



Dorset County Pension Fund Local Pension Board

Annual Report 2020/21

1 April 2020 to 31 March 2021

Local Pension Board Annual Report 2020/21

Contents

Item	Page no.
Chairman's Opening Remarks	3
Introduction	4
Role of the Pension Board	4
Membership of the Board	5
Board Meetings and attendance	6
Matters Discussed by the Board	6
Scheme Compliance / Breaches	7
Training	7
2021/22 Meeting Schedule	11

Chair's Opening Remarks

In a year dominated by a global pandemic the Board has focused on monitoring the arrangements for governance and administration of the Dorset County Pension Fund and ensuring that Board members have the necessary training and skills to undertake their duties.

The impact of COVID-19 on economies and financial markets across the world has necessitated close review and monitoring of investment strategies by the Pension Fund Committee and its investment managers. The Board has sought to support the Scheme Manager to deliver those strategies in accordance with the regulations and in the best interests of Fund members and employers.

COVID-19 restrictions have changed the way that people work, with the result that administration of the Fund has had to be delivered differently. Staff working from home with remote access to data has raised issues of data security, staff welfare, employer support and member communication. The Board has sought to ensure that these arrangements are not only effective but as safe and efficient as they can be.

During the year the Board reviewed a number of policies and consultation documents. These are listed in detail in the section headed 'Matters Discussed by the Board'. In addition, towards the end of the year the Pension Fund has procured a new administration system which will replace and enhance the present systems for pensions administration, employer support and member support and will come into effect in the Summer of 2021. Two members of the Pensions Board are currently co-opted to the Systems Implementation Project Board to provide a degree of challenge and scrutiny.

2020-21 has been a difficult and challenging year, but, as our latest independent Governance Compliance Update concludes, 'The Dorset County Pension Fund continues to maintain good governance principles' and 'Despite the distractions imposed by the pandemic...the overall administration of the Fund continues to operate well.'

My thanks go to all members of the Board for their continuing diligence and insightful contributions to the Board's work and a special thanks to all the Pensions Administration staff who have risen to the challenge and battled through the pandemic to deliver a great service to employers and members alike.

Paul J Kent FCPFA

Introduction

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.

The function of the 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
- in such other matters as the LGPS regulations may specify
- to secure the effective and efficient governance and administration of the LGPS for the DCPF, 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

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

Role of the Pension Board

The 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 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.

Membership of the Pension Board

The Pension Board consists of 8 members and constituted as follows

- 4 employer representatives
- 4 scheme membership representatives

The Pension Board meets four times a year.

Current board members:

Paul Kent (Chairman) – Scheme Member Representative (Retired Scheme Member)

Adam Richens (Vice-Chairman) - Employer Representative (BCP Council)

Cllr David Shortell - Employer Representative (Dorset Council)

Mary O’Sullivan - Employer Representative (Arts University Bournemouth)

Julie Strange - Employer Representative (Dorset Police)

Jeff Morley – Scheme Member Representative (Unison)

James Stevens – Scheme Member Representative

John Jones – Scheme Member Representative (Retired Scheme Member)

Board membership changes during 2020/21

Luke White stepped down as a member representative in March 2020.

Adam Richens agreed to take on the role of vice-chair in July 2020.

John Jones joined the board as a Member Representative in December 2020. John had previously been an Employer Representative on the board while employed by Dorset Police.

Meeting attendance during 2020/21

The Board met four times during the 2020/21 scheme year. Due to COVID-19 restrictions all meetings took place on-line via Microsoft Teams.

Board Member	Meetings 2020/21			
	July 2020	September 2020	December 2020	March 2021
Paul Kent - Chair	✓	✓	✓	✓
Adam Richens – Vice Chair	✓	✓	✓	✗
Mary O’Sullivan	✓	✗	✓	✓
Jeff Morley	✗	✓	✓	✓
James Stevens	✗	✓	✓	✓
David Shortell	✗	✓	✓	✓
Julie Strange	✓	✓	✓	✗
John Jones			✓	✓

Matters discussed by the board

During 2020/21 the following items were discussed by the board.

Standing items at each board meeting:

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

In addition, other subjects included:

- COVID-19 response and steps taken regarding:
 - Administration
 - Working from home
 - Employer support
 - Member Communications
- Public sector cap on exit payments (£95K limit on the value of exit payments resulting from redundancy or efficiency for members over the age of 55)
- McCloud judgement (court ruling to remove age discrimination in public service pensions) and remedy
- Consultation on LGPS amendments on employer contributions and flexibility on exit payments

- Annual end of year processes and annual benefit statements
- Procurement of a new Pensions Administration System
- Implementation of new Employer and Member websites
- Dorset County Pension Fund data quality report
- Review of in-house AVC provider
- Review and approval of Breaches Policy, which sets out procedures to be followed in identifying, managing and reporting breaches of the law.
- Employer bond review (actuarial review of the level of bonds held by admitted bodies that do not have any other form of guarantee against pension liabilities)
- Board member training

Pension Board agendas, minutes and additional reports are published on the Dorset County Pension Fund website at www.dorsetpensionfund.org/dorsetpension-fund/about-us/local-pensionboard/

Scheme Compliance / Breaches

During the 2020/21 scheme year no materially significant breaches of the law were identified that required reporting to The Pensions Regulator (TPR).

