.5



Engagement By Region - Companies - Quarter Ending					
	30 June 2025	30 September 2025	31 December 2025	31 March 2026	Total
Australia/New Zealand	11	16	20	12	**59**
Developed Asia	51	28	45	23	**147**
Emerging & Developed Markets	13	19	9	5	**46**
Europe	96	72	74	59	**301**
North America	155	108	140	87	**490**
United Kingdom	26	22	19	15	**82**
Total	**352**	**265**	**307**	**201**	**1,125**



Glossary of Terms

50/50 Option
The LGPS offers the flexibility to pay half of the normal contribution rate and build up half of the normal pension whilst retaining full life and ill-health cover.

Accrual
An amount to cover income or spending that belongs to the accounting year, which was outstanding at the accounting date.

Actuarial Valuation
An Actuarial Valuation is a three yearly valuation of the Fund. It is undertaken by the Actuary into the liability of the Fund to meet its liabilities. For the LGPS the Fund Actuary will assess the funding level of each participating employer and agree contribution rates.

Actuary
An independent consultant who advises the Fund and reviews the financial position of the Fund every three years. The Actuary produces a report, known as the actuarial report, which compares the Fund's assets with the liabilities and prescribes the rates at which the employing bodies must contribute.

Additional Voluntary Contributions (AVCs)
AVCs are paid by a contributor who decides to supplement their pension by paying extra contributions to the Scheme's AVC provider.

Administering Authority
A body required to maintain a pension fund under the LGPS regulations. For the Dorset County Pension Fund this is Dorset Council.

Admitted Bodies
These are employers who have been allowed into the Fund at the County Council's discretion.

Annual Benefit Statement
A document issued to active and deferred members on an annual basis informing them of the current and estimated future value of their pension benefits at the end of each scheme year.

Asset Allocation
The apportionment of the Fund's assets between different types of investments (or asset classes).

Assets
These are everything that the pension fund holds. They include investments, bank balances and debtors.

Automatic Enrolment
To help people save for their retirement the Government requires all employers in the UK to automatically enrol their workers into a workplace pension, if they meet certain requirements. This is known as automatic enrolment and already happens in the LGPS, with most new employees automatically joining the Scheme when they commence employment.

Benchmark
A measure against which pension fund management performance is judged. A series of appropriate indices is chosen which reflects the requirements of the trustees. Usually, a target is set which requires an agreed percentage better performance from the fund than the benchmark.

Brunel Pension Partnership (BPP Ltd) to 31.03.2026
A partnership of ten LGPS funds to pool the management of their investment assets. The individual funds will retain responsibility for setting investment strategy; BPP Ltd, a company owned by the ten administering authorities will implement the strategies on behalf of the funds. The funds in the partnership are Avon,

Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset and Wiltshire.

Cessation Valuation
A calculation carried out by the actuary when an employer leaves the Fund, which may result in a final deficit payment due to the Fund.

Collateral
An asset (cash or securities) posted from one counterparty to another and held as a guarantee against the value of a specified trade or other transactions.

Consumer Price Index (CPI)
CPI is a measure of inflation based on the change in the price of a fixed basket of goods and services. The difference between CPI and Retail Price Index (RPI) is that CPI excludes some items used in RPI such as mortgage interest payments and Council Tax, and includes other items not used in RPI.

Corporate Bonds
Fixed interest securities and index-linked securities issued by companies registered either in the UK or overseas. They represent 'loans' to the companies which are repayable on a stated future date. In the annual accounts, these are included in 'Sterling Bonds'.

Custodian
An external body responsible for ensuring Fund assets are registered in the name of the Fund, managing the settlement of trades entered into by the Fund, collecting income arising on Fund assets and reporting transactions and values to the Fund on a regular basis.

Deficit
If assets are less than liabilities, the Fund is said to be in deficit - there isn't enough money in the Fund to pay all future pension payments, so contributions may need to increase.

Deferred Pensioners
A deferred member is one that has stopped paying into the scheme but is not yet receiving a pension. As a deferred member you will receive an Annual Benefit Statement which shows the benefits you have accrued, and any pension increase that has been applied and how much they will be worth on retirement.

