



Pension Fund annual report for the year ended 31 March 2024

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Introduction

As the Chair of the Pensions and Investments Committee, I am pleased to introduce Derbyshire Pension Fund's (the Fund) Annual Report for the year ended 31 March 2024. The aim of this report is to provide an update on the Fund's activities over the last 12 months.

Derbyshire County Council is the administering authority for the Local Government Pension Scheme (LGPS) within Derbyshire, investing and administering Derbyshire Pension Fund on behalf of over 350 employers and almost 95,000 individual members of the Fund, with around 110,000 membership records.

During 2023-2024, Derbyshire's Pensions and Investments Committee welcomed two new members, with Councillor Carmel Ashby, representing Derby City Council, and Councillor Alex Stevenson, representing Derbyshire County Council, replacing Councillor Ron Ashton and Councillor Mike Carr. I would like to thank both Councillor Ron Ashton and Councillor Mike Carr for their valued contributions to the Committee during their tenure as members.

In July 2023, Derbyshire Pension Board welcomed Neil Calvert as its new independent Chair and I look forward to working with him in his new role.

Following the completion of the Fund's 31 March 2022 triennial actuarial valuation, which reported an improved funding level of 100%, the Pensions and Investments Committee approved an updated Investment Strategy Statement during the year, which included a further switch from growth to income assets, reflecting the continued improvement in the Fund's funding level.

Committee also approved an updated Responsible Investment Framework and an updated Climate Strategy, which included increased and expanded climate-related targets following the significant progress made in reducing the carbon footprint of the Fund's equity portfolio and increasing the proportion of the Fund's assets invested in low carbon and sustainable investments.

By the end of March 2024, the Fund had reduced the carbon intensity of the Fund's listed equity portfolio by 61% relative to the weighted benchmark in 2020, and the proportion of the Fund's portfolio invested in low carbon and sustainable investments, including commitments, had increased to 35%. The Fund remains committed to its ambition of achieving a portfolio of assets with net zero carbon emissions by 2050.

In August 2023, the Pension Fund achieved signatory status to the Financial Reporting Council's UK Stewardship Code 2020, which sets high standards for those investing on behalf of savers and pensioners by promoting transparency and accountability, demonstrating the Fund's commitment to long-term and sustainable responsible investment.

At the end of March 2024, the value of the Fund's investment assets had risen to just under £6.5bn, returning 9.3% over the year, reflecting strong equity market performance. Whilst the Fund slightly underperformed relative to its benchmark on a 1-year basis, performance was in line with benchmark on a 3-year basis and continued to outperform the benchmark over 5 and 10 years.

Registrations on My Pension Online (MPO) continued to increase, with over 36% of the Pension Fund's combined active and deferred members now registered on the Fund's online member self-service system and, by the end of the year, employers representing 94% of the Fund's membership were using i-Connect, an automated data submission and validation system, to provide member data to the Pension Fund. The growing use of these online systems is

contributing to the delivery of continuous service improvements for the Fund's members and employers.

Following the introduction of the relevant LGPS regulations in October 2023, the Pension Fund started to implement the McCloud remedy, which is a significant administration undertaking; preparations also continued for the launch of Pensions Dashboards which will allow people to view all of their pensions information online, securely and all in one place.

The Fund expects to transition further assets into the pooled products of LGPS Central Limited, the company established to manage investments on behalf of the LGPS Central Pool, during 2024-2025, and continues to work closely with its partners to further develop the LGPS Central Pool.

Subsequent to the year-end, the Fund held its first Member Forum meeting, with eight members of the Pension Fund participating in the Forum meeting. The Forum will provide members with an opportunity to share their membership experience and is expected to contribute to the continuous development of the Fund's engagement with its stakeholders.

I should like to thank all the members of the Pension Fund team, the Committee, the Pension Board and the Fund's employers for their contributions to the governance, administration and investment of Derbyshire Pension Fund during the year, supporting the continued delivery of a high-quality service to our scheme members.

Councillor David Wilson

Chair of Derbyshire Pension Fund's Pensions and Investments Committee

Glossary of Terms and Abbreviations

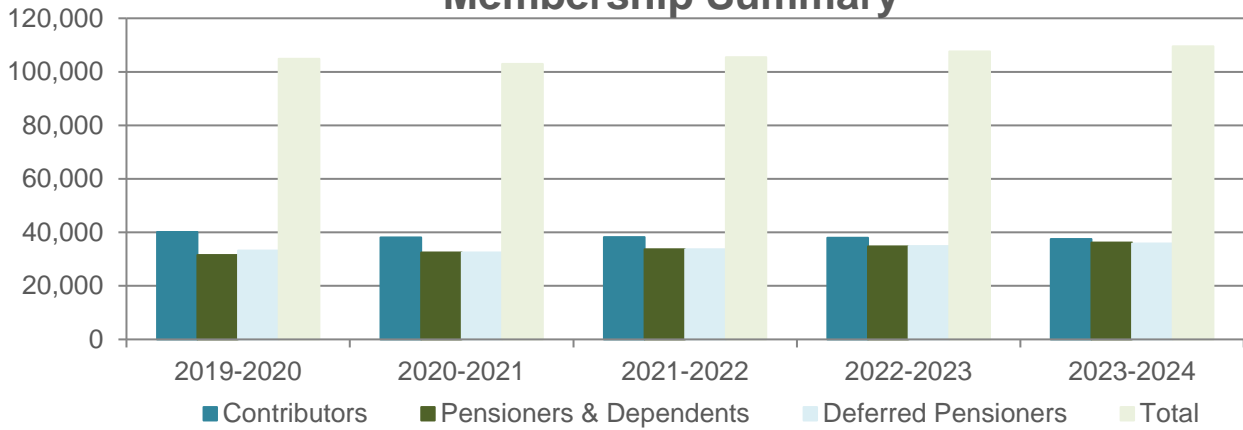
Abbreviation	Term
ABS	Annual Benefit Statement
AUM	Assets Under Management
AVCs	Additional Voluntary Contributions
Bps	Basis Points
CARE	Career Average Revaluated Earnings
CIPFA	Chartered Institute of Public Finance Accountants
CIPFA Code	Chartered Institute of Public Finance and Accountancy's Code of Practice on LGPS Knowledge and Skills
CIPFA Framework	Chartered Institute of Public Finance and Accountancy's Knowledge and Skills Framework for LGPS Committee Members and LGPS officers
CPI	Consumer Price Inflation
CPS	Communications Policy Statement
DCC	Derbyshire County Council
ESG	Environmental, Social and Governance
FRC	Financial Reporting Council
FRS	Financial Reporting Statement
FSS	Funding Strategy Statement
GMP	Guaranteed Minimum Pension
HMRC	His Majesty's Revenues & Customs
IAS	International Accounting Standard
IIGCC	Institutional Investors Group on Climate Change
IIMT	In-House Investment Management Team
IFRS	International Financial Reporting Standard
ISS	Investment Strategy Statement
LAPFF	Local Authority Pension Fund Forum
LGIM	Legal & General Investment Management
LGPS	Local Government Pension Scheme
LGPS Central	LGPS Central Pool

LGPS Central Partner Funds	The LGPS Pension Funds of Cheshire, Derbyshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, West Midlands and Worcestershire; the collective owners of the LGPS Central Pool and the shareholders of LGPS Central Limited
LGPS Central JC	LGPS Central Pool Joint Committee
LGPS Central PAF	LGPS Central Pool Practitioners' Advisory Forum
LGPS Central SF	LGPS Central Pool Shareholders' Forum
LGPSC	LGPS Central Limited
MiFID II	Markets in Financial Instruments Directive
MHCLG	Ministry of Housing Communities and Local Government (formally Department for Department for Levelling Up, Housing and Communities (DLUHC))
MPO	My Pension Online
NFI	National Fraud Initiative
P&IC or Committee	Pensions and Investments Committee
PAS	Pension Administration Strategy
RPI	Retail Price Inflation
PRIIPs	Packaged Retail and Insurance-based Investment Products
SAAB	Strategic Asset Allocation Benchmark
SAB	LGPS Scheme Advisory Board
SERPS	State Earnings-Related Pension Scheme
SLA	Service Level Agreement
SORP	Statement of Recommended Practice
TCFD	Taskforce for Climate-related Financial Disclosures
The Board	Derbyshire Pension Board
The Fund	Derbyshire Pension Fund
TPR	The Pensions Regulator

Key Fund Statistics

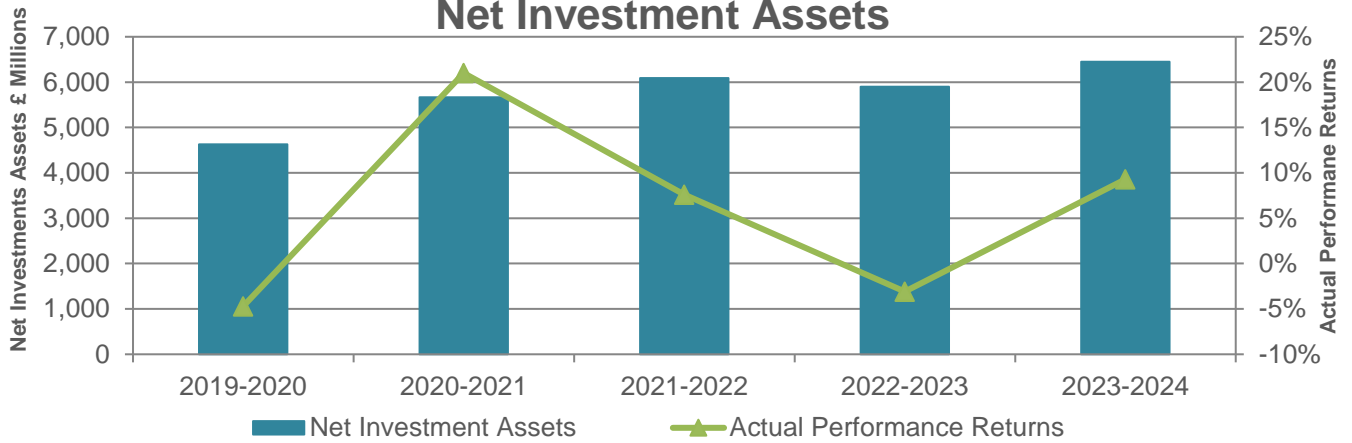
Summary of member records

Membership Summary



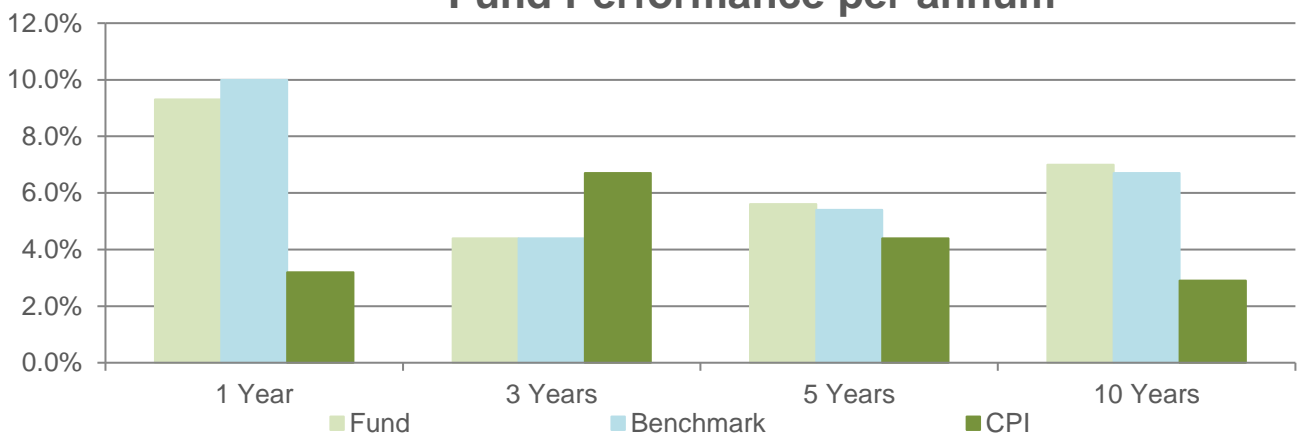
Net investment assets

Net Investment Assets



Fund performance per annum

Fund Performance per annum



Governance

Derbyshire Pension Fund's governance arrangements are set out in the Governance Policy, and Compliance Statement, which is available on the Fund's website:

derbyshirepensionfund.org.uk/governanceandcompliance

Administering Authority

Derbyshire County Council (DCC)

DCC Officers Responsible for the Fund

Director of Finance:	Mark Kenyon
Head of Pension Fund:	Dawn Kinley
Investments Manager:	Neil Smith
Pension Team Managers:	Susan Hubbleday Rachel James Wayne Stone Steve Webster Emma Whysall
Pension Fund Accountant:	Rajwant Dosanjh

DCC Pensions and Investments Committee

DCC

Councillor David Wilson (Chair)
Councillor Ron Aston
Councillor Neil Atkin
Councillor Barry Bingham
Councillor Mark Foster
Councillor Gary Musson
Councillor Peter Smith (Vice-Chair)
Councillor Alex Stevenson
Councillor Mick Yates

Derby City Council

Councillor Lucy Care
Councillor Carmel Ashby

Non-voting trade union representative

Nick Read (Unison)

Derbyshire Pension Board

Independent Chair:	Neil Calvert
Member Representative:	Lisa Seeley
Member Representative:	John Sadler
Employer Representative:	Mark Wreghitt
Employer Representative:	Susan Ambler

Independent External Investment Adviser

Anthony Fletcher (Apex Investment Advisers Limited)

Asset Pool and Asset Pool Operator

Asset Pool: LGPS Central Pool

Asset Pool Operator: LGPS Central Limited (LGPSC)

Main Investment Managers

In House Investment Management Team: Multiple Asset Classes – details included in Investment Section

Colliers International: Direct Property

LGPSC: Emerging Market Equities; Global Sustainable Equities; Investment Grade Global Corporate Bonds and Private Debt

Legal & General Investment Management (LGIM): UK Equities; Japanese Equities; Emerging Market Equities and Global Sustainable Equities (Passive)

Actuary

Hymans Robertson LLP

Auditor

Forvis Mazars

AVC Providers

Clerical Medical

Equitable Life

Prudential (Principal Provider)

Standard Life

Custodian

Northern Trust

Banker

Lloyds Bank

Legal Advisers

DCC Legal Services

Performance Measurement

Northern Trust

Direct Property Valuation

Savills

Scheme Administrator

In-House Pension Administration Team

Voting Services

Institutional Shareholder Services

Pensions and Investments Committee

Responsibility for discharging DCC's statutory functions as administering authority for the Fund is delegated to DCC's Pensions and Investments Committee. In discharging these statutory functions, the Committee's responsibilities include:

- Approving and monitoring performance targets
- Reviewing and approving statements, strategies and policies, including: the Governance Policy and Compliance Statement; Investment Strategy Statement; Quarterly tactical asset allocation; Funding Strategy Statement; Treasury Management Strategy; and other statutory policies required by the LGPS Regulations and strategy/policy statements in line with best practice
- Reviewing and considering reports, including: triennial actuarial valuation report; annual report; administration and investment performance reports; and risk register
- Ensuring arrangements are in place for: communicating with the Fund's stakeholders; considering admission body applications; and the adjudication of applications under the Adjudication of Disagreements Procedure (including the appointment of adjudicators)
- Making appointments for the Fund, including: the actuary; independent investment advisor; external fund managers for segregated mandates in advance of the management of the investment assets transitioning to the investment pool; and AVC providers
- Overseeing the Fund's involvement in investment pooling

Structure

The Committee comprises 8 Elected Members representing DCC and 2 Elected Members representing Derby City Council. DCC and Derby City Council members of the Committee reflect the political balance of the respective Councils. A trade union representative is also entitled to attend meetings of the Pensions and Investments Committee as a non-voting member.

Meetings

The Pensions and Investments Committee is required to carry out certain statutory functions on at least a quarterly basis – for example reviewing investments and reviewing Fund performance. The Committee meets at least 6 times a year and meetings are open to the public except for exempt and confidential items as defined by the Local Government Act 1972. Urgent matters which need to be addressed outside the committee timetable are dealt with by DCC's Director of Finance in consultation with the Chair of the Pensions and Investments Committee as required.

The minutes of the Pensions and Investments Committee are presented to meetings of the Full County Council. A link to the public meeting papers and minutes is available on the Fund's website: www.derbyshirepensionfund.org.uk/PIC

A Member declaration of interest is made at the commencement of each Pensions and Investments Committee meeting. All Elected Members and officers are required to comply with DCC's Codes of Conduct which set out the standards of conduct required from Elected Members and employees, including the disclosure of conflicts of interest. Members of the Pensions and Investments Committee and senior officers of the Fund are also subject to the requirements of the Fund's Conflicts of Interest Policy.

The day-to-day management of the Fund is delegated to the Director of Finance who is supported by the Pension Fund Team, which is comprised of the Head of Pension Fund and in-house investment and administration teams.

Register of Councillor Attendance at 2023-2024 Pensions and Investments Committee Meetings

	April 2023	June 2023	September 2023	October 2023	December 2023	January 2024	March 2024
DCC Councillors							
Neil Atkin	✓	✓	✓	✓	✓	✓	✓
Barry Bingham	X	✓	✓	✓	✓	✓	✓
Mark Foster	✓	✓	X	✓	✓	✓	✓
Gary Musson	✓	✓	✓	✓	X	✓	✓
Peter Smith (Vice Chair)	✓	✓	✓	✓	✓	✓	✓
Alex Stevenson	X	X	X	X	X	X	✓
David Wilson (Chair)	✓	✓	✓	✓	✓	✓	✓
Mick Yates	✓	✓	X	✓	✓	✓	✓
Derby City Councillors							
Carmel Ashby		X	✓	✓	✓	✓	✓
Mike Carr	✓						
Lucy Care	✓	✓	✓	✓	X	X	✓

Councillor Mike Carr ceased to be a member of the Pensions & Investments Committee in April 2023 and was replaced by Councillor Carmel Ashby.

Training

The Fund's Training Policy applies to all members of the Pensions and Investments Committee, all members of the Derbyshire Pension Board and senior officers involved in the management and administration of the Fund.

