Dorset Council

PENSION FUND COMMITTEE

MINUTES OF MEETING HELD ON TUESDAY 2 JUNE 2026

Present: Cllr Andy Canning (Chair), Cllr Andy Todd (Vice-Chair), Cllr John Beesley, Cllr David Brown, Cllr Simon Christopher and Adrian Felgate

Present remotely: Cllrs Val Pothecary and Felicity Rice

Apologies: None

Also present: Steve Tyson (Independent Investment Adviser, Apex Group), Chris Crozier (Senior Relationship Manager, Local Pension Partnership Investments) and Richard Tomlinson (Chief Investment Officer, Local Pension Partnership Investments)

Officers present (for all or part of the meeting):
Karen Gibson (Service Manager for Pensions) and David Wilkes (Service Manager for Treasury and Investments)

1. **Minutes**

The minutes of the meeting held on 17 March 2026 were confirmed and signed.

2. **Declarations of Interest**

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

3. **Public Participation**

There were no questions from members of the public.

4. **Questions From Councillors**

There were no questions from councillors.

5. **Urgent items**

There were no urgent items.

6. **PENSIONS ADMINISTRATION**

Performance against Key Performance Indicators (KPIs) continued to be strong.

The Local Government Pension Scheme (Miscellaneous Amendments) (Member Benefits) Regulations 2026 came into force on 1 April 2026. The Regulations had implemented the first phase of the Access and Fairness proposals. The key changes included a retrospective lift of the seventy-five-year age gap cap for death grants for pensioner members, equalisation of survivor benefits and changes in unpaid leave. Software updates were required for the Regulation changes.

Good progress had been made with end of year processes.

Some of the required software for the McCloud remedy work had been delivered in March 2026. Bulk calculations for deferred and pensioner members to identify members entitled to underpins had been completed. The remaining outstanding software was expected to be delivered by September 2026.

Increases of 3.8% have been applied to pensions in payment and deferred pensions from 6 April 2026.

7. LGPS ‘FIT FOR THE FUTURE’ REFORMS

The government’s LGPS ‘Fit for the future’ reforms were intended to strengthen governance arrangements, improve investment outcomes and deliver efficiencies through greater scale and consistency across the LGPS, and to unlock investment potential for UK growth.

The Pensions Schemes Bill received Royal Assent on 29 April 2026 and was now enacted as the Pension Schemes Act 2026. Supporting secondary legislation (regulations) and guidance specific to the LGPS had been drafted and final regulations were planned to come into force on 30 June 2026.

The regulations mandate full participation in Financial Conduct Authority (FCA) authorised asset pool companies.

The regulations require each administering authority to appoint an “LGPS Senior Officer” with responsibility across all pension functions including investment, funding, administration and governance and an “independent person” to provide support to the administering authority in the discharge of its LGPS duties.

8. SCHEME ADVISORY BOARD UPDATE

Cllr John Beesley, a member of the LGPS Scheme Advisory Board (SAB), updated the Committee on governance matters relating to investment pooling.

The last meeting of the SAB was held on 23 March 2026 and the next meeting was scheduled for 25 July 2026.

Structural changes of the SAB had been discussed and the relationship between the six LGPS pools and the SAB had been explored. Representation by the six LGPS pools on the SAB was the preferred way forward.

Cllr John Beesley attended the Local Government Chronicle (LGC) Investment Seminar in March 2026.

9. PENSION FUND BUDGET 2026-27

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

Decision
That the pension fund account budget for 2026-27 was approved.

10. **PENSION FUND INVESTMENTS**

The value of the pension fund's assets at 31 March 2026 was just over £4.5 billion, an increase of £466m since the start of the financial year. The total return from the pension fund's investments over the quarter to 31 March 2026 was 0.5%, compared to the combined benchmark return of 1.2%. The total return for the year to 31 March 2026 was 12.1% compared to the benchmark return of 15.0%.

Markets in the quarter were highly volatile driven by the conflict in the Middle East and the resulting disruption to global energy supplies. This was likely to feed through into higher inflation. Previous expectations that central banks would continue to reduce interest rates were now likely to remain on hold until inflationary pressures became clearer.

Concerns remained that an Artificial Intelligence bubble was developing in US technology stocks and that sufficient returns to justify valuations would not materialise from the billions being invested.

11. **DATES OF FUTURE MEETINGS**

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

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

12. **Exempt Business**

There was no exempt business.

Duration of meeting: 1.30 - 2.55 pm

Chairman

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