Dividend
The part of a company's after-tax earnings, which is distributed to the shareholders in the form of cash or shares. The directors of the company decide how much dividend is to be paid and when. The dividend is neither automatic nor guaranteed for ordinary shareholders.

Emerging Markets
Developing economies in Latin America, Africa, Asia and the Middle East as well as areas of Europe and the Far East. Investment returns within these markets tend to more volatile than those in more established markets.

Equities
Ordinary shares in UK and overseas companies traded on a stock exchange. Shareholders have an interest in the profits of the company and are entitled to vote at shareholders' meetings.

Fund Administrator
The person who is responsible for managing the pension fund.

Funding Level
The ratio of a fund's assets to the estimated value of its past service liabilities. This is expressed as a percentage. If a fund has a funding level of 110% it owns 10% more assets than it currently requires to meet its liabilities.

Hedge
To protect a fund from a fall in prices. This is usually accomplished by the selling of futures.

Infrastructure
The public facilities and services needed to support residential development, including highways, bridges, schools and sewer and water systems.

LGPS
The Local Government Pension Scheme, a public sector pension arrangement put in place via

Government Regulations, for workers in local government.

Liabilities
The actuarially calculated present value of all benefit entitlements i.e. Fund cashflows of all members of the Fund, built up to date or in the future. The liabilities in relation to the benefit entitlements earned up to the valuation date are compared with the present market value of Fund assets to derive the deficit and funding/solvency level. Liabilities can be assessed on different set of actuarial assumptions depending on the purpose of the valuation.

Local Pension Board
The Local Pension Board is made up of employer and member representatives and provides assistance to the scheme manager with the administration of the pension fund.

Local Pensions Partnership Investments (LPPI)
The new LGPS pension fund's investment pooling manager from 1 April 2026.

Market Value
The price at which an asset might reasonably be expected to be sold in an open market.

Membership
Local authority employment during which time pension contributions were made or redeemed to have been made providing entitlement to benefits under the scheme.

Ministry of Housing, Communities and Local Government (MHCLG)
Formerly the Department for Communities and Local Government (DCLG), MHCLG is the government department responsible for the Local Government Pension Scheme.

Net Asset Value
The value of the Fund's assets minus the value of its liabilities.

Passive Management
A style of investment management that seeks to attain performance equal to market or index returns.

Pension Fund Committee
The Pension Fund Committee oversees the management of the Dorset Pension Fund and acts as trustees of the Fund.

Pensionable Pay
Pensionable pay is the amount of pay on which you pay contributions. It includes basic pay, plus some other extras such as bonus, shift allowances and voluntary overtime. It does not include things like mileage or expenses.

Performance Measurement
Calculation of a Fund's historic return on its investments.

Pooled Funds
Pooled Funds are funds which manage the investments of more than one investor on a collective basis. Each investor is allocated units in the fund which are revalued at regular intervals. Income from these investments is normally reinvested in the pooled fund automatically which increases the value of the units.

Private Equity
Private equity is capital that is not noted on a public exchange. Private equity is composed of funds and investors that directly invest in private companies, or that engage in buyouts of public companies, resulting in the delisting of public equity.

Property
In investment, property can refer to offices, shops, shopping centres, retail parks and warehouses. Returns from property can include rental income and growth in value (capital growth).

Scheduled Body
A scheduled body is a statutorily defined body within the scheme's regulations and has a statutory obligation to participate in the Scheme.

Scheme Employer
An employer participating in the pension fund with current employees enrolled in the LGPS.

Scheme Member
An individual with pension benefits in the LGPS or who is in receipt of pension benefits from the LGPS.

State Pension Age
This is the earliest age that someone can receive the state basic pension. You can use the Government's State Pension Age calculator (**www.gov.uk/state-pension-age**) to find out your State Pension Age.

Transfer Payment
A payment made from one pension scheme to another in lieu of benefits which have accrued to the member or members concerned, to enable the receiving pension scheme to provide alternative benefits.