In relation to training for those involved in the governance and the day-to-day management and administration of the Fund, DCC's objectives are to ensure that:

- Those persons charged with the financial management and decision making with regard to the Fund are fully equipped with the knowledge and skills required to discharge the duties and responsibilities allocated to them
- Those persons responsible for the day-to-day administration and running of the Fund have the appropriate level of knowledge and skills required to discharge their duties and responsibilities
- Those persons responsible for reviewing and approving the Fund's strategies and policies and for overseeing the governance of the Fund have sufficient knowledge and understanding, to be able to evaluate and challenge the advice they receive to ensure their decisions are robust and soundly based, to recognise and challenge performance management and legislative compliance information, and to effectively discharge their duties and responsibilities

To assist in achieving these objectives, the Fund has adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on LGPS Knowledge and Skills (the CIPFA Code) and the Knowledge and Skills Framework for LGPS Committee Members and LGPS officers (CIPFA Framework).

Both the CIPFA Code and CIPFA Framework will apply to all Committee members and Board members, together with senior officers involved in the management and administration of the Fund.

The Fund will also have regard to the knowledge and skills requirements of:

- Pensions Act 2004
- Public Service Pensions Act 2013
- The Pensions Regulator's General Code of Practice
- MIFID II
- MHCLG Statutory Guidance
- Guidance from the England & Wales Scheme Advisory Board

Code of Practice on LGPS Knowledge and Skills 2021

The CIPFA Code and CIPFA Framework were updated in 2021. In line with the CIPFA Code, the Committee has adopted the following statements, as recommended by the CIPFA Code:

- This LGPS administering authority adopts the key principles of the Code of Practice on LGPS knowledge and skills
- This LGPS administering authority recognises that effective management, governance, decision making and other aspects of the delivery of the LGPS can only be achieved where those involved have the requisite knowledge and skills to discharge the duties and responsibilities allocated to them
- This administering authority has in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements to effectively acquire and retain LGPS knowledge and skills for those reporting for the management, delivery, governance and decision making of the LGPS
- These policies and practices will be guided by reference to a comprehensive framework of knowledge and skills requirements, such as that set down in the CIPFA LGPS Knowledge and Skills Framework
- This administering authority will ensure that it has adequate resources in place to ensure all staff, members or other persons responsible for the management, decision making, governance and other aspects of the delivery of the LGPS acquire and retain the necessary knowledge and skills
- This administering authority will report annually on how their knowledge and skills policy has been put into practice throughout the financial year in the Fund's annual report
- This administering authority has delegated the responsibility for the implementation of the requirements of the CIPFA Code of Practice to the appropriate officer, who will act in accordance with the administering authority's knowledge and skills policy statement, and, where they are a CIPFA member, with CIPFA Standards of Professional Practice (where relevant)

The CIPFA Framework was published in 2021 and identifies 8 core technical areas where appropriate knowledge and skills should be achieved and maintained. They are:

1. Pensions Legislation and Guidance
2. Pensions Governance
3. Funding Strategy and Actuarial Methods
4. Pensions Administration and Communication
5. Pensions Financial Strategy, Management, Accounting, Reporting and Audit Standards
6. Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management

7. Financial Markets and Products

8. Pension Services Procurement, Contract Management and Relationship Management

Members of the Committee, the Pension Board and senior officers complete self-evaluation forms on an annual basis assessing their knowledge of the 8 core areas and also their knowledge about individual investment asset classes. A Training Plan is then developed based on the results of these assessments and is supplemented, where appropriate, to cover matters arising in the course of managing the Fund (for example, additional training in advance of the consideration of new asset classes).

Training is provided either by Pension Fund senior officers or external third parties (for example, investment manager training on asset class investments).

Training is delivered jointly to members of the Committee and the Pension Board where possible. Pension Board attendance at training is set out in the Pension Board Annual Report. Members of the Committee attended the following internal training in 2023-2024:

Councillors	July 2023	October 2023	January 2024
Carmel Ashby	X	✓	✓
Neil Atkin	✓	✓	✓
Barry Bingham	✓	✓	✓
Lucy Care	✓	✓	X
Mark Foster	✓	✓	✓
Gary Musson	✓	✓	✓
Peter Smith	✓	✓	✓
Alex Stevenson	X	X	X
David Wilson	✓	✓	✓
Mick Yates	✓	✓	✓

The training events comprised:

Date	Training event
July 2023	Private Equity Pension Fund Cash Flows Ill Health LGPS Investment Pooling
October 2023	Strategic Asset Allocation Benchmark Responsible Investment Framework Climate Strategy
January 2024	Diversified Multi-Asset Credit

Training was also provided externally by LGPSC at a Responsible Investment Summit in June 2024.

Subsequent to the period-end, a training event was held in April 2024 covering:

- Climate Infrastructure
- Climate Metrics
- The McCloud Remedy
- My Pension Online

This was followed by a training event held in July 2024 covering Private Credit, Actuarial Valuations and Pensions Dashboards.

Communication

The Fund aims to deliver clear, timely and accessible communications to all stakeholders ensuring that its communications are:

- accurate, effective and easy to understand
- targeted to different audience groups in terms of style of content and method of delivery
- cost effective, providing value for money by utilising technology to its fullest potential

The content on the Fund's dedicated website has continued to develop and greatly enhances the Fund's ability to communicate with its stakeholders: derbyshirepensionfund.org.uk

The website provides access to a wide range of information for active, deferred and pensioner scheme members, prospective members and scheme employers.

Details of the Fund's methods of communication are set out in the Communications Policy, which is available on the Fund's website: derbyshirepensionfund.org.uk/communicationspolicy

Risk Strategy and Risk Management

The Fund recognises the importance of effective risk management, including the identification and management of its key risks. Risk management is a process by which the Fund identifies, assesses and seeks, to the extent possible, to mitigate the risks associated with its activities. Effective risk management is a clear indicator of good governance, and the Fund believes that maintaining a Risk Register is the primary document for identify, assessing and monitoring risks. The Fund's Risk Register is kept under constant review by risk owners, with quarterly review by the Director of Finance, the Pensions and Investments Committee and the Derbyshire Pension Board. The Risk Register identifies:

- Risk item
- Description of risk and potential impact
- Impact, probability and overall risk score
- Risk mitigation controls and procedures
- Risk owner
- Target risk score
- Trend risk scores

The Risk Score is a combination of the risk occurring (probability) and the likely severity (financial impact). A low-risk classification is based on a score of 4 or less; a medium risk score ranges between 5 and 11; and a high-risk score is anything with a score of 12 and above. The Target Risk score shows the probability of the risk occurring and the impact of the risk once the planned risk mitigation procedures and controls have been completed. The Fund's planned mitigation to the following main areas which have been identified as high-risk items, are set out in Appendix 1.

- Systems failure / Lack of disaster recovery plan / Cybercrime attack
- Insufficient cyber-insurance relating to the pensions administration system
- Fund assets insufficient to meet liabilities
- LGPS Central Limited related underperformance of investment returns
- Impact of McCloud judgement on administration

Investment risk is managed by holding different categories of investments (for example, the strategic asset allocation between equities, bonds, property, alternatives and cash) and by holding a diversified equity spread by both geography and market sectors. The use of derivatives is currently restricted to hedging activity. Hedge Fund investment is not included in the Fund's strategic benchmark.

The strategic benchmark is designed to meet the Fund's target performance for the level of risk agreed by the Pensions and Investments Committee. The asset allocation is reviewed on a quarterly basis by the Committee for tactical purposes, supported by an external advisor and the Fund's investment managers. Each asset class is managed within an agreed permitted range to ensure that the Fund does not deviate too far away from the benchmark asset allocation, whilst allowing for a degree of flexibility.

Third party risks (for example, external investment managers and the custodian) are managed through the use of appropriate contractual arrangements and the on-going monitoring of service levels, including periodic performance review meetings.

The Fund's participating employers (for example, Scheduled Bodies and Admission Bodies) are required to pay over the employee and employer contributions deducted each month, by the 19th of the following month. Receipt is monitored monthly, and any delays are followed up and resolved promptly reducing the risk that the correct level of contributions are not received. The amounts received are reconciled against each employing authority's year-end return, which is due before the end of April each year.

The Fund's Administration Strategy includes a provision whereby the late payment of Employer and / or Scheme Member contributions can be subject to a charge of £150 per occurrence, plus interest as defined in Regulation 71 of LGPS Regulations. No late payment charges were levied in 2023-2024 (2022-2023, £750).

There were no significant pension payment overpayment write offs in 2023-2024 (less than £15,000).

The Fund has developed an Employer Risk Management Framework to identify, manage and monitor the employers risk associated with:

- the funding requirement with respect to an employer/pools of employers
- the employer's / pools of employers' legal obligations to the Fund
- the financial ability of an employer to meet its liabilities to the Fund

Information collected for the purpose of assessing employer risk was utilised during the actuarial valuation process and formed an important part of determining employer contribution rates from April 2023.

The National Fraud Initiative (NFI) submits data from its own records in respect of Derbyshire Pension Fund pensioner and deferred members every two years. The Fund identifies and investigates any issues as potential fraudulent cases, and any appropriate action is taken as required. The results are reported back to the NFI.

External & Internal Audit Reviews

The Fund's external auditor is Forvis Mazars.

The Fund is audited by DCC's internal audit team.

Third Party Assurance Reports

The Fund obtains and reviews copies of third-party assurance reports (for example, IASE 3402 (AAF01/06) and SSAE 16/70) from each of its key external investment managers to the extent available.

Membership of Bodies

The Fund is a member of the following bodies:

- Local Authority Pension Fund Forum and Pension
- Pensions and Lifetime Savings Association
- Institutional Investors Group on Climate Change

Derbyshire Pension Board Annual Report 2023-2024

Introduction

Derbyshire Pension Board (the Board) continued to assist Derbyshire County Council (the Council), the administering authority, with the governance and administration of Derbyshire Pension Fund (the Fund / Pension Fund) throughout 2023-2024, led by Neil Calvert who was appointed as Chair of the Board in July 2023.

Lisa Seeley and Mark Wreghitt also joined the Board during the year as Employer and Member Representatives respectively replacing former Board members Karen Gurney and Oliver Fishburn, whose tenure as Board members ended during the summer 2023.

Board members and Fund officers thanked Mrs Gurney and Mr Fishburn for their very positive contributions to the work of the Board and their support for the Fund. Mrs Gurney had served as a member representative on the Board since it began operating in 2015.

The Pension Fund is committed to ensuring that the people involved in the governance and administration of the Fund, including members of the Pension Board, are equipped with the knowledge and skills required to discharge their duties and responsibilities, and a new Fund Training Policy was approved in March 2024.

Four members of the Board undertook the 3-day LGA Fundamentals training course during the year which provided an overview of the LGPS scheme and current issues in LGPS administration, investments, and governance. The remaining Board member is due to undertake this training during 2024-2025.

The total number of participating active employers in the Fund rose from 341 at the end of March 2023 to 357 at the end of March 2024, continuing the trend of an increasing number and diversity of Fund employers.

At the end of March 2024, the Pension Fund had almost 110,000 membership records relating to almost 95,000 members, either active contributors, pensioners or deferred pensioners who have stopped paying into the scheme but are not yet receiving a pension.

The Board has encouraged the development of a member forum to support increased engagement between the Pension Fund and its members and, subsequent to the year end, was delighted to note the launch of the Fund's Member Engagement Forum in July 2024.

During the year, the Fund consulted on updates to three of its key investment related documents, the Investment Strategy Statement, the Responsible Investment Framework, and the Climate Strategy. The Board was pleased to note that the Pension Fund wrote to all members to inform them about the consultation, the launch of the Member Engagement Forum and about the legislation to implement the McCloud remedy.

The final regulations to implement the McCloud remedy in the LGPS were laid on 8 September 2023 and came into force on 1 October 2023. The Board has taken a keen interest in the Fund's preparation for the implementation of the remedy, acknowledge the significant administrative undertaking of investigating an estimated 28,000 in-scope cases, and was pleased to see the Pension Fund starting to calculate McCloud underpins from early January 2024.

The Pension Fund has continued to prepare for the introduction of Pensions Dashboards, which will allow users to access their pensions information online, securely and all in one place. The

Board has received updates on the Fund's data cleansing activities and progress on investigating options for connecting to the Pensions Dashboards infrastructure by the deadline of 31 October 2025.

During a period when the complexity of administering the LGPS increased further as a result of the implementation of the McCloud remedy, the Board has continued to receive regular updates about a wide range of Pension Fund activities enabling Board members to effectively carry out their role of assisting Derbyshire County Council with the administration of Derbyshire Pension Fund.

The Board would like to thank all the members of the Pension Fund Team for their excellent work on behalf of the Fund's members over the past year and their consistently high performance against a wide range of indicators. Board members continue to be extremely grateful for the collaborative way in which officers work with them, and in particular for the opportunity to hear directly from a growing number of members of the Team at its meetings.

Board Activities

During the year, the Board discussed the Pensions and Investments Committee (Committee) papers and received and considered the Pension Fund's performance dashboard, which displays key performance indicators covering governance, funding & investments and administration, the Fund's Statutory Breaches Log, and information / reports on:

- the i-Connect project
- My Pension Online
- data breaches
- the McCloud remedy & the Fund's McCloud Project Board
- Pensions Dashboards
- the Fund's Member Engagement Forum
- cashflow forecasting
- the Fund's risk register
- Derbyshire County Council's planned changes to the delivery of ICT services
- The Pension Regulator's new Code of Practice
- the determination of exit credits
- Fund procurements
- investment pooling

The Fund's procedure for identifying, recording, and considering statutory breaches is supported by the Board. The Statutory Breaches Log (the Log) and any recommendations made / actions taken with respect to breaches are reviewed by the Board, with the Board's review subsequently noted on the Log.

The ongoing review by the Board of any data breaches experienced by the Fund and of the lessons learnt, and any subsequent changes to procedures, helps to support the Fund's robust approach to data security.

The Board has continued to receive regular reports on the rollout of My Pension Online (MPO), the Fund's member self-service system.

MPO gives members the ability to view certain parts of their pension information, to undertake changes to some of their personal data and to carry out benefit projections online. The Board strongly supports the rollout and development of this service which provides members with the ability to flexibly and securely access their pension information to support retirement planning.

By the end of March 2024, over 36% of the Fund's combined active and deferred membership had registered for the service. Board members have continued to provide suggestions and encouragement to officers as the Fund continues to promote MPO with the aim of achieving wider membership take-up of the service.

The Fund's participation in the LGPS Central Pool (Pool) and the transition of assets to the management of LGPS Central Ltd (LGPSC), the company established to manage investments on behalf of the 8 LGPS pension funds within the Pool, has continued to be closely monitored by the Board.

The Board has continued to support the application of robust governance arrangements with respect to the Pool and to the oversight of LGPSC and has continued to support the Fund's focus on the investment performance of LGPSC products.

The Chair of the Board attended two meetings of the Local Pension Board Chairs of LGPS funds within the LGPS Central Pool during the year. Both meetings included sessions presented by representatives of the LGPS Scheme Advisory Board on topical LGPS issues, including:

- the Code of Transparency
- climate risk reporting
- expected updated Annual Report guidance (subsequently issued)
- the Good Governance review
- potential changes to survivor benefits
- the results of the 2020 cost control process
- the 'Next Steps on Investments' pooling consultation
- the gender pay gap
- Sharia compliance in the LGPS

The LGPS Funds represented at the meetings have also:

- continued to discuss their approaches to assessing and mitigating cyber risk, including the development of cyber risk strategies
- discussed the challenges of implementing the McCloud remedy and developing suitable related communications for scheme members.
- shared their approaches to training pensions committee and pensions board members
- discussed their proposed plans for assessing compliance against The Pension Regulator's General Code of Practice

The Derbyshire Pension Board webpage on the Fund's website at contains a summary of each of the Board's meetings and also has a link to the Board's Terms of Reference:

derbyshirepensionfund.org.uk/pensionboard

Board Members

The Board is made up of 5 members, with an independent, non-voting Chair, 2 representatives of scheme members and 2 representatives of employer organisations.

Membership in the year to 31 March 2024:

Position	Name	Employer	Notes
Chair	Neil Calvert	Non applicable	Neil Calvert was appointed as the new Chair of the Board by Full Council on 12 July 2023 following the sad death of the previous Chair Ronald Graham in May 2023.
Member Representative	Karen Gurney	Employee of Derbyshire County Council	Karen Gurney's term of office expired in June 2023.
Member Representative	John Sadler	Employee of Derby City Council	John Sadler has subsequently become a pensioner member of Derbyshire Pension Fund.
Member Representative	Mark Wrehitt	Non applicable	Mark Wrehitt was appointed to the Board by Full Council on 24 May 2023. Pensioner Member of Derbyshire Pension Fund
Employer Representative	Oliver Fishburn	Bolsover District Council and NE Derbyshire District Council	Oliver Fishburn's term of office expired in May 2023.
Employer Representative	Susan Ambler	University of Derby	
Employer Representative	Lisa Seeley	Aspens-Services Limited	Lisa Seeley was appointed to the Board by Full Council on 24 May 2023.

The terms of office for the Member and Employer Representatives at 31 March 2024 were as follows:

Role	Name	Start date	Term	Expiry
Member Representative	John Sadler	November 2022	4 Years	November 2026
Member Representative	Mark Wreghitt	July 2023	4 Years	June 2027
Employer Representative	Susan Ambler	February 2022	4 Years	February 2026
Employer Representative	Lisa Seeley	June 2023	4 Years	May 2027

Meeting Attendance

Members of the Board attended the following formal Pension Board meetings in 2023 - 2024:

Member	29 June 2023	11 October 2023	13 February 2024
Neil Calvert	N/A	✓	✓
Susan Ambler	✓	✓	✓
Karen Gurney	✓	N/A	N/A
John Sadler	✓	✓	✓
Lisa Seeley	✓	✓	✓
Mark Wreghitt	✓*	✓	✓

*Mark Wreghitt attended the 29 June 2023 meeting of the Board as an observer.

Conflicts of Interest

At each Board meeting, members are required to declare any new conflicts of interest. No conflicts have been declared during the year.

Training

Members of Derbyshire Pension Board are subject to the same Training Policy as members of the Pensions and Investments Committee and senior officers involved in the management and administration of the Fund.