A regulatory breach in regard to payments of refunds was identified. This issue has been highlighted nationally and the LGPS regulations are due to be changed.

The TPR's guidance on reporting breaches of the law can be found here: [Reporting breaches of the law - The Pensions Regulator](#)

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: [Local Pension Board Training Policy](#)

The Pensions Regulator Public Service Toolkit

All 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 [public service code of practice](#).

- 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

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 board member training, along with bespoke sessions arranged for board meetings.

During 2020/21, these events were restricted due to COVID measures. Those that were able to take place moved to 'virtual' on-line events.

Events attended by board members during 2020/21 were as follows

Event	Content	Method of Delivery	Attendees
CIPFA - LGPS Local Pension Boards Member Annual Full Day Event June 2020	Opportunity for Board members to share experiences, receive updates, enhance their knowledge, and to discuss the key issues facing them.	Webinar	James Stevens Jeff Morley
LGPS Local Pension Board Members Autumn Seminar September 2020	Exclusively for Board members, the Barnett Waddingham and CIPFA LGPS Local Pension Board autumn seminar provides the latest updates on governance.	Webinar	James Stevens
LGPS Governance Fundamentals October 2020	Bespoke LGPS courses that provide members of pension committees and local pension boards with the knowledge and skills to enable them to carry out their duties effectively.	Webinar	James Stevens Jeff Morley Mary O'Sullivan
LGA LGPS Update 26 January 2021	Update on some of the latest governance and investment issues in LGPS.	Webinar	Paul Kent Jeff Morley
CIPFA LGPS Local Pension Board Members Spring Seminar February 2021	Opportunity for Board members to share experiences, receive updates, enhance their knowledge, and to discuss the key issues facing them.	Webinar	James Stevens Jeff Morley John Jones
Employer Support and Member Communications March 2021	Presentation given by the Pensions Manager on employer and member support and communications provided by Dorset County Pension Fund.	Webinar – part of Local Pension Board Meeting	Paul Kent Jeff Morley James Stevens Mary O'Sullivan John Jones

Events and Conferences scheduled for 2021/2022

Event	Content	Method of Delivery	Date
PLSA – Local Authority Conference	A conference that includes keynote speeches, stream sessions, a Learning Zone, a specialist session.	Webinar	18 – 19 May 2021 – On-line
CIPFA - LGPS Local Pension Boards Member Annual Full Day Event	Hosted by Barnett Waddingham these seminars are exclusively for board members and provide the latest Local Government Pension Scheme (LGPS) and governance information updates and training on specific topics	Webinar	23 June 2021 – On-line
Barnett Waddingham - Overview of the LGPS training	<p>Especially for new Committee and Local Pension Board Members and for LGPS Officers, but also for those who would like to refresh their knowledge, these live interactive training webinars will focus on providing an overview of the Local Government Pension Scheme.</p> <p>This covers the structure of the scheme and its key stakeholders, and provides a summary of its benefits, costs and how it is governed.</p>	Webinar	15 July 2021 – On-line
CIPFA - LGPS Local Pension Board Members Autumn Seminar 2022	Exclusively for board members providing the latest LGPS and governance information updates, training on specific topics and opportunities for discussion and networking with members of other funds' boards	Seminar	20 September 2021 Venue TBC

LGA - LGPS Governance Fundamentals Training Day 1	Subject: Legal framework of the LGPS Bespoke training course aimed at elected members and others who attend pension committees and local pension boards.	Seminar & on-line	October 2021 London, Cardiff, Leeds
LGA - LGPS Governance Fundamentals Training Day 2	Subject: LGPS Investments Bespoke training course aimed at elected members and others who attend pension committees and local pension boards.	Seminar & on-line	November 2021 London, Cardiff, Leeds
LGA - LGPS Governance Fundamentals Training Day 3	Subject: Duties and Responsibilities Bespoke training course aimed at elected members and others who attend pension committees and local pension boards.	Seminar & on-line	December 2021 London, Cardiff, Leeds
LGPS Governance Conference 2022	An annual conference aimed at elected members and others who attend pension committees and local pension boards e.g. employer representatives, trade union and other member representatives, as well as officers	Conference & on-line	20 & 21 January 2022 Bournemouth
CIPFA - LGPS Local Pension Board Members Spring Seminar 2022	Exclusively for board members providing the latest LGPS and governance information updates, training on specific topics and opportunities for discussion and networking with members of other funds' boards	Seminar	Usually February - Date and venue TBC

2021/22 Local Pension Board Meetings

Local Pension Board Meetings have been provisionally scheduled for the following dates

- 24 June 2021 – Microsoft Teams meeting
- 16 September 2021 – venue to be confirmed
- 9 December 2021 - venue to be confirmed
- 17 March 2022 - venue to be confirmed

This Report is intended for the information of Dorset Council and the Scheme members and employers who participate in the Dorset County Pension Fund. This Report has been formally noted by the Dorset Pension Fund Committee at their meeting of 15 June 2021 and the Local Pension Board at their meeting of 24 June 2021.