The Fund aims to comply with:

- Chartered Institute of Public Finance and Accountancy (CIPFA) Pensions Finance Knowledge and Skills Framework
- Knowledge and skills requirements of the Public Service Pensions Act 2013
- The Pensions Regulator's Code of Practice

Training Attendance

Members of the Board attended the following training sessions in 2023 - 2024:

Name of board member	Induction	LGA 3-day Fundamentals Course	PE, Cashflow, ISS, RI Framework, Climate Strategy, Ill-Health Retirement, Investment Pooling	Investment Strategy, RI Framework & Climate Strategy
Neil Calvert		✓	✓	✓
Susan Ambler		✓	✓	✓
John Sadler	✓		✓	
Lisa Seely	✓	✓	✓	✓
Mark Wreghitt	✓	✓	✓	✓

Costs and Expenses

Type of cost or expense	2022-2023	2023-2024
Members' Allowances (Travel)	£0	£695
Training Costs & Subscriptions	£484	£3,120
Chairman's Services	£16,000	£15,000
Total	£16,484	£18,815

Future Work Plan

The Board's work plan for 2024 - 2025 includes:

- **Staffing:** Supporting the implementation and ongoing review of changes to the Pension Fund's staffing structure.
- **Policy changes:** Monitoring the changing landscape for pensions, and for the LGPS in particular, under a new government and supporting the planning and implementation of any actions in response to any changes in policy.
- **Triennial actuarial valuation:** Monitoring the Fund's preparations for the March 2025 triennial actuarial valuation.
- **Cybercrime:** Considering the Fund's actions to increase its resilience to cybercrime attacks, including reviewing the output from the Fund's data mapping project.
- **Feedback:** Ensuring that feedback is sought both from members and employers on the impact of the Fund's communications, and that action is taken as necessary on the basis of that feedback.
- **Risk Register:** In-depth consideration of the Fund's Risk Register.
- **MPO:** Monitoring progress on the continued roll out of My Pension Online (including the implementation of an updated version of MPO)

- **Member Engagement Forum:** Supporting the continued development of the Member Engagement Forum.
- **McCloud:** Supporting the continuing implementation of the McCloud remedy.
- **Pensions Dashboards:** Monitoring the Fund's progress on preparing for the implementation of Pensions Dashboards.
- **Performance monitoring:** Continued monitoring of the administrative performance of the Fund and supporting the development of more customer-focussed Key Performance Indicators.
- **Compliance:** Reviews of the Fund's compliance with the requirements of The Pension Regulator's new General Code of Practice.
- **Networking:** Continuing to develop relationships with the Pension Boards of other LGPS Funds (both through the liaison group of Central Pool participant boards' Chairs and otherwise) to promote and ensure best practice.
- **Technical knowledge:** Developing, monitoring and maintaining the technical knowledge required by Board and Pensions and Investment Committee members.

Financial Performance

The number of Fund membership records generally grew between 2019-2020 and 2023-2024, with the fall in 2020-2021 reflecting the impact of a data cleanse. On an adjusted like-for-like basis, the number of records increased by 1,840 in 2020-2021 year-on-year. Fund membership records increased by 1.7% in 2023-2024.

Number	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Contributors	40,125	38,065	38,170	38,025	37,503
Pensioners & Dependants	31,548	32,463	33,699	34,751	36,178
Deferred Pensions	33,164	32,427	33,634	34,866	35,797
Number of Members	104,837	102,955	105,503	107,642	109,478

Net additions from Dealing with Members (contributions received less pension benefits paid out) were generally positive until 2023-2024.

£ in Million	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Contributions	160.4	190.8	193.5	202.8	226.8
Transfers in from other Pension Funds	11.2	14.5	11.9	17.1	12.5
Benefits	(172.6)	(173.5)	(185.6)	(195.4)	(224.4)
Payments to and on Account of Leavers	(17.7)	(10.8)	(18.2)	(15.5)	(27.5)
Net Additions from Dealing with Members	(18.7)	21.0	1.6	9.0	(12.6)

Net Additions from Dealing with Members were negative at -£12.6m in 2023-2024 (£9.0m positive in 2022-2023). An increase in Contributions in 2023-2024, resulting from an increase in employer contribution rates following the 2022 valuation, was more than offset by an increase in Benefit payments reflecting the flow through of higher inflation and an increase in Payments to and on Account of Leavers. The negative Net Additions from Dealing with Members in 2019-2020 reflected an advance employer's pension contribution payment of £39.7m on 12 June 2018 covering the period May 2018 to March 2020. On an adjusted basis, Net Additions from Dealing with Members was £6.6m in 2019-2020.

Cost-per-Member (based on number of member records) is a key measure for assessing the Fund's cost effectiveness. The costs of managing the Fund over the last 5 years were as follows:

£ per Member	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Number of Members	104,837	102,955	105,503	107,642	109,478
Investment Management Expenses (£000)	26,054	25,911	28,275	28,257	28,331
Cost per Member	£248.52	£251.67	£268.00	£262.51	£258.78
<i>As a % of Net Investment Assets</i>	<i>0.60%</i>	<i>0.46%</i>	<i>0.46%</i>	<i>0.48%</i>	<i>0.44%</i>
Pensions Administration (£000)	2,599	2,982	2,774	3,119	3,129
Cost per Member	£24.79	£28.96	£26.29	£28.98	£28.58

Oversight & Governance (£000)	1,451	1,467	1,364	1,760	1,839
Cost per Member	£13.84	£14.25	£12.93	£16.35	£16.80

The general year-on-year increase in Investment Management Expenses over the last 5 years largely reflected an increase in the value of underlying investments and a shift in the Fund's asset mix to above average cost alternative investments, following on-going changes to the Fund's approved strategic benchmark, which increased the proportion of the Fund's investments allocated to private equity, infrastructure and indirect property investments. Investment Management Expenses as a percentage of Net Assets fell between 2022-2023 and 2023-2024, principally reflecting the greater use of low-cost index tracking products for the Fund's listed equity investments, together with lower transaction costs.

Pension Administration Costs per Member increased in 2020-2021, reflecting a combination of contractual payments in respect of the pension administration system at the time and additional staffing resource to support the service. The cost per member fell by £2.67 in 2021-2022 to £26.29 largely reflecting lower IT costs (2020-2021 included some one-off licence fees) and lower professional fees but increased by £2.69 in 2022-2023, largely reflecting costs associated with the March 2022 triannual actuarial valuation. The cost per member remained relatively flat between 2022-2023 and 2023-2024.

Oversight and governance costs increased throughout 2019-2020 to 2023-2024, principally reflecting LGPSC governance, operator and product development costs.

Net Return on Investment totalled +£579.4m in 2023-2024.

£ in Million	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Investment income net of taxes	94.0	57.1	62.2	71.6	93.2
Investment returns (*)	(316.3)	1,001.7	393.7	(248.9)	486.2
Net Return on Investments	(222.3)	1,058.8	455.9	(177.3)	579.4
<i>Actual Fund Investment Return</i>	<i>(4.7%)</i>	<i>21.0%</i>	<i>7.6%</i>	<i>(3.1%)</i>	<i>9.3%</i>
<i>Benchmark Fund Investment Return</i>	<i>(5.4%)</i>	<i>20.6%</i>	<i>7.3%</i>	<i>(3.6%)</i>	<i>10.0%</i>

* Comprises Profits and Losses on Disposal of Investments and Changes in the Value of Investments

Further details in respect of the Fund's investment performance in 2023-2024, and over the longer term, are set out in the Investment section of this report.

Net Investment Assets totalled £6,446.8m on 31 March 2024, £548.8m higher than those reported on 31 March 2023, largely reflecting market strength.

£ in Million	2019-20	2020-21	2021-22	2022-23	2023-24
Investment Assets	4,640.9	5,670.9	6,092.0	5,899.5	6,448.0
Investment Liabilities	(8.8)	(4.1)	(3.0)	(1.5)	(1.2)
Net Investment Assets	4,632.1	5,666.8	6,089.0	5,898.0	6,446.8
<i>Growth / (Reduction)</i>	<i>(5.5%)</i>	<i>22.4%</i>	<i>7.5%</i>	<i>(3.1%)</i>	<i>9.3%</i>

Net Non-Investment Assets totalled £17.3m on 31 March 2024. Year-on-Year changes in the value of Net Non-Investment Assets principally reflect changes in the Fund's operational cash balance.

£ in Million	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Current Assets	31.4	49.2	53.9	44.5	32.5
Current Liabilities	(6.0)	(9.1)	(10.8)	(11.8)	(15.2)
Net Non-Investment Assets	25.4	40.1	43.1	32.7	17.3

The following table shows the forecast and actual Fund Account for 2023-2024:

£ in Million	2023-2024 Forecast	2023-2024 Actual
Contributions	228	239
Benefits	(236)	(252)
Net Additions from Dealing with Members, Employers and Others Directly involved in the Fund	(8)	(13)
Management Expenses	(34)	(33)
Net (Withdrawals)/Additions including Fund Management Expenses	(42)	(46)
Investment Income (net of taxes)	65	93
Net Increase in Net Assets Before Changes in Market Value	23	47
Profits and Losses on Disposal of Investments and Changes in Value of Investments	n/f	486
Net Increase in the Net Assets Available for Benefits During the Year	n/f	533

The Fund does not make a forecast (n/f) for Profits and Losses of Investments and Changes in the Value of Investments as this is driven by market events which are outside of the Fund's control.

The actual Net Increase in Net Assets Before Changes in Market Value was £5m lower than forecast principally reflecting higher than forecast transfers out. This was more than offset by higher than forecast investment income, principally reflecting increased allocations to income generating asset classes such as infrastructure and private debt which are managed through pooled investment vehicles, together with a recovery in income levels following the Covid-19 pandemic.

The following table shows the forecast and actual Management Expenses for 2023-2024.

£ in Million	2023-2024 Forecast	2023-2024 Actual
Investment Management Expenses excluding Fund In-House Investment Team	27.8	27.8
Fund Investment Team	0.5	0.5
Investment Management Expenses	28.3	28.3
Pensions Administration Costs	4.0	3.1
Oversight & Governance Costs	1.8	1.9
Management Expenses	33.8	33.3

Actual Investment Management Expenses in 2023-2024 were broadly in line with those budgeted.

An analysis of Fund Investment Team, Pensions Administration Costs and Oversight & Governance Costs is set out in the following table:

£ in Thousand	2022-2023 Actual	2023-2024 Actual
Staff costs	2,200	2,360
Premises, supplies and services	1,314	1,400
LGPSC costs	1,065	1,211
Information technology	461	449
Net Actuary charges	279	9
Costs of democracy	29	34
Custody	21	52
Total	5,369	5,515

Combined Fund Investment Team, Pensions Administration Costs and Oversight & Governance Costs increased by £0.146m in 2023-2024, principally reflecting higher staff costs, premises, supplies and services and LGPSC costs, partly offset by a reduction in net actuary charges following the completion of the March 2022 triannual actuarial valuation in 2022-2023.

Investment

Investment Policy

The primary objective of the Fund is to ensure that over the long term the Fund will be able to meet all benefit payments as and when they fall due. These payments will be met by contributions resulting from the funding strategy or asset returns and income resulting from the investment strategy. Therefore, the Pensions Fund's funding and investment strategies are inextricably linked. The Investment Strategy Statement (ISS) sets out the long-term investment strategy of the Fund. Further details in respect of the Fund's funding strategy are set out in the Funding section of this report.

The ISS is available on the Fund's website: derbyshirepensionfund.org.uk/ISS

The Pensions and Investments Committee is responsible for approving the investment strategy of the Fund, the Strategic Asset Allocation Benchmark, and the quarterly tactical asset allocation positions. The day-to-day management of the Fund's investments is delegated to the Director of Finance and the In-House Investment Management Team.

In 2023-2024, a proportion of the Fund's investments were managed internally on an active basis by the Fund's In-House Investment Management Team which is part of the Corporate Services and Transformation Department, passively through products provided by LGIM, or by LGPSC, a company established to manage investments on behalf of the LGPS Central Pool. Further details in respect of the LGPS Central Pool are set out later.

Management of the Fund's Investment Assets

The Fund's investment assets were managed as follows in 2023-2024:

Responsible management	Description
In-House Investment Management Team	The internal team comprised of a Head of Pension Fund, an Investments Manager and an Assistant Fund Manager. The team was responsible for managing: Sovereign Bonds (conventional and index-linked); active United Kingdom Small Cap Equities; active Global Sustainable Equities; active Japanese Equities; active Emerging Market Equities; Indirect Property; Infrastructure; Private Equity; and Multi-Asset Credit (including Private Debt) Collective investment vehicles were selected by the internal team for: United Kingdom Small Cap Equities, Japanese Equities, Emerging Market Equities, and active Global Sustainable Equities; Indirect Property; Infrastructure; Private Equity; and Multi-Asset Credit
Colliers Global Investors	UK Direct Commercial Property
LGIM	Passive United Kingdom Equities; Global Sustainable Equities (Low Carbon Fund); Japanese Equities; and Emerging Market Equities
LGPSC	Global Sustainable Equities (active and factor funds); Active Emerging Market Equities; Private Equity; Active Investment Grade Corporate Bonds; and Private Debt
Wellington Management International	Active US Equities (divested 2023-2024)

Investment Administration

The Fund's dedicated In-House Investment Administration Team is responsible for day-to-day investment administration. This team forms part of the wider In-House Management Investment Team. The Fund's custodian in 2023-2024 was Northern Trust. The Fund's custodian is responsible for the custody and safekeeping of the Fund's directly held listed securities. Non-listed securities (for example, investments in pooled vehicles and closed-ended limited partnerships; each of which have their own custodian appointed by the relevant investment manager) are managed and monitored by the In-House Investment Administration Team.

Responsible investment

Responsible investment is an approach to investment that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns.¹ The Fund's approach to Responsible Investment is set out in the Fund's Responsible Investment Framework. The Fund's Responsible Investment Framework was updated in 2023-2024.

The Pensions and Investments Committee believes that responsible investment covers both incorporating ESG factors into the investment process and Fund stewardship and governance through considered voting and engagement with investee companies.

Effective management of financially material ESG risks should support the requirement to protect investment returns over the long term. The Fund's In-House Investment Management Team seek to understand relevant ESG factors alongside conventional financial considerations within the investment process, and the Fund's external investment managers, including LGPSC, are expected to do the same. Non-financial factors may be considered to the extent that they are not detrimental to the investment return.

The Fund recognises that financial markets will be impacted by climate change and by the response of climate change policy makers. Risks and opportunities related to climate change are likely to be experienced across the whole of the Fund's portfolio. The current understanding of the potential risks posed by climate change, together with the development of climate-related measurements and disclosures, are still at an early stage, and there is considerable variability in the quality and comparability of carbon emission estimates. It is recognised that it will take time for companies to adapt to the changing regulatory and market positions.

In 2019, the Fund commissioned a Climate Risk Management Report from LGPSC which was received in February 2020 and was structured around the Taskforce for Climate-related Disclosures (TCFD) 4 thematic areas of:

- governance
- strategy
- risk management
- metric targets

The Climate Risk Report also included:

- an assessment of financial material climate-related risk and opportunities within the Fund's investment portfolio
- climate scenario analysis
- carbon risk metrics

The Climate Risk Management Report was presented to the Fund's Pensions & Investments Committee in March 2020, together with a copy of the Fund's first TCFD report. In recognition of the potential material effect of climate change, and the response to climate change, on the assets and liabilities of the Fund, the Fund developed a separate Climate Strategy which was approved by Committee in November 2020. Since that date the Fund has received 3 further Climate Risk Management Reports (2021, 2022 and 2024) from LGPSC and has issued its second, third and fourth TCFD reports. The Fund's Climate Strategy was updated in 2023-2024.

The Fund became a member of Institutional Investors Group on Climate Change (IIGCC) in February 2023. The IIGCC is a leading global membership body and the largest in Europe. It focuses specifically on climate change. The IIGCC has around 400 members. The IIGCC's mission is to support and enable the investment community in driving significant and real progress by 2030 towards a net zero and resilient future.

The Pensions and Investments Committee recognises its responsibility to act in the best interest of the Fund's employers and scheme members, whilst seeking to protect local taxpayers and employers from unsustainable pension costs.

The Fund adopts a strategy of engagement with companies to influence behaviour and enhance value, rather than adopting a divestment approach, believing that this is more compatible with the administering authority's fiduciary duties and supports responsible investment.

Engagement allows the Fund to use its influence as an active owner, with other like-minded investors, to improve ESG practices in investee companies, influence that would be lost through a divestment approach. It is recognised that change takes time, as a long-term investor the Fund takes a long-term approach to its stewardship activities.

Membership of the Local Authority Pension Fund Forum (LAPFF) helps the Fund to engage with companies to understand relevant issues and to promote best practice. LAPFF was set up in 1991 and is a voluntary association of Local Authority Pension Funds based in the UK with combined assets of over £350bn. It exists to promote the investment interests of local authority Pension Funds, and to maximise their influence as shareholders to promote high standards of corporate governance and corporate responsibility amongst the companies in which they invest.

Collective pressure from investors via organisations such as the LAPFF has helped to encourage listed companies to enhance their corporate governance and to improve their environmental and social impacts.

The Fund places great importance on the exercise of voting rights. A significant proportion of the Fund's assets are managed through pooled products, where the voting activity is carried out by external investment managers. These principally relate to funds managed Legal & General Investment Management (LGIM) and LGPSC.

LGIM currently manages a sizeable proportion of the Fund's assets on a passive basis. Voting activity is carried out in accordance with LGIM's voting policy and is based on a set of corporate governance principles. Previous engagement with an investee company also determines the manner in which voting decisions are made and cast. Voting activity is combined with direct engagement with the investee company to ensure that the investee company fully understands any issues and concerns that LGIM may have and to encourage improvement. LGIM utilises the voting information services of ISS and Institutional Voting Information Services (IVIS) to conduct thorough analysis and research on investee companies.

The Fund expects an increasing proportion of its assets to be managed by LGPSC going forward, as assets are transitioned into its pooled products. LGPSC's Responsible Investment & Engagement Framework will be applied to both internally and externally managed investment mandates.

LGPSC has developed a Responsible Investment & Engagement Framework (the Framework) incorporating the Responsible Investment beliefs of the Pension Funds within the LGPS Central Pool, which will be applied to both internally and externally managed investment mandates.

The Framework contains the following beliefs:

- **Long-termism:** A long-term approach to investment will deliver better returns and the long-term nature of LGPS liabilities allows for a long-term investment horizon. LGPSC acknowledges that most ESG factors are long-term in nature, therefore it is an imperative that these factors are considered in investment decisions.
- **Responsible Investment:** Responsible Investment is supportive of risk adjusted returns over the long-term, across all asset classes. Integration of ESG factors into the investment process facilitates the implementation of this belief.
- **Diversification, risk management and stewardship:** Diversification across investments with low correlation improves the risk return profile. An exclusionary approach can detract from the full benefit of diversification and the real-world impact that responsible investment can have on society and the economy. A strategy of integration along with stewardship is more compatible with the fiduciary duties owed to internal and external stakeholders. This strategy allows for a broader investment universe which promotes diversification. Risks and opportunities are identified and managed at a more granular level. LGPSC consider that the flexibility this affords in terms of stock selection and sector appraisal will lead to better investment outcomes than a broad policy of exclusion.
- **Corporate governance and diversity:** Investee companies and asset managers with robust governance structures should be better positioned to handle the effects of shocks and stresses of future events. There is clear evidence showing that decision-making and performance are improved when company boards and investment teams are composed of diverse individuals.
- **Fees and remuneration:** The management fees of investment managers and the remuneration policies of investee companies are of significance for LGPSC's clients. Fees and remuneration should be aligned with the long-term interests of LGPSC's clients, and value for money is more important than simple minimisation of costs. Contributing to national initiatives that promote fee transparency such as the LGPS Code of Transparency is supportive of this belief.
- **Risk and opportunity:** Risk premia exist for certain investments; taking advantage of these can help to improve returns. There is risk, but also opportunity in holding companies that are on an improving trajectory in respect of financially material ESG issues. Opportunities can be captured so long as they are aligned to LGPSC's objectives and strategy, and so long as there is a sufficient evidence base upon which to make an investment decision.
- **Sustainable Business Practice:** LGPSC expects investee companies to consider relevant, material social and environmental risk factors in their long-term strategic business planning such as climate change related risks, including biodiversity loss, and human right related risks. LGPSC believes these can have a significant effect on the value of a company's assets over time, and on its ability to generate long-term returns for shareholders.

Copies of LGIM’s and LGPSC’s Stewardship Reports are presented to the Committee on a quarterly basis.

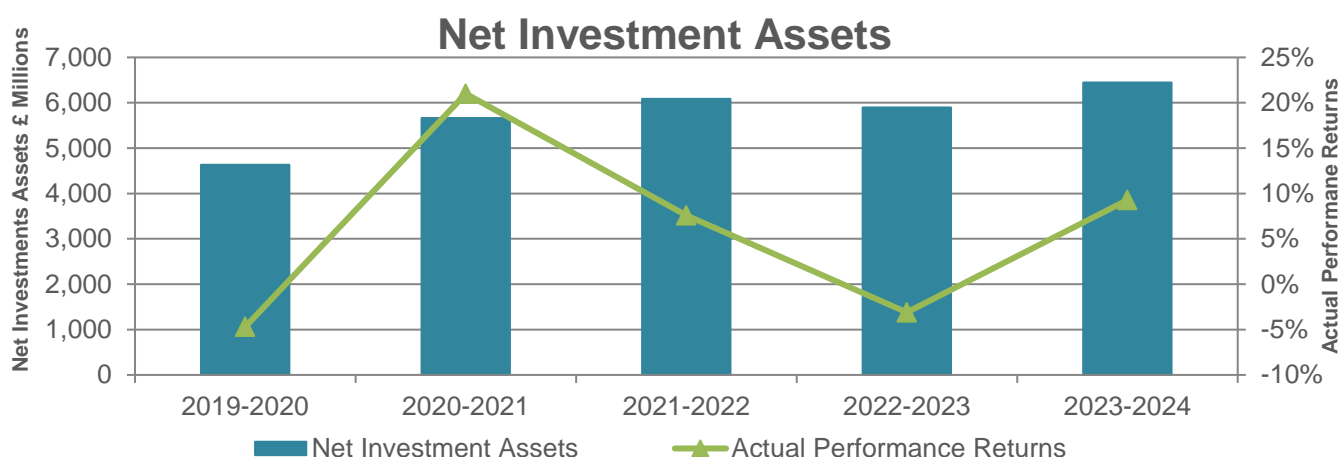
The Fund became a signatory of the UK Stewardship Code 2020 in 2023-2024. The UK Stewardship Code 2020 sets high standards of stewardship for those investing money on behalf of UK savers and pensioners, and those that support them.

Myners Principles

In line with best practice the Fund monitors, and reports on the extent to which it complies with the Myners Principles as set out in guidance published by the CIPFA in November 2012, entitled ‘Principles for Investment Decision Making and Disclosure in the Local Government Pension Scheme in the United Kingdom 2012’. Where this guide makes comments on examples of good practice in the light of the principles, its intention is to help funds to apply the principles, they are not expected to implement every element. An overview of the Fund’s compliance with the 6 Myners principles is set out at Appendix 2.

Net Investment Assets

The following chart shows the Fund’s Net Investment Assets at the last 5 period-ends, together with year-on-year change in value. Performance returns are the key driver of changes in value of net investment assets; net contributions from Dealing with Members have a limited impact.



Strategic Asset Allocation Benchmark

The Fund’s asset classes are allocated into 3 categories:

- **Growth Assets:** largely equities, plus other volatile higher return assets such as private equity.
- **Income Assets:** assets which are designed to deliver an excess return, but with more stable return patterns than Growth Assets because income represents a large proportion of the total return of these assets.
- **Protection Assets:** lower risk government or investment grade bonds, together with cash.

The Fund’s Strategic Asset Allocation Benchmark, together with the actual asset class allocations on 31 March 2023 and 31 March 2024, are set out as follows:

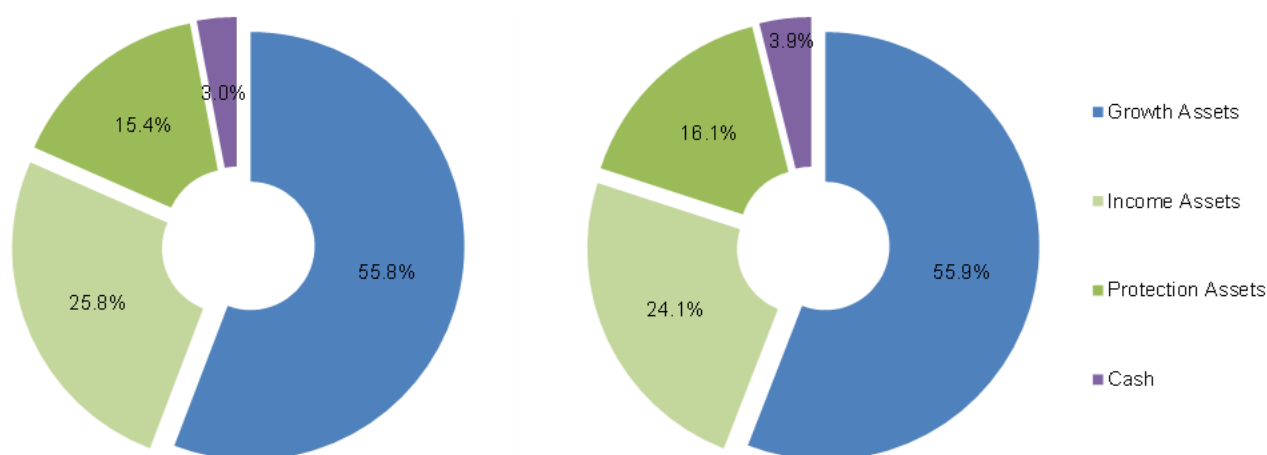
	31 March 2023 Benchmark	31 March 2023 Permitted Range	31 March 2023 Actual	31 March 2024 Benchmark	31 March 2024 Permitted Range	31 March 2024 Actual
UK Equities	12.0%	± 4%	14.0%	12.0%	± 4%	11.7%
US Equities	-	-	1.1% (2)	-	-	-
Japanese Equities	5.0%	± 2%	5.4%	5.0%	± 2%	5.2%
Emerging Market Equities	5.0%	± 2%	5.5%	5.0%	± 2%	4.5%
Global Sustainable Equities	29.0%	± 8%	25.0%	29.0%	± 8%	29.4%
Private Equity	4.0%	± 2%	4.8%	4.0%	± 2%	5.1%
Growth Assets	55.0%	± 8%	55.8%	55.0%	± 8%	55.9%
Infrastructure	10.0%	± 3%	10.8%	10.0%	± 3%	10.0%
Direct Property	6.0%	± 2%	5.6%	6.0%	± 2%	5.0%
Indirect Property	3.0%	± 2%	2.3%	3.0%	± 2%	1.9%
Multi-Asset Credit	6.0%	± 2%	7.1%	6.0%	± 2%	7.2%
Income Assets	25.0%	± 6%	25.8%	25.0%	± 6%	24.1%
Conventional Bonds	6.0%	± 2%	4.8%	6.0%	± 2%	5.1%
Index-Linked Bonds	6.0%	± 2%	4.9%	6.0%	± 2%	5.3%
Corporate Bonds	6.0%	± 2%	5.7%	6.0%	± 2%	5.7%
Protection Assets	18.0%	± 5%	15.4%	18.0%	± 5%	16.1%
Cash (1)	2.0%	0 – 8%	3.0%	2.0%	0 – 8%	3.9%
Total	100.0%	-	100.0%	100.0%	-	100.0%

(1) Includes Short-Dated Bond Funds.

(2) Legacy allocation in unwind; fully divested in 2023-2024.

There were no changes to the Fund's Strategic Asset Allocation Benchmark in either 2022-2023 or 2023-2024. The Committee approved a new Strategic Asset Allocation Benchmark in March 2024. The new Strategic Asset Allocation Benchmark includes a 5% switch from Growth Assets to Income Assets, and some of the Fund's regional equity allocations are being switched into Global Sustainable Equities. Given the quantum of the proposed changes between the current and Final Strategic Asset Allocation Benchmark, the transition is going to be split into two-phase through an Intermediate Strategic Asset Allocation Benchmark, which came into effect on 1 April 2024. The Final Strategic Asset Allocation Benchmark will come into effect by 1 April 2025 at the latest.

The Fund's actual asset allocation on 31 March 2023 and 31 March 2024 is set out as follows:



In the year to 31 March 2024, the Fund marginally increased its weighting in respect of Growth Assets (55.8% to 55.9%) and Protection Assets (15.4% to 16.1%) and reduced its weight in Income Assets (25.8% to 24.1%), reflecting both tactical asset allocation changes and asset class

relative market performance. Cash increased from 3.0% to 3.9%. The actual weights reflect invested capital and are before commitments to closed-ended funds which have yet to be drawn-down by the managers. These investment commitments totalled £424.9m on 31 March 2024 (£277.5m on 31 March 2023), and related to Multi-Asset Credit, Private Equity, Infrastructure and Indirect Property.

Investment Performance

The Fund's Performance Target

The Fund's objective is to generate a return at least equal to the rate assumed in the actuarial valuation. The actuarial valuation on 31 March 2022 was prepared on the basis of a long-term investment return of 3.8%.

The Fund's Long-Term Performance

% per Annum	1 Year	3 Year Average	5 Year Average	10 Year Average
The Fund	9.3%	4.4%	5.6%	7.0%
Benchmark	10.0%	4.4%	5.4%	6.7%
Excess Return	(0.7%)	-	0.2%	0.3%
Consumer Price Index	3.2%	6.7%	4.4%	2.9%

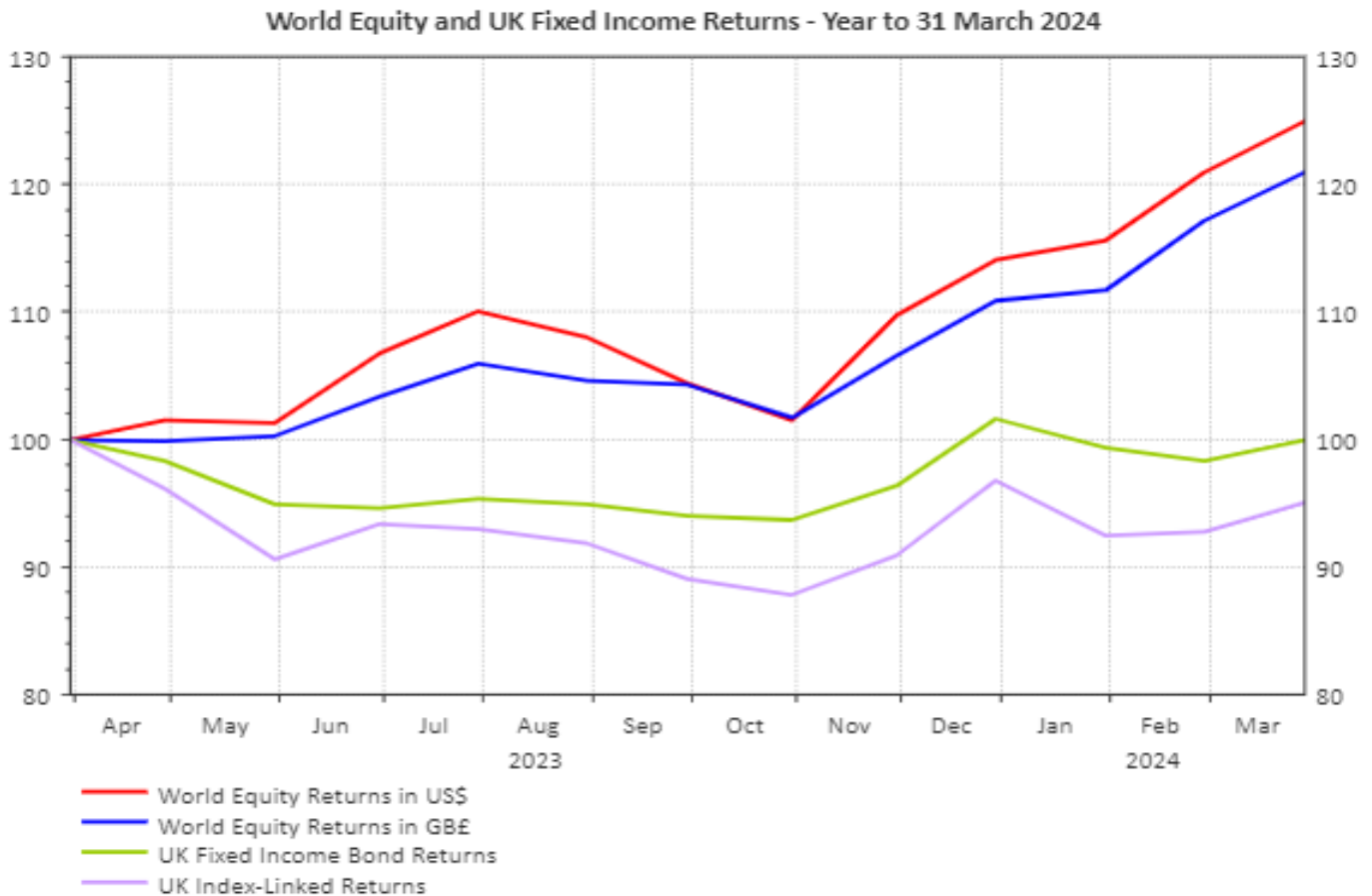
Source: Northern Trust

Investment performance in 2023-2024, including a comparison against the Benchmark Return, is calculated independently by Northern Trust. Results are considered by the Pensions and Investments Committee as they become available and are reported to Fund Members on an annual basis as part of this report.

On a year-by-year basis, returns tend to fluctuate significantly according to economic and market conditions. Long-term returns are a more appropriate guide to the performance of the Fund.

The Fund outperformed the benchmark on a 5 and 10 year basis and was in line with benchmark on a 3 year basis. The Fund underperformed the benchmark by 70 basis points in 2023-2024, albeit it should be noted that the Fund still returned +9.3% over this period. It is important to note that the Fund has delivered real returns over the long-term, with returns ahead of inflation on a 5 and 10-year basis. Global inflation increased significantly in 2022-2023, with UK inflation peaking at 11.1% in October 2022, reflecting rising energy costs and tight global supply chains following the Covid-19 pandemic. In response to rising inflation, the major central banks increased interest rates to slow down economic activity and reduce inflation. In the UK, the Bank of England raised interest rates from a record low of 0.10% in March 2020 to 5.25%, a 16 year high, by March 2024. UK inflation gradually fell in 2023-2024, falling to 3.2% by March 2024.

Market Background 2023-2024



Equity markets reported strong gains in 2023-2024, with the FTSE All World reporting a total return of 21.0% in Sterling terms. Falling inflation, together with growing market expectations that the major central banks would start to reduce interests, created a sizeable tailwind for equity investors. In particular, equity market performance was dominated by the Magnificent Seven; seven mega-cap US technology stocks comprising:

- Apple
- Microsoft
- Google parent Alphabet
- Amazon
- Nvidia
- Meta Platforms
- Tesla

These seven stocks now account for around 30% of the US equity market and delivered an average return in excess of 80% in 2023-2024, driven by strong earnings growth and expectations around the growth potential for Artificial Intelligence, which the market expects to be a significant growth area from process and task automation and multi-media content creation.

By asset class, equity returns to Sterling investors in 2023-2024 ranged from 26.8% in North America to 6.2% in Emerging Markets. UK Equities returned 8.4%. The FTSE All World returned 21.0% in Sterling terms, rising to 23.6% in US dollar terms, as Sterling strengthened relative to the US dollar. Government bond returns were generally poor in 2023-2024, as bond yields increased in response to central bank interest rate rises. UK Gilts returned 0.0% and UK Index-Linked bonds returned -5.0%. UK Investment Grade Bonds returned 7.1%. Property returns were negative at -1.0% in 2023-2024, albeit these were up from -13.2% in 2022-2023

2023-2024 Performance by Asset Class

Annualised Net Returns	Benchmark	Assets	1 Year to March-2024		3 Years to March-2024		5 Years to March-2024	
		Mar-2024 £m	Fund Return	Benchmark Return	Fund Return	Benchmark Return	Fund Return	Benchmark Return
United Kingdom Equities	FTSE All Share	756.7	8.6%	8.4%	7.4%	8.1%	5.6%	5.4%
Japanese Equities	FTSE Japan	336.9	17.9%	22.3%	3.6%	6.8%	2.9%	8.5%
Emerging Market Equities	FTSE Emerging Markets (Net)	291.2	1.9%	5.8%	(3.3%)	(0.7%)	1.7%	3.7%
Global Sustainable Equities	FTSE All World and/or specific benchmarks for index tracking products	1,901.4	18.8%	20.9%	8.1%	10.9%	14.7%	12.3%
Private Equity	50% FTSE All World + 50% FTSE All Share Total Return + 1% (lagged by 3 months)	325.5	11.8%	12.1%	18.2%	7.6%	16.3%	5.6%
Infrastructure	Sonia 3M + 2.0%	652.3	2.4%	7.1%	6.4%	4.5%	6.4%	3.7%
Property	IPD UK Quarterly Property Index	416.0	1.3%	(2.4%)	3.2%	0.8%	3.3%	0.8%
Multi-Asset Credit	40% SONIA 3m + 3% / 30% ICE BofA Global High Yield Index, GBP / 30% S&P & LSTA Leveraged Loan Index, GBP	496.3	11.4%	10.7%	5.4%	5.1%	4.9%	4.7%
Conventional Bonds	FTSE UK Gov Fixed All Stocks	324.9	0.2%	0.0%	(5.7%)	(7.4%)	(2.8%)	(3.8%)
Index-Linked Bonds	FTSE UK I-L All Stocks	343.6	(4.7%)	(5.0%)	(7.2%)	(9.9%)	(3.1%)	(5.2%)
Investment Grade Bonds	GBP Non-Gilt Index (ex EM) / 50% ICE Global Corporate Index (ex GBP and EM), hedged to GBP Base	365.9	8.5%	6.3%	(2.8%)	(2.7%)	-	-
Cash and other	No Benchmark	236.1	-	-	-	-	-	-
Total Investment Assets		6,446.8	9.3%	10.0%	4.4%	4.4%	5.6%	5.4%

Source: Northern Trust Performance Report

The Fund's private equity benchmark was changed from 1 July 2023 onwards from Global Sustainable Equities + 1.0% to 50% FTSE All World + 50% FTSE All Share + 1.00% (3 months lagged) to better reflect the Fund's underlying tilt towards UK private equity relative to the global market, together with the time lag in receiving closed-ended private equity valuation from the Fund's external managers.

Pool Managed Investment Assets

Total assets managed by LGPS Central Limited increased from £838m on 31 March 2023 to £1,130m on 31 March 2024 (£1,232m on a committed basis), accounting for 17.5% of total investment assets (2022-2023, 14.2%). An analysis is set out in the following table

£ Million in Asset Value on 31 March 2024	Pooled	Under Pool Management	Not Pooled	Total	Comments
Equities					
Pooled Funds	734.5				
Passive Funds			1,906.0		Invested through a joint procurement process which has an aggregated fee structure. The Fund considers these assets to be pooled
Collaborative Frameworks			433.7		Invested through a collaborative LGPS Central Pool Framework which has an aggregated fee structure. The Fund considers these assets to be pooled
Specialist Allocation			53.5		UK Small Cap strategy not provided by pooling company
Allocations in Unwind			158.5		Allocations to be discontinued and in unwind
				3,286.2	
Bonds					
Gilts			324.9		Pooled product not currently available
Index-Linked Gilts			346.6		Pooled product not currently available
Investment Grade Bonds	365.9				
Diversified MAC Funds			259.5		Legacy assets and pooling solution unclear and/or value for money considerations
				1,296.9	
Property					
Direct Property			321.3		
Indirect Property			124.7		
<i>Undrawn Commitments</i>	<i>30.0</i>		<i>0.5</i>		<i>Excluded from total</i>
				446.0	
Private Equity					
Private Equity			325.5		Legacy assets which will unwind over time
<i>Undrawn Commitments</i>	<i>50.0</i>		<i>86.0</i>		<i>Excluded from total</i>
				325.5	
Private Debt					
Pooled Fund	30.0				
Private Debt			176.8		

<i>Undrawn Commitments</i>	22.3		99.8		
				206.8	
Infrastructure					
Infrastructure			502.6		Legacy assets which will unwind over time
Infrastructure			149.7		Invested through collaboratively procured product which has an LPGS aggregated fee structure. The Fund considers this product to be pooled
<i>Undrawn Commitments</i>			136.3		<i>Excluded from total</i>
				652.3	
Cash & Net Current Assets					
Cash (1)			234.1	234.1	Outside scope of pooling
Other					
LGPSC Regulatory Capital			2.0	2.0	Outside scope of pooling
Total Net Investment Assets	1,130.4	-	5,316.4	6,446.8	
<i>Undrawn Commitments</i>	102.3	-	322.6	424.9	<i>Excluded from total</i>

(1) Includes short-dated bond funds

Category	£ Million in Asset Value on 31 March 2024	%
In pooled product	1,130.4	17.5% (1)
Invested through a collaboratively procured product. The Fund considers these assets to be pooled	2,489.4	38.6%
Pooled product and/or invested through a collaboratively procured product	3,619.8	56.1% (2)
Legacy assets which will unwind over time (for example, long-life closed-ended vehicles)	1,163.4	18.1%
Pooled product not currently available and/or strategies not available through pooling company	846.7	13.1%
Direct property assets – not cost effective to pool these assets	321.3	5.0%
Legacy assets and pooling solution unclear and/or value for money considerations	259.5	4.0%
Cash and LGPSC Regulatory Capital outside the scope of pooling	236.1	3.7%
Total	6,446.8	100.0%

(1) Increases to 19.1% on a committed basis

(2) Increases to 57.7% on a committed basis

In addition to the assets managed by LGPSC, the following assets totalling £2,489m (£2,411m, 31 March 2022) were managed through collaboratively procured pooled arrangements:

- Passive equities of £1,906m managed by LGIM in respect of UK Equities; Japanese Equities; Emerging Market Equities and Global Sustainable Equities; and
- Active Global Sustainable Equities of £433m managed by one investment manager; and
- Active Global Infrastructure assets of £150m managed by one manager.

Including the noted collaboratively procured pooled arrangements, the percentage of total assets managed through either LGPSC products or other collaboratively procured pooled arrangements increased to 56.1% (£3,620m) on 31 March 2024 (55.1%, £3,249m on 31 March 2023), rising to 57.7% on a committed basis. The remainder of the Fund's assets relate to legacy assets in unwind (for example, closed-ended private market vehicles) (18.1%), legacy assets where a pooled products is not currently available and / or strategies not available through pooling company (13.1%), legacy assets where it is not cost effective to pool these assets (for example, UK direct property subject to significant transaction costs) (5.0%) and the Fund's operational cash balances (3.7%).

A Product Development Protocol has been developed jointly by the Partner Funds and LGPSC to ensure that all parties are involved at every stage of the product development lifecycle. The Fund is currently working closely with LGPSC, and the other Partner Funds, on several forthcoming LGPSC product launches, and anticipates that the level of investments assets managed by LGPSC will increase in 2024-2025.

Gross & Net Performance Returns

The performance returns by asset class shown in the earlier table are net of investment management expenses.

Total investment management expenses in 2023-2024 were £28.3m (2022-2023, £28.3m), equivalent to 46.9 basis points of total average net investment assets in 2023-2024 (2022-2023, 47.7 basis points).

The Fund plans to respond to the LGPS Scheme Advisory Board's Transparency Code by obtaining where possible SAB template report submissions from each of the Fund's external managers from 2024-2025 onwards.

2023-2024 Investment Management Expenses

£ in Thousands	LGPSC Pool *	Active External Manager **	Passive External Manager *	Active IIMT Management ***	IIMT Managing & Monitoring ***	Transaction Costs	Total Investment Management Assets
LGPSC Products:							
Pooled Investment Vehicle							
Management Expenses	2,103	-	-	-	87	-	2,190
Average Investment Assets (£m)	992.8	-	-	-	992.8	992.8	992.8
Basis Points Charge	21.2	-	-	-	0.9	-	22.1
Non-Asset Pool							
Management Expenses	-	24,661	928	58	394	100	26,141
Average Investment Assets (£m)	-	2,660.3	1,810.3	590.2	5,050.8	5,050.8	5,050.8
Basis Point Charge	-	92.7	5.1	1.0	0.8	0.2	51.8
Total							
Management Expenses	2,103	24,661	928	58	481	100	28,331
Average Investment Assets (£m)	992.8	2,660.3	1,810.3	590.2	6,043.7	6,043.7	6,043.7
Basis Point Charge	21.2	92.7	5.1	1.0	0.8	0.2	46.9

Note: IIMT = In-House Investment Management Team

* Ad valorem only

** Ad valorem plus performance fees

*** IIMT Fixed cost allocation

2022-2023 Investment Management Expenses

£ in Thousands	LGPSC Pool *	Active External Manager **	Passive External Manager *	Active IIMT Management ***	IIMT Managing & Monitoring ***	Transaction Costs	Total Investment Management Assets
LGPSC Products:							
Pooled Investment Vehicle							
Management Expenses	1,429	-	-	-	66	-	1,495
Average Investment Assets (£m)	831.5	-	-	-	831.5	831.5	831.5
Basis Points Charge	17.2	-	-	-	0.8	-	18.0
Non-Asset Pool							
Management Expenses	-	24,633	679	47	357	1,046	26,762
Average Investment Assets (£m)	-	2,774.4	1,738.7	575.0	5,088.1	5,088.1	5,088.1
Basis Point Charge	-	88.8	3.9	0.8	0.7	2.1	52.6
Total							
Management Expenses	1,429	24,633	679	47	423	1,046	28,257
Average Investment Assets (£m)	831.5	2,774.4	1,738.7	575.0	5,919.6	5,919.6	5,919.6
Basis Point Charge	17.2	88.8	3.9	0.8	0.7	1.8	47.7

Note: IIMT = In-House Investment Management Team

* Ad valorem only

** Ad valorem plus performance fees

*** IIMT Fixed cost allocation

In 2023-2024, LGPSC investment management fees totalled £2.1m (principally fees paid to the underlying external investment managers), £0.7m higher than 2022-2023, reflecting an increase in average assets under management.

Active external manager fees of £24.7m (2022-2023, £24.6m) relate to the investment management expenses incurred in respect of Japanese, Emerging Market and Global Sustainable Equity pooled vehicles noted, together with the external investment management expenses incurred in connection with the Multi-Asset Credit, Private Equity, Infrastructure, Direct Property and Indirect Property portfolios.

Passive external manager fees of £0.9m (2022-2023, £0.7m) relate to the passive management of the Fund's UK, Japanese, Emerging Market and Global Sustainable Equity allocations.

The in-house investment management team expenses of £0.5m (2022-2023, £0.5m) relate to the management of the Fund's sovereign bond portfolio, together with the selection, management and monitoring of the performance of both LGPSC and other external managers.

The Fund principally invests through primary funds and has limited exposure to fund of fund structures, albeit this is likely to increase moving forward as the Fund increasingly uses LGPSC fund of fund vehicles to access private market assets.

Direct comparison of investment management expenses by party can be misleading as the level of fees payable does not take into account the different characteristics of the asset classes such as: investment style (for example, active vs. passive); the complexity and liquidity of the asset class; and the stage of investment (for example, commitment period vs. distribution phase), particularly with regard to the alternative asset classes. Costs should always be considered in relation to net performance and value for money.

Analysis of the Fund's Assets by Geography at the Reporting Date

The Fund's assets by geographical sector on 31 March 2024, together with the comparable analysis on 31 March 2023, were as follows:

Geographical Sector	31 March 2023 £ in Million	31 March 2023 %	31 March 2024 £ in Million	31 March 2024 %
UK	2,568.2	43.6%	2,620.2	40.6%
North America	1,523.2	25.8%	1,882.7	29.2%
Asia and other	940.3	15.9%	987.7	15.3%
Europe	866.3	14.7%	957.2	14.9%
Total	5,898.0	100.0%	6,446.8	100.0%

The changes in the regional mix of the Fund's investments reflects a combination of asset allocation changes and/or relative investment performance.

Analysis of the Fund's UK Assets at the Reporting Date

The Fund's UK Assets on 31 March 2024 are detailed in the following table:

£ in Million Asset Value on 31 March 2024	Pooled	Under Pool Management	Not Pooled	Total
UK Listed Equities	54.2	-	787.5	841.7
UK Government Bonds	-	-	570.6	570.6
UK Private Equity	-	-	116.5	116.5
UK Infrastructure	-	-	296.9	296.9
Sub-Total	54.2	-	1,771.5	1,825.7
Other Assets	114.1	-	680.4	794.5
Total	168.3	-	2,451.9	2,620.2
Total Net Investment Assets	1,130.4	-	5,316.4	6,446.8
UK Percentage of Total Net Investment Assets	14.9%	-	46.1%	40.6%
<i>Private Equity – Undrawn Commitments (1)</i>	<i>5.0</i>	<i>-</i>	<i>35.5</i>	<i>40.5</i>
<i>Infrastructure – Undrawn Commitments (1)</i>	<i>-</i>	<i>-</i>	<i>6.8</i>	<i>6.8</i>

(1) Best estimate based on underlying investment strategy

Analysis of the Fund's UK Levelling-Up Assets at the Reporting Date

The Fund has not prepared an analysis of 'UK Levelling-Up Assets' at the reporting date.

Analysis of the Fund's Largest Holdings at the Reporting Date

The Fund's largest indirect holdings on 31 March 2024, together with the comparable holdings on 31 March 2023, were as follows:

Value of Holding in £000s	Asset Class	31 March 2023	31 March 2024
LGIM	Global Sustainable Equities (index-tracking)	678,564	907,812 (*)
LGIM	UK Equities (index-tracking)	774,200	703,210 (*)
Royal Bank of Canada	Global Sustainable Equities	378,812	433,653 (*)
LGPSC	Global Sustainable Equities (index-tracking)	314,072	373,231 (*)
LGPSC	Investment Grade Bonds	337,078	365,851 (*)
LGIM	Japanese Equities (index-tracking)	220,913	227,514 (*)
LGPSC	Emerging Market Equities	172,145	174,641 (*)
JPMorgan IIF	Infrastructure	147,167	149,746 (*)
CQS	Multi-Asset Credit	118,395	134,599
Janus Henderson	Multi-Asset Credit	112,957	124,853

(*) Pooled product and/or invested through a collaboratively procured product.

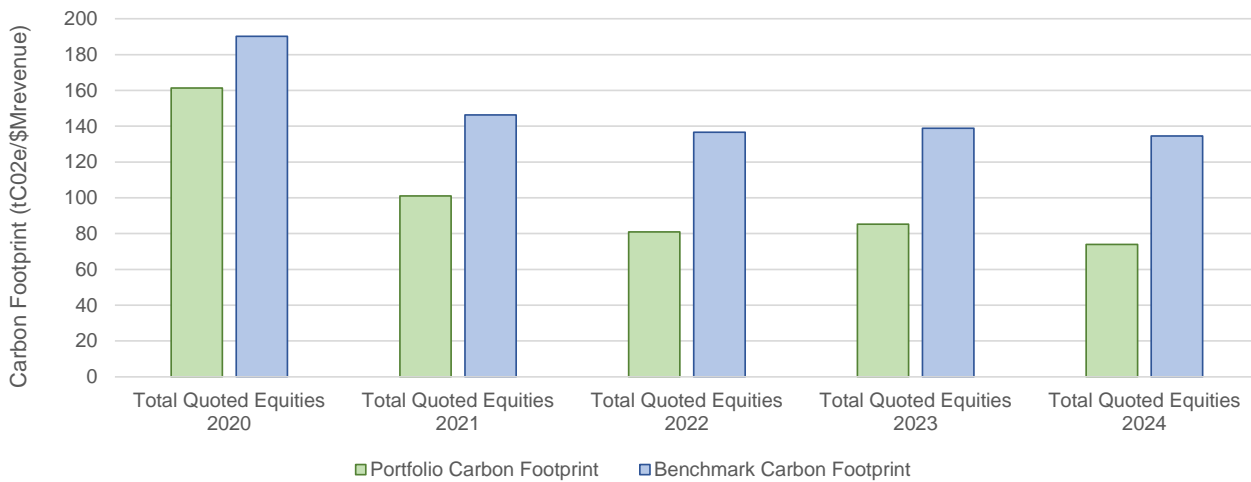
Carbon Risk Metrics

The Fund received its first report on carbon risk metrics for its listed equities portfolios on 31 July 2019, which represented over 50% of the Fund’s total assets at that date, in February 2020. The Fund received comparable reports covering the listed equity portfolio on 31 March 2021, 31 March 2022, 31 March 2023 and 31 March 2024, together with the carbon metrics in respect of the Fund’s investment grade bond investments at the same dates, in 2021, 2022, 2023 and 2024, respectively.

The poor availability of data in asset classes other than listed equities and investment grade bonds prevents a more complete analysis at this time. Carbon risk metrics aid the Fund in assessing the potential climate-related risks to which the Fund is exposed, and identifying areas for further risk management, including company engagement and fund manager monitoring. The Fund additionally monitors stewardship data.

The carbon metrics in the following charts relate to the Fund’s listed equity portfolios on 31 March 2024. These accounted for 50.8% of total investment assets at that date. The analysis sets out the Fund’s Carbon Footprint, Absolute & Normalised Financed Emissions, the Weight in Fossil Fuel Reserves and Weight in Clean Technology relative to Benchmark on 31 July 2019, 31 March 2021, 31 March 2022, 31 March 2023 and 31 March 2024. The commentary that follows compares 31 March 2024 to 31 July 2019: the Fund’s Base Benchmark for the purposes of assessing progress relative to the Fund’s approved Climate Strategy.

Figure 1: Portfolio Carbon Footprints in each regional equity portfolio



Compared to the weighted Base Benchmark, the Fund’s Total Quoted Equities portfolio on 31 March 2024 was around 61% less carbon intensive than the weighted Base Benchmark. This means that, on average, for every \$m of economic output companies produce, the Fund’s investee companies emit 61% fewer GHG emissions than the companies in the weighted Base Benchmark.

In addition, the Fund’s Total Quoted Equities absolute financed emissions have fallen by 49% between the weighted Base 2020 Benchmark and 31 March 2024 (Figure 2), rising to 70% on a normalised basis (Figure 3).

Figure 2: Portfolio Absolute Financed Emissions

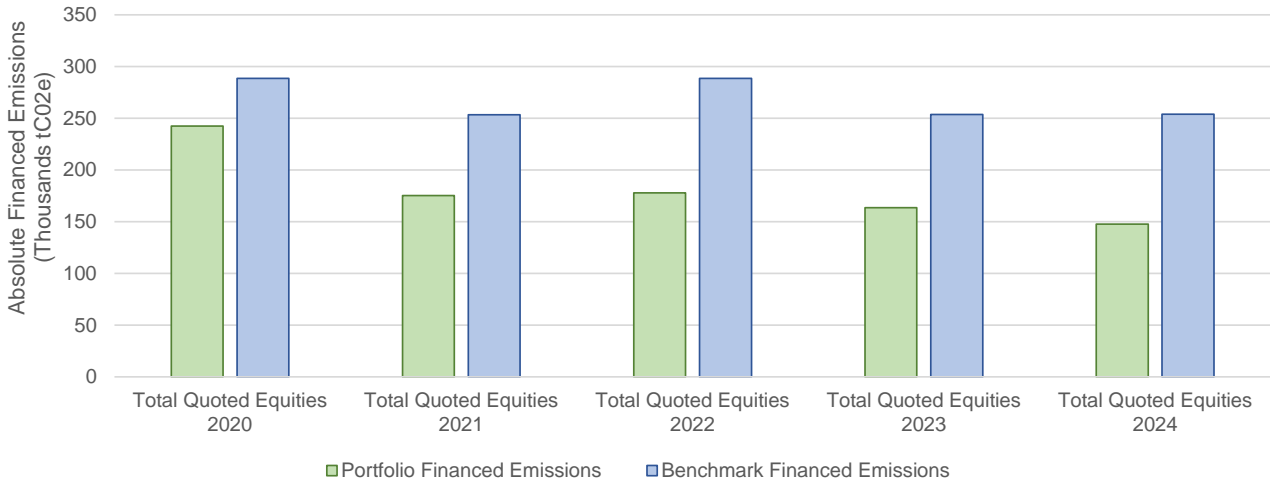
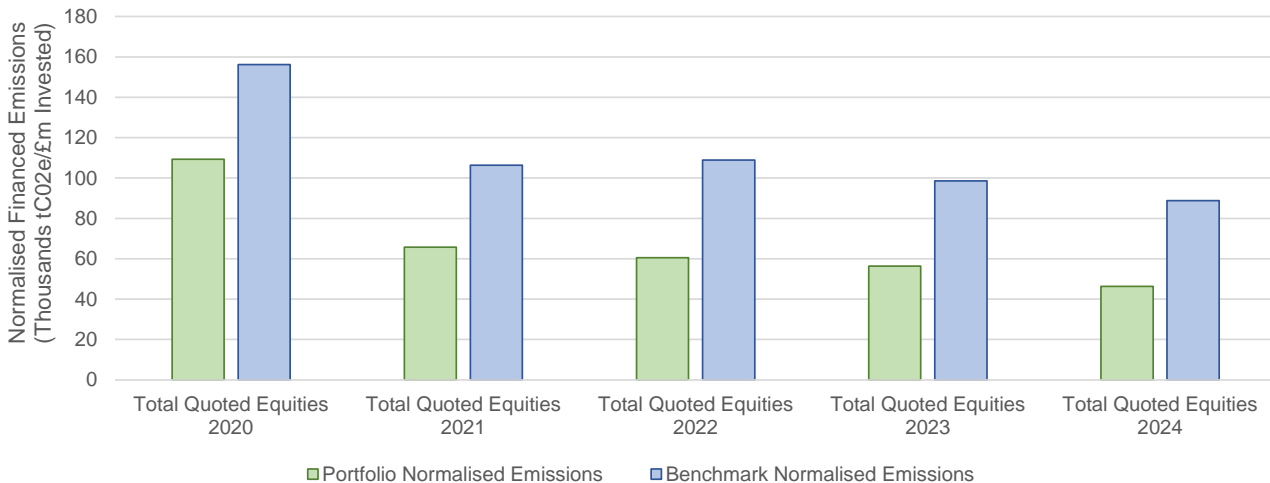
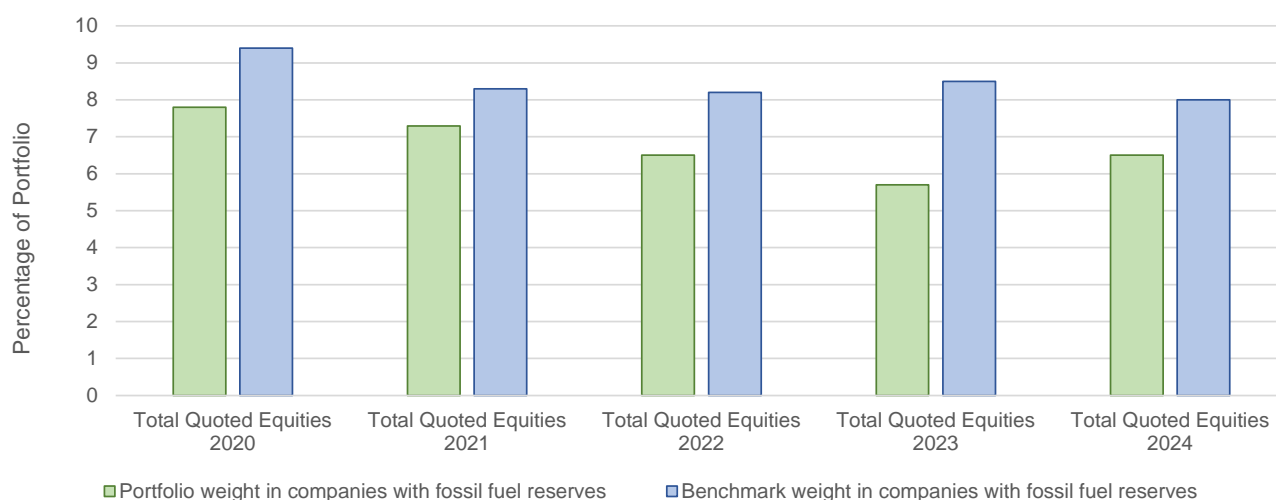


Figure 3: Portfolio Normalised Financed Emissions



Furthermore, the Fund’s Total Quoted Equities portfolio on 31 March 2024 had a lower weight in companies with fossil fuel reserves than the weighted Base Benchmark (Figure 4, 31% lower than the weighted Base 2020 Benchmark).

Figure 4: Portfolio Weight in Fossil Fuel Reserves



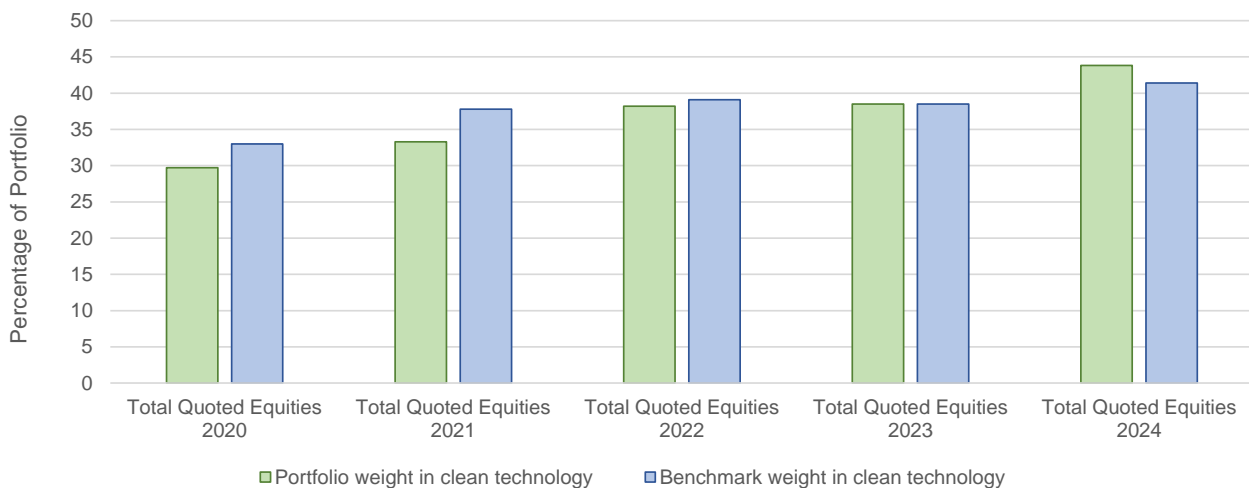
It should be noted that the weight in fossil fuels reserves metric includes the full weight of any company which has fossil fuel or coal reserves, regardless of how much those activities/reserves represent of the company’s total operations. When apportioned by revenue, 1.7% of the Total Listed Equities portfolio derives revenue from fossil fuel reserves (15% lower than the prior year and 47% lower than the weighted 2024 benchmark), indicating that most of companies with fossil fuel reserves are diversified businesses.

The carbon footprint analysis includes Scope 1 and 2 emissions (those emitted either directly by a company or indirectly through its procurement of electricity and steam) but does not include Scope 3 emissions (those emitted by a company’s suppliers and customers). This means that for some companies the assessment of their carbon footprint could be considered an ‘understatement’. Examples could include an online retailer whose logistics emissions are not included in Scope 1 or 2.

The Fund has chosen not to include Scope 3 emissions in the carbon footprint metrics for 2 reasons: (1) the rate of Scope 3 disclosure remains insufficient to use reliably in carbon footprinting analysis; and (2) the inclusion of Scope 3 emissions leads to double-counting at the portfolio level. To overcome the risk of ‘understating’ carbon risk, the Fund additionally assesses its exposure to fossil fuel reserves.

Figure 5 indicates that the Fund’s Total Quoted Equities portfolio exposure to clean technology was 33% higher than the weighted Base 2020 Benchmark, and 6% higher than the weighted 2024 Benchmark. It should also be noted that the analysis takes no account of the Fund’s quoted and unquoted onshore & offshore, solar and hydro renewable energy infrastructure investments. These were more than £276m on a committed basis on 31 March 2024, equating to 4.3% of total investment assets.

Figure 5: Exposure to clean technology in each regional equity portfolio



The following table sets out the carbon metrics in respect of the Fund’s investment grade bond investments on 31 March 2024, which represented 5.7% of total investment assets at that date:

Carbon Metric	Portfolio	Benchmark	Variance
Carbon Footprint	123.9	137.7	(10.2%)
Absolute Financed Emissions	82,905	120,124	(31.0%)
Normalised Financed Emissions	56.7	63.4	(10.6%)
Weight in Fossil Fuel Reserves	4.0	4.9	90bps
Weight in Clean Technology	20.4	22.2	(180bps)

The table indicates that the Fund’s investment grade bonds portfolio is around 10% more carbon efficient than the benchmark, together with lower absolute emissions, normalised financed emissions and weight in fossil fuel reserves. The weight in clean technology is lower than the benchmark.

Climate Strategy

The Fund developed its first standalone Climate Strategy in November 2020, which set out the Fund’s approach to addressing the risks and opportunities related to climate change.

The Fund believes that portfolio-wide ‘top down’ targets are an important means to set direction and appropriate ambition for an investment strategy towards net zero, and to monitor whether that strategy is achieving expected outcomes. However, a focus on just a single top-down portfolio emissions reduction target can incentivise a shift of assets within a portfolio from high to already lower carbon assets and sectors, rather than driving additional ‘real world’ emissions reductions from increasing investments in climate solutions that contribute to the achievement of the net zero goal.

The Fund’s Pensions & Investments Committee approved an updated Climate Strategy in March 2024. The updated Climate Strategy included a significant increase in the Fund’s climate strategy targets relative to the November 2020 Climate Strategy, together with an increase in the assets covered by the targets. The updated targets are as follows:

- **Target 1:** Reduce the weighted average carbon footprint (Scope 1 & 2) of the Fund's listed equity and investment grade bond portfolios by at least 60% relative to the weighted benchmark in 2020 by the end of 2030.
- **Target 2:** Reduce the absolute financed emissions (Scope 1 & 2) of the Fund's listed equity and investment grade bond portfolios by at least 60% relative to the weighted benchmark in 2020 by end of 2030.
- **Target 3:** The Fund will aim to assess/estimate the carbon footprint (weighted average carbon intensity and/or absolute financed emissions) (Scope 1 & 2) of at least 70% of the Fund's other assets, excluding sovereign bonds and cash, by AUM by the end of 2030. The aim is to build-up the scope, accuracy and comparability of the Fund's other assets' carbon metrics, allowing the Fund to meaningfully engage and monitor investment managers, and track progression towards net zero by 2050.
- **Target 4:** The Fund will aim to invest at least 45% of the Fund's total investment portfolio in low carbon & sustainable investments by the end of 2030.
- **Target 5:** The Fund will track the reported Scope 3 financed emissions of the Fund's combined top 10 listed equity and investment grade bond portfolio companies by Scope 3 financed emissions as part of the Fund's TCFD report.
- **Target 6:** Listed Assets Engagement Target: engage with investee companies covering at least 90% of financed emissions in material sectors by the end of 2030. Investee company engagement classified as either net zero aligned or aligning (Transition Pathway Initiative Rating and/or other recognised measure used by the Fund's climate metric data provider) or subject to direct or indirect engagement.
- **Target 7:** Listed Asset Coverage Targets: at least 50% of financed emissions in material sectors classified as either net zero aligned or aligning (Transition Pathway Initiative Rating and/or other recognised measure used by the Fund's climate metric data provider) by the end of 2030.
- **Target 8:** Other Assets Engagement Target: engage with at least 70% of the Fund's other assets investment managers, excluding sovereign bonds and cash, either directly or indirectly, on carbon metrics and net zero by 2050 targets by the end of 2030.

The following table, shows to the extent possible, performance relative to the targets using the Fund's carbon metrics on 31 March 2024:

New Target	Target	DPF on 31 March 2024
(1) Reduce the Fund's Listed Equity & Investment Grade Bonds (IGB) WACI	60% relative to the 2020 weighted base benchmark by 2030	Listed Equities: 61% IGB: 32%
(2) Reduce the Fund's Listed Equity & IGB absolute financed emissions	60% relative to the 2020 weighted base benchmark by 2030	Listed Equities: 49% IGB: 14%
(3) Assess/measure the carbon footprint of the Fund's other assets	70% by 2030	Not yet measured
(4) Invest 45% of the Fund's total investment assets in low carbon and sustainable investments	45% by 2030	Invested: 33% Committed: 35%
(5) Track Scope 3 financed emissions of the Fund's top 10 Listed Equity & IGB holdings	Track in the Fund's TCFD report	Tracked in the Fund's TCFD report
(6) Listed Assets Engagement Target	90% financed emissions coverage in material sectors by 2030	LGPSC total engagement by financed emissions: Listed Equities: 57.2% IGB: 61.4%
(7) Listed Asset Coverage Target (classified as net zero aligned/aligning)	50% of financed emissions in material sectors by 2030	LGPSC Paris Agreement Aligned: Listed Equities: 26.4% IGB: 31.3%
(8) Other Asset Engagement Target	70% by 2030	Not yet measured

The Fund believes that the Fund's updated Climate Strategy is in line with best practice and notes that the target to reduce the weighted average carbon intensity of the Fund's listed asset portfolio by 60% by the end of 2030, relative to the weighted benchmark in 2020, is higher than the mid-point carbon reduction forecast of 48% by 2030 reflected in the IPCC's Net Zero Emissions Pathway forecast. The IPCC's Net Zero Emissions Pathway forecasts the reduction in global greenhouses at set dates (for example, 2030, 2035, 2040 & 2050) to limit global warming to 1.5°C with no or limited overshoot.

LGPS Central Pool

The Fund has partnered with the LGPS Pension Funds of Cheshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, Worcestershire and West Midlands to form a collective investment pool, known as LGPS Central, in accordance with government requirements for pooling the management of LGPS investment assets. These Pension Funds (collectively known as the Partner Funds) currently manage around £60bn of assets. Collective investment management offers the potential for substantial savings in investment management fees, increased opportunities for investor engagement and access to a shared pool of knowledge and expertise.

LGPS Central Limited, (LGPSC), the company established to manage investments on behalf of the LGPS Central Pool, received authorisation from the Financial Conduct Authority in 2017-2018.

The contact details for LGPSC are as follows:

LGPS Central Limited
1st Floor i9
Wolverhampton Interchange
Wolverhampton
WV1 1LD
FCA Registration Number: 10425159

The total set up costs including funding in respect of LGPSC totalled £16.1m, comprising set-up costs of £4.1m and net funding of £12.0m. The set-up costs and net funding were shared equally between the 8 Partner Funds forming the LGPS Central Pool.

The set-up costs of £4.1m related entirely to directly attributable costs only, incurred either by the Partner Funds (for example, seconded staff and costs prior to the incorporation of LGPSC) or LGPSC following its incorporation. Whilst each of the Partner Funds also incurred additional indirect costs (for example, on-going staff and resources deployed to set-up the LGPS Central Pool) these have not been captured.

The Fund incurred costs of £0.200m associated with LGPSC Investment Management and Monitoring Costs in respect of an Active Global Sustainable Equity Broad Strategy sub-fund, an Active Global Sustainable Equity Targeted Strategy sub-fund, an Active Emerging Markets Equities Multi Manager sub-fund, an index-tracking All World Equity Climate Multi Factor sub-fund, an Active Global Investment Grade Corporate Bond sub-fund and a Credit Partnership Limited Partnership sub-fund (Private Debt) in 2023-2024 (2022-2023: £0.164m). The charge excludes fees paid to the underlying investment managers of £1.903m in 2023-2024 (2022-2023: £1.265m), with the increase between 2022-2023 and 2023-2024 reflecting an increase in the level of investment assets managed through LGPSC products.

The Fund incurred £1.211m in respect of Governance, Operator Running and Product Development costs in connection with LGPSC in 2023-2024 (2022-2023: £1.065m).

The Fund incurred Partner Fund Support Office costs of £0.029m in 2023-2024 (2022-2023: nil). These costs were incurred by West Midlands Pension Fund (one of the LGPS Pension Funds comprising the LGPSC Pool) and were recharged to the Fund, of which £0.018m was payable to West Midlands Pension Fund on 31 March 2024 (31 March 2023: £nil).

A Derbyshire Pension Fund estimate of the Fund's cumulative LGPS Central Pool cost savings/(loss) on 31 March 2024 using the single assumption methodology as agreed by all the LGPS Pools is shown in the following table:

£ in Million	2023-2024	Inception to 31 Mar-2024
Product Investment Management Fee Savings	2.1	6.1
Explicit Transition Costs (1)	-	(2.8)
LGPSC Costs (2)	(1.4)	(7.6)
LGPSC Set-Up Costs (3)	-	(0.5)
Other	0.1	0.3
Cumulative Estimated Pooling Cost Savings/(Loss)	0.8	(4.5)

(1) Excludes Implicit Transition Costs of £1.2m

(2) Comprises LGPSC Governance Costs, Operator Costs, Product Development and IMMCs

(3) Excludes share capital of £1.3m

Whilst the estimate shows a cumulative loss of £4.5m on 31 March 2024, this partly reflects one off transition costs and funding costs. The Fund only started to transition assets into LGPSC products in 2019-2020, and the level of transitions is expected to increase going forward as relevant products are developed and launched. These transitions should lead to higher product investment management fee savings over the longer-term. It should be noted that pooling has also exerted downward pressure on investment management fees generally.

Product investment management fee savings should be viewed in the context of net investment performance to demonstrate the overall impact of pooling on investment returns. The following table shows the annualised net investment performance of the Fund's current assets managed by LGPSC since first investment to 31 March 2024.

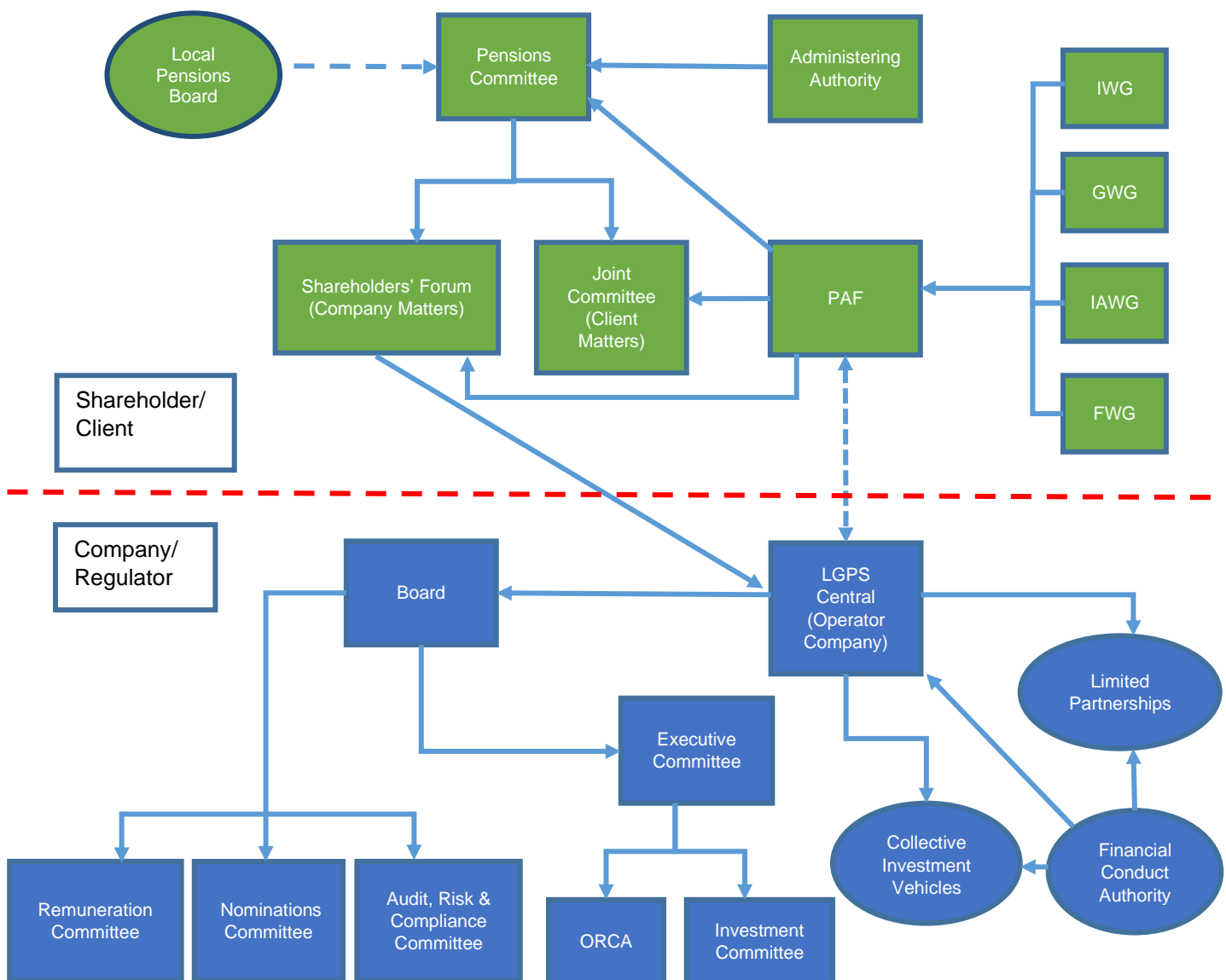
The net investment performance returns shown in the following table exclude transition costs, together with out-or-under-performance and opportunity costs over the transition period.

LGPSC Sub-Fund	First Investment Date	AUM 31 March 2024 £ Million	Annualised Sub-Fund Return	Relative to Annualised Benchmark	Relative to Annualised Target
Global Active Investment Grade Corporate Bond Multi-Manager Fund	February 2020	366	1.4%	+0.3%	(0.5%)
Emerging Market Equity Active Multi-Manager Fund	May 2021	175	(4.1%)	(4.2%)	(6.2%)
All World Equity Climate Multi-Factor Fund	January 2022	373	7.6%	+0.2%	n/a
Global Sustainable Equity Active Broad Fund	May 2023	73	22.2%	+0.1%	(1.4%)
Global Sustainable Equity Targeted Fund	July 2023	114	3.4%	(13.3%)	(15.3%)
Credit Partnership II LP (Private Debt)	November 2021	30	9.8% net IRR	(*)	(*)

(*) It is too early to assess the performance of LGPSC Credit Partnership II LP

Source: LGPSC Factsheets

LGPS Central Pool Governance Arrangements



The governance arrangements of the LGPS Central Pool include the following bodies:

Joint Committee: to provide oversight of the delivery of the objectives of the Pool, the delivery of client service, the delivery against the LGPSC business case and to deal with common investor issues. The Joint Committee provides assistance, guidance and recommendations to the individual Councils, taking into consideration the conflicting demands and interests of the participants within the Pool. The Joint Committee does not have delegated authority to make binding decisions on behalf of the participating Councils.

Membership of the Joint Committee consists of one elected member from each participating council. The Chair of the Pensions and Investments Committee, or his/her nominee, represents DCC on the LGPS Central Joint Committee.

The Joint Committee meet twice in 2023-2024 (2022-2023, 2); a link to the minutes of the LGPS Central Joint Committee can be found on the Cheshire Pension Fund's website: www.cheshirepensionfund.org/members/about-us/how-we-manage-the-fund/governance-structure/pfc

Shareholders' Forum: to oversee the operation and performance of LGPSC and to represent the ownership rights and interests of the shareholding councils with the LGPS Central Pool. Collective shareholder discussions take place in the Shareholders' Forum and aim to ensure that the Councils act in a unified way in company meetings, having agreed to a common set of principles. Unanimous decisions are required for certain reserved company matters. Shareholders' Forum meetings are distinct from LGPSC company meetings; however, members of the Shareholders' Forum also represent the councils at company meetings.

Membership of the Shareholders' Forum consists of one representative from each shareholding council. The Director of Finance represents Derbyshire at the Shareholders' Forum and at LGPSC company meetings, with delegated authority to make decisions on any matter which requires a decision by the shareholders of LGPSC.

There were 6 meetings of the Shareholders' Forum in 2023-2024 (2022-2023, 5).

Practitioners' Advisory Forum: a working group of officers appointed by the shareholding councils within the Pool to support the delivery of the objectives of the Pool and to provide support for the Pool's Joint Committee and Shareholders' Forum. The Director of Finance, the Head of Pension Fund and the Investments Manager represent Derbyshire on the Practitioners' Advisory Forum as required.

Asset Pool Training

The Fund's officers provide regular update reports to the Pensions and Investments Committee on the progression of the LGPS Central Pool.

Identified Risks

Monitoring and managing the risks associated with pooling form part of the Fund's overall risk management procedures as set out in the Governance, Management and Financial Performance Section.

The Fund has identified one high risk item in respect of the LGPS Central Pool, details of which can be found in the Governance section of this Annual Report.

Funding

Benefit payments in the LGPS are guaranteed by regulations and are met by contributions from employees and employers and from investment asset returns. Employee contribution rates are fixed, and investment returns depend on market conditions and manager performance. Employers pay the balance of the cost of delivering benefits to members of the scheme and their dependants. The Funding Strategy Statement focuses on how employer liabilities are measured, the pace at which those liabilities are funded, and how employers or pools of employers pay for their own liabilities.

Derbyshire Pension Fund's Funding Strategy Statement is available on the Fund's website:

derbyshirepensionfund.org.uk/FSS

The objectives of the Funding Strategy Statement are:

- take a prudent, long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
- use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimise cash contributions from employers in the long term)
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations
- manage the fund in line with the stated ESG policies

The Fund's actuary, Hymans Robertson, carries out a valuation of the Fund every 3 years in line with LGPS regulations. The purpose of the valuation is to review the financial position of the Fund and to set employer contribution rates and is effectively the Fund's triennial budgeting exercise.

A copy of the annual report produced by Hymans Robertson, setting out the Fund's overall level of funding as reported in the last triennial valuation on 31 March 2022 is set out overleaf.

A copy of the full triennial valuation on 31 March 2022 can be found on the Fund's website:

derbyshirepensionfund.org.uk/valuations

The Fund's funding level on 31 March 2022 was 100% up from a level of 97% at the end of March 2019. The funding level provides a high-level snapshot of the funding position at a particular date and could be very different the following day on a sharp move in investment markets. The next triennial valuation will be carried out on 31 March 2025.

The main purpose of the triennial actuarial valuation is to set employer contribution rates that, together with future investment returns on the assets within the Fund, have a high likelihood of ensuring that there are sufficient assets to pay members' benefits as they fall due. The employer contribution rates determined as part of the March 2022 valuation took effect from 1 April 2023.



Derbyshire Pension Fund (the Fund) Actuarial Statement for 2023/24

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated March 2023. In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
- use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimise cash contributions from employers in the long term)
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations
- manage the fund in line with the stated ESG policies.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 18 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 70% likelihood that the Fund will achieve the funding target over 18 years.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £6,132 million, were sufficient to meet 100% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £1 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial Assumption	31 March 2022
Discount Rate	3.8% pa
Salary Increase assumption	3.7% pa
Benefit increase assumption (CPI)	2.7% pa

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.3 years	24.3 years
Future Pensioners*	22.2 years	25.8 years

*Aged 45 at the 2022 Valuation.

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.

Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. High levels of inflation in the UK (compared to recent experience), have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, asset performance has improved towards the end of 2023 and into 2024 and inflation has begun to return towards historical levels and the Bank of England's target (2% pa). There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025. The Funding Strategy Statement will also be reviewed at that time.



Barry Dodds FFA
15 May 2024
For and on behalf of Hymans Robertson LLP

Scheme Administration

Overview

The Fund administers the Local Government Pension Scheme (LGPS) on a day-to-day basis. Its in-house Pension Administration Team is part of Derbyshire County Council's Corporate Services and Transformation Department and is led by Dawn Kinley, Head of Pension Fund and supported by 5 Pensions Team Managers.

The Fund provides pension services, on behalf of Derbyshire County Council (DCC) as the administering authority of the LGPS in Derbyshire, for eligible employees of over 350 organisations involved in the provision of public services in Derbyshire.

These include:

- **'scheduled bodies'** where eligible employees have a statutory right to join the LGPS, including DCC, Derby City Council, district and borough councils, the University of Derby, colleges and academies, and police / fire services
- **'admitted bodies'** where private companies / charities have been admitted as fund employers by the administering authority due to undertaking a contract or having a community interest with a scheduled body which involves the transfer of staff via TUPE
- **'designating bodies'** where organisations such as Town and Parish Councils have elected to participate in the LGPS

The LGPS is a statutory scheme with regulations made under the Superannuation Act 1972 and the Public Service Pensions Act 2013. It is also a qualifying scheme for automatic enrolment purposes as defined in the Pensions Act 2008.

The LGPS is a defined benefits scheme based, since 1 April 2014, on 'Career Average Revaluated Earnings' (CARE). Members' benefits are determined strictly in accordance with the scheme regulations and are not subject to changes affecting the Fund's assets. Where members joined the scheme before 1 April 2014, protections are in place for their benefits to be based on accrued scheme membership to that date (or a later date if specific underpin protection applies) and their full-time equivalent pensionable pay at retirement.

During 2023-2024, scheme members were required to pay a contribution rate of between 5.5% and 12.5% of their pensionable pay, depending on the appropriate pay banding. Employer contribution rates, also expressed as a percentage of pensionable pay, and tailored specifically to each employer, were applied to cover the accrual of new benefits earned by members. The contribution to fund any past service deficit was applied as a cash sum or a supplementary percentage of pensionable pay.

The triennial scheme valuation completed by the Fund's actuary on 31 March 2022, determined employer contribution rates for the period from 1 April 2023 to 31 March 2026.

A full list of employers is provided at Appendix 3.

Administration

Pension administration broadly comprises:

- managing and maintaining a pension administration system of:
 - active members (contributing members)
 - deferred members (those with preserved benefits that will become payable in the future)
 - pensioner members (including widows, widowers, and dependents)
- making Annual Benefit Statements available to active and deferred Scheme members
- ensuring the collection of individual member data from participating employers through the submission of monthly data and year-end returns
- providing estimates of benefits
- the calculation and payment of retirement benefits
- the calculation and payment of death benefits to eligible beneficiaries in respect of deceased scheme members
- the calculation and payment of transfer values to other pension schemes
- processing transfer values from 'club' and other local government schemes
- providing valuations and splitting pensions in divorce cases
- communicating with employers and scheme members on changes to the LGPS and other pension related issues
- onboarding new scheme employers
- supporting employers to carry out their responsibilities under the LGPS Regulations
- reconciling employers' monthly and annual contribution payments with individual member data submitted
- managing the exit of employers no longer participating in the LGPS
- providing Pension Savings Statements to scheme members as appropriate
- collating and providing data for triennial valuations and annual FRS102/IAS19 disclosures
- reporting to the Pensions and Investments Committee on governance matters, administration performance, changes to the LGPS, and disputes from scheme members and other stakeholders
- managing complaints and appeals received from scheme members and employers
- replying to queries from Scheme members and employers

The Fund has five administration teams designed to deal with specific areas and managed by Pension Team Managers:

Team name	Pension Team Manager
Benefits Team	Sue Hubbleday
Benefits Team	Wayne Stone
Technical and Finance Team	Rachel James
Projects Team	Emma Whysall
Regulations and Communications Team	Steve Webster

During 2023-2024 the Projects Team continued preparatory work in readiness for the following developments:

- the commencement of a remediation project for the McCloud judgement, for removing age discrimination across public sector pension schemes, for which amendments were introduced into the Local Government Pension Scheme regulations from 1 October 2023

- the Pensions Dashboards programme which is intended to provide a single secure location for individuals to access all of their pension history in one place, and for which LGPS Funds are required to connect to the pensions dashboards eco-system by 31 October 2025.

Preparatory work for these developments has included identifying and understanding the impact on the Fund’s administration and where necessary, obtaining missing data from employers and cleansing scheme member data.

The only significant service to be outsourced is the pensioner payroll service, which has continued to be provided by DCC’s HR Services Team. A Service Level Agreement between the Fund and DCC details the services provided. The cost of the service to the Fund is reviewed each year.

Pension Administration System

A contract for the provision of the Fund’s pension administration system was awarded to Aquila Heywood in June 2018 for a period of 10 years, and the Fund went ‘live’ on Aquila Heywood’s Altair system on 4 March 2019.

The Altair system has continued to provide efficiency savings and an improved quality of service for scheme members and employers, including reduced backlogs of casework which had built under the previous pension administration system.

Altair also delivers the software technology behind the i-Connect and My Pension Online developments which have, respectively, improved employer efficiency and enhanced member engagement.

Costs of Administering the Fund

There were 48 full-time equivalent members of pension administration staff working for the Fund on 31 March 2024 (45 in 2022-2023) and the cost of administration, excluding actuarial and audit fees, was £3.129m (2022-2023, £3.119m) comprising staffing costs, IT, central charges and the cost of providing a pensions payroll for pensioners. A breakdown is shown below.

£ in Thousand	2022-2023 Actual	2023-2024 Actual
Staff costs	1,770	1,914
Premises, Supplies and services	999	881
Information technology	350	334
Total	3,119	3,129

The total cost of administration expressed as a cost per member for the past 5 years has been:

£ per Member	2019-20	2020-21	2021-22	2022-23	2023-24
The Fund	£24.79	£28.96	£26.29	£28.98	£28.58

The cost per member remained relatively stable until 2019 but has increased overall since then in order to support:

- the increasing complexity of LGPS administration and the need to demonstrate good governance in line with The Pension Regulator’s Code of Practice 14 (note – a new General Code of Practice was published by the Regulator on 28 March 2024)

- the continually increasing number of employers in the Fund, due to academisation and the contracting out of services previously provided by Councils and schools
- remedial work to cleanse data in preparation for undertaking the implementation of regulatory changes due to McCloud, and in preparation for the commencement of Pensions Dashboards.
- the set-up and implementation of data migration to new systems
- the development of the i-Connect and My Pension Online functionalities through the Altair pension administration system for the benefit of participating employers and scheme members.
- preparation for the implementation of the remedy to the McCloud judgement which had determined that when public service pension schemes changed in 2014 and 2015, they had discriminated on the grounds of age, by only providing protection for older members

The Fund believes that investment in headcount, together with the Altair pension administration system becoming operationally established within the administration team and enabling the additional functionalities, leaves the Fund well positioned to continue improving service levels to members and employers, drive efficiency savings, demonstrate value for money and be prepared for future challenges in its ongoing administration.

The table below shows the year-end number of full-time equivalent pension administration staff in post on 31 March over the last 5 years:

Year-End Number	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Full-Time Equivalent Staff (FTE)	47	47	47	45	48

Each total does not include vacant positions.

On 31 March 2024, the Fund’s overall structure included 8 FTE vacant positions in the administration team.

A review of the Fund’s staffing structure commenced during 2023-2024. The proposed new structure includes a strengthened leadership team, a strengthening and re-organisation of the Pension Administration teams, opportunities for staff development and increased opportunities for succession management to bolster the resilience of the Pension Fund team. Subsequent to the year end, the revised structure has been approved and the process of slotting, aligning and recruiting to positions has commenced.

Working arrangements

Hybrid working arrangements have become established as the Fund's standard working arrangements supporting the efficient delivery of the Pension Fund's service and supporting ongoing structured and unstructured learning.

Fund membership on 31 March 2024

Members	31/03/2020	31/03/2021	31/03/2022	31/03/2023	31/03/2024
Active Contributors	40,125	38,065	38,170	38,025	37,503
Deferred Pensions	33,164	32,463	33,634	34,866	35,797
Pensioners / Dependants	31,548	32,427	33,699	34,751	36,178
Total	104,837	102,955	105,503	107,642	109,478

Some members hold multiple pension records, therefore, the overall totals represent pension records for approximately 95,000 individual members.

Employers

The following table shows a summary of employers in the Fund by type:

Type of Employer	Notes	Total
Main Councils	County, City, District & Boroughs	10
University & FE Colleges	University x 1 FE Colleges x 2	3
Academies	Individual academies, including those in Multi-Academy Trusts (MATs) on a shared employer rate. Also includes 2 x Central MAT teams.	225
Maintained Schools using an external payroll provider	County & City Schools using external payroll providers (<i>County x 4, City x 2</i>)	6
Housing Associations	Scheduled (x 2) Admitted Bodies (x 2 <i>Community Admission Bodies</i>)	4
Other Scheduled Bodies	Peak District National Park Authority, Police, Fire, Chesterfield Crematorium	4
Admitted Bodies	TABs x 63 CABs x 4 (<i>not including Housing Assn's</i>)	67
Town & Parish Councils	Pre 2001 Pool x 15 Post 2001 Pool x 23	38
Total of active participating employers		357

Ceased employers (<i>remaining with liabilities, but no active membership</i>)	140
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Derbyshire Pension Fund website

The Fund's website is the first point of contact for many scheme members and has continued to be developed as a valuable information source for scheme members and employers.

The website contains dedicated areas for all types of members and employers and has been developed to be user friendly, easy to understand and easily accessible for all. During 2023-2024 a total of 149,630 separate visits to the website were made by scheme members, employers, and other Fund stakeholders.

This represented a 109% increase in website visits compared to the total in 2020-2021 of 71,497. The increase has largely been linked to engagement with the Fund's member self-service portal, 'My Pension Online', which routed members to the registration process through the Fund's website.

As a result of the functionality included in 'My Pension Online', the Fund's benefit estimate calculator, which provided scheme members with the option to estimate their own pension benefits, was disabled in June 2024.

The historic calculator was used by scheme members to carry out 417 calculations during 2023-2024. This represented declining usage (from 31,091 in 2020-2021, 18,149 in 2021-2022, 2,890 in 2022-2023) and is linked to members using the enhanced estimate calculation functionality, which is available through the 'My Pension Online' portal.

The Fund continues to improve the accessibility features of the website and has accelerated progress towards ensuring that its content can be used and understood by the widest possible proportion of the scheme's members, employers, other stakeholders and interested parties in line with the Web Content Accessibility Guidelines (WCAG) 2.1.

The Fund's website includes an Accessibility Statement which sets out its commitment to making the website accessible for as many people as possible:

[derbyshirepensionfund.org.uk/accessibility](https://www.derbyshirepensionfund.org.uk/accessibility)

The administration team continues to review and develop the Fund's website to maintain up to date information and continually develop and improve its functionality to ensure that as many scheme members and employers as possible always have a user friendly, reliable and accessible resource available.

The website address is: www.derbyshirepensionfund.org.uk

Services to Fund members

Services provided by the Fund to scheme members during 2023-2024 included:

- the continued provision of a Pension Fund Helpline service, as well as the facility to contact the Fund via a website enquiry form and email:
 - telephone 01629 538900
 - website enquiry form: derbyshirepensionfund.org.uk/enquiry
 - a number of email inboxes
- a member's self-service portal 'My Pension Online' which enables scheme members to securely view their pension details online, easily submit enquiries and documents to automatically create a workflow for the Fund to manage their enquiry, update some of their personal information and use the online calculators to assist retirement planning; the portal also provides for important Fund documentation to be issued instantly to members
- delivery of virtual and in-person pension forums and 'one to one' sessions arranged by employers
- newsletters for active and deferred members produced in collaboration with other Funds to ensure accuracy and to share costs and resource

Services to Fund employers

Services provided by the Fund to scheme employers during 2023-2024 included:

- early intervention / support for employers and their contractors in respect of outsourcing agreements and risk-sharing arrangements
- ongoing development of the Fund's i-Connect service to enable the secure transmission of monthly data from employers
- collection and reconciliation of pension contributions against data submissions
- estimates of shortfall costs to assist employers undertaking workforce planning reviews
- a monthly Employers' Newsletter, and information update letters emailed to employer contacts
- delivery of virtual and in-person forums and training provided for employers on specific topics
- provision of resources to assist employers with promoting the Fund's 'My Pension Online' service to their LGPS members

Dealing with Employer Bodies

The Fund maintains a Pension Administration Strategy (PAS), in line with Regulation 59 of the LGPS Regulations 2013, which is reviewed annually.

The PAS is circulated to all employers and published on the Fund's website. It sets out the roles and the service standards to be achieved by the Fund and by the employers to enable the efficient administration of Fund members' records. This includes details of how administrative underperformance by employers will be monitored and managed.

The Fund maintains an up-to-date list of named contacts for each employer along with a list of authorised signatories. This is held on the Fund's 'Employer Database' with other relevant information to assist the administration team in dealing with employers.

During 2023-2024 the Fund continued to assist employers with updating their LGPS discretions policies during training events. A document template and guidance notes for employers are available on the Fund's website: derbyshirepensionfund.org.uk/discretions

Over 330 participating employers have submitted their discretions policy to the Fund..

The Fund also works closely with employers seeking to contract out services where TUPE transfers of Fund members are involved. Engagement to encourage employers to involve the Fund at the planning stage have continued, and the Fund worked with a number of employers and contractors during 2023-2024 to share knowledge and experience and to support smooth transfers and fully informed funding decisions.

Summary of pension administration activities undertaken in 2023-2024

In addition to the processing of pension-related casework for scheme members, and commencing the implementation of the McCloud remedy and preparation for Pensions Dashboards, the Fund's administration activity during 2023-2024 included:

- onboarding 13 academies as new employers participating in the Fund
- commencing processing applications from 8 organisations for Admission Body status
- commencing formal arrangements for the exit from the Fund of 15 Admitted Bodies where their active participation ended during 2023-2024
- continuing to replace year-end returns with monthly data submissions via the implementation of the i-Connect secure data transmission solution for 319 participating employers
- continuing data cleansing work relating to the GMP reconciliation exercise for active, deferred and beneficiary members
- maintaining backlog aggregation cases (those not completed within 12 months) at manageable levels, from 56 on 31 March 2023 to 66 on 31 March 2024
- reducing backlog deferment cases (those where deferred membership information is not provided to the scheme member within 2 months of leaving active membership) from 951 on 31 March 2023 to 619 on 31 March 2024
- producing and distributing IAS19 and FRS102 Accounting Disclosure Reports for 255 employers
- continuing the development of the member self-service website, "My Pension Online", to enable members to access pension information, including their Annual Benefit Statement, online
- increasing registrations from scheme members for the "My Pension Online" portal to 26,429 by 31 March 2024. The total included 36.36% of the combined active and deferred membership at that date
- generating and making available by 31 August 2024, Annual Benefit Statements which reflected membership to 31 March 2024, for 92.84% of the Fund's active and deferred members (excluding 'gone aways')
- continuing the development of arrangements for the issuing of formal documentation electronically to members; where members had registered for the Fund's 'My Pension

Online' secure portal, certain member communications were issued electronically through the portal

- issuing Pensions Saving Statements to 18 members who had exceeded their Annual Allowance limit during 2023-24
- implementing new factors for a number of pension scenarios following the change to the SCAPE rate in March 2023; an example was the recalculation and related communications of additional pension purchase arrangements which came into effect from 1 April 2024
- in compliance with The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, notifying all scheme members in writing about the changes to the LGPS which incorporated the scheme's application of the McCloud remedy.
- providing all scheme members with the opportunity to respond to a consultation on the Fund's key investment strategies and express interest in joining a new Member Engagement Forum
- assisting a number of employers with preparation of estimated shortfall costs for in-scope employees as part of workforce planning reviews
- monitoring and periodically reporting to the Pensions and Investments Committee, on employer performance in the areas of retirements, deaths in service, transfers, and refunds
- managed the Fund's Adjudication of Disagreements Procedure for appeals, including a detailed overview report to the Pensions and Investments Committee
- maintaining Data Management Procedures, a Data Improvement Plan and a Data map highlighting the flow of incoming and outgoing data towards increasing the Fund's resilience to cyber-attacks on its data
- managing and maintaining statutory breach and data breach logs to ensure breaches are investigated and action taken to avoid repeated occurrences

Key performance data

Operational performance is reported periodically to the Pensions and Investments Committee and to Derbyshire Pension Board.

The administration team regularly monitors key performance indicators (KPI's) to assess whether it is meeting its statutory duties defined in The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and to identify improvements and procedural changes to enhance service provision across key areas of the team's functions.

The Fund's monitoring against KPI's has continued to highlight strong performance against key casework targets to maintain a quality service provision for scheme members.

The introduction of amended scheme regulations from 1 October 2023 which incorporate the McCloud remedy into the LGPS, provides additional complexity for most pension calculations where the scheme member is in scope for an assessment of pension entitlement in line with the McCloud remedy. The implementation of new procedures to account for the McCloud remedy have begun to extend the time required for a number of pension administration activities which may affect future compliance with disclosure standards as more cases are checked for a McCloud underpin. The Fund's management team has continued to monitor the impact and resource implications of the implementation of the McCloud remedy on the wider activities relating to individuals' scheme membership to ensure that overall performance levels are not significantly affected.

Assurance over the effective and efficient operation of the administration is provided by Derbyshire County Council's internal audit, who carry out an evaluation of the adequacy and effectiveness of the Fund's systems and processes, governance, risk management and controls. An internal audit opinion concluded in December 2023 that its audit, which included a review of the Fund's administration and compliance, drew 'substantial assurance' over the adequacy and effectiveness of systems and controls in place.

New reporting requirements

The following tables include the Fund's performance against key casework total and performance indicators identified by the Scheme Advisory Board's revised Annual Report guidance applicable for this and future Annual Reports.

The new requirements include an expanded list of reporting requirements and key performance indicators which include reporting for areas within communications and engagement, resources and data quality. Where applicable, reporting is measured against compliance with timescales set out in The Occupational Pension Schemes (Disclosure of Information) Regulations.

The new reporting requirements for this and future Annual Reports represent different measurements to those included in previous Annual Reports and other key performance indicator reporting within the Fund.

Table A represents casework totals which shows the cases which were in progress on 31 March 2023, the number of cases opened in key areas during 2023-2024 and the number of cases reaching completion during the year.

Certain areas (i.e. reporting on member retirements in Table A at A3 and A4) represent totals of workflow actions, rather than individual members. Workflow actions include different stages of case administration from communications to payment.

Where data has not been provided for 2023/24 and is reflected as 'not known' (n/k), new reports are being developed within the pension administration system with the aim of making the data available for future Annual Reports.

Table B represents key component tasks in casework which were completed within the Fund's target timescales. The Fund's target times are consistent with statutory disclosure timescales.

Table C, D and E show information which includes an update of member's engagement with the Fund's 'My Pension Online' platform, a summary of information about the Fund's administration team and statistics relating to Annual Benefit Statements, data quality and employer performance.

Table A – Casework totals

Ref	Casework KPI * Note : Totals of cases entered for A3 and A4 represent totals of workflow actions, rather than individual members. Workflow actions include different stages of case administration from communications to payment.	Total cases open as at 31 March 2023 (starting position)	Total new cases created in 2023-24	Total no. (and %) of cases completed in 2023-24	Total no. (and %) of cases completed in 2022-23
A1	Deaths recorded of active, deferred, pensioner. and dependent members	251	1,289	1,338 (86.88%)	1,198 (83.48%)
A2	New dependent member benefits	n/k	n/k	443	404
A3	Deferred member retirements	207*	2,193*	3,171	2,696
A4	Active member retirements	241*	2,982*	3,758	3,703
A5	Deferred benefits	1,174	3,179	3,455 (79.37%)	3,731 (76.25%)
A6	Transfers in (including interfunds in, club transfers)	173	375	371 (67.7%)	371 (67.70%)
A7	Transfers out (including interfunds out, club transfers)	67	510	496 (85.96%)	456 (87.35%)
A8	Refunds	597	2,332	2,224 (75.93%)	1,500 (71.09%)
A9	Divorce quotations issued.	2	204	171 (83.01%)	200 (99.00%)
A10	Actual divorce cases	0	6	6 (100%)	6 (100%)
A11	Member estimates requested either by scheme member and employer	22	1,460	1,391 (93.86%)	1,082 (98.45%)
A12	New joiner notifications	n/k	n/k	5,196	4,488
A13	Aggregation Cases	1,394	3,868	3,665 (69.65%)	4,039 (73.96%)
A14	Optants out received after 3 months membership	n/k	n/k	79	112

Table B – Time taken to process casework

Ref	Casework KPI	Fund target	% completed within Fund target in 2023-2024	% completed in 2022-2023
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	90.24%	87.89%
B2	Communication issued confirming the amount of dependents pension	40 days	98.7%	98.51%
B3	Communication issued to deferred member with pension and lump sum options (quotation)	20 days	97.06%	98.20%
B4	Communication issued to active member with pension and lump sum options (quotation)	20 days	99.30%	98.20%
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	20 days	98.52%	97.65%
B6	Communication issued to active member with confirmation of pension and lump sum options (actual)	20 days	99.9%	100%
B7(i)	Payment of lump sum (actives)	20 days	99.9%	100%
B7(ii)	Payment of lump sum (deferreds)	20 days	97.47%	97.52%
B8	Communication issued with deferred benefit options	40 days	62.48%	24.52%
B9	Communication issued to scheme member with completion of transfer in	40 days	69.09%	79.54%
B10	Communication issued to scheme member with completion of transfer out	120 days	99.6%	99.3%
B11	Payment of refund	60 days	70.09%	94.47%
B12	Divorce quotation	60 days	97.59%	100%
B13	Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order	15 days	66.67%	100%
B14	Communication issued to new starters	40 days	74.58%	93.81%

B15	Member estimates requested by scheme member and employer	15 days	99.92%	100%
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Table C – Communications and engagement

Ref	Engagement with 'My Pension Online' platform	% as at 31 March 2024						
C1	% of active members registered	41.06%						
C2	% of deferred members registered	29.83%						
C3	% of pensioner and dependent members registered	12.63%						
C4	% of all scheme members registered	28.08%						
C5	Total numbers of registered users by age	Age band	16 - 29	30 - 44	45 - 54	55 - 64	65+	Total
		Total members	1,338 (5.12%)	5,378 (20.57%)	6,346 (24.27%)	10,435 (39.91%)	2,648 (10.13%)	26,145 (100%)
C6	% of all registered users who logged on within the last 12 months	67.67%						
	Communications	Totals 2023-24						
C7	Total numbers of telephone calls received in 2023/24	8,073 (<i>Data only available for period 1 Nov 2023 to 31 March 2024</i>)						
C8	Total number of emails and online platform queries received	<i>n/k - Data unavailable for 2023-24</i>						
C9	Total number of scheme member events held	12 (11 x in-person, 1 x online) Member sessions are usually held as part of employer led events						
C10	Total number of employer engagement events held	67 (3 x in-person, 64 x online) Employer awareness sessions, training etc						
C11	Total number of active members who received a one-to-one meeting	99 (97 x in person, 2 x online) <i>One-to-one meetings usually held as part of employer led events</i>						
C12	Total number of communications issued (eg newsletters) to;							
	a) Active members	3 (<i>ABS, Annual newsletter, Dec 2023 letter to all members</i>)						
	b) Deferred members	3 (<i>ABS, Annual newsletter, Dec 2023 letter to all members</i>)						
	c) Pensioner members	4 (<i>Payslip & Newsletter March, April, May, Dec 2023 letter to all members</i>)						

Table D – Administration resources

D1	Total number all administration staff (FTE)	48 (as per FTE total of staff at 31.03.2024)
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D2	Average service length of administration staff	10.9 yrs
D3	Staff vacancy rate (%)	17%
D4	Ratio of administration staff (incl management) to scheme members	1:2,281
D5	Ratio of administration staff (excl management) to scheme members	1:2,546

Table E – Data quality

Annual Benefit Statements

E1	Percentage of annual benefit statements issued as at 31 August	92.84%
E2	Short commentary if less than 100%	Annual Benefit Statements are made available to members via 'My Pension Online'. Copies issued by post are available on request. Some statements are issued after 31 August where data is outstanding from employers or subject to late responses being received in respect of queries issued to employers.

Data category

E3	Common data score	98.1%
E4	Scheme specific data score	95.4%
E5	% of active, deferred and pensioner members recorded as 'gone away' with no home address held, or the address is known to be out of date	2.19%
E6	% of active, deferred and pensioner members with an email address held	39.77%

Employer performance

E7	% of employers set up to make monthly data submissions	83.67%
E8	% of employers who submitted monthly data on time during 2023-24	74.79% Employers onboarding to i-Connect within the year has distorted the result. In a year with fewer onboardings, the outcome would be expected to be higher.

Data Quality

The Pension Regulator acknowledges that complete, accurate scheme records are a vital part of the administrative function. The Regulator defines 2 types of data held in scheme records:

- **Common Data:** Used to identify scheme members and would include names, addresses, national insurance number and date of birth.
- **Conditional (Scheme specific) Data:** Essential to calculate benefit entitlements such as, member contributions, pensionable pay, service history.

The Fund continues to measure and review the data held in its pension administration system.

Common and conditional data scores were reported to The Pensions Regulator in December 2023.

The results for 2023-2024 are included in Table E (Data category) of the Fund's key performance indicators. For comparison purposes, data scores for the last 5 years are shown in the following table:

Year	Common data	Conditional data
2019-2020	98.0%	92.5%
2020-2021	98.2%	93.5%
2021-2022	97.7%	94.8%
2022-2023	98.0%	95.0%
2023-2024	98.1%	95.4%

Complaints

During 2023-2024 a total of 11 cases identified as formal complaints were submitted to the Fund by scheme members. The total included complaints submitted to the Fund in writing (either letter or email), through the "My Pension Online" service and by telephone. Each member received a full response to their complaint submission.

For comparison purposes, 24 cases identified as formal complaints had been received in 2022-2023.

Following receipt of the Fund's response to their complaint, 1 member who submitted a complaint in 2023/24 escalated their complaint to a formal appeal against the Fund via the Application for the Adjudication of Disagreements Procedure (AADP).

Appeals & Ombudsman Escalations

In order to resolve situations where a member of the Local Government Pension Scheme (LGPS) is dissatisfied with a decision regarding their LGPS benefits, The Local Government Pension Scheme Regulations 2013 provide for a 2 stage 'Application for the Adjudication of Disagreements' Procedure (AADP).

AADP Stage 1

At Stage 1, the member has the right to apply to an adjudicator appointed by their scheme employer or the administering authority of the Fund, dependant on who made the decision on which the complaint is based.

Where the decision was made by the Fund, the administering authority's appointed adjudicator reviews the decision at Stage 1 to determine whether evidence supports upholding the member's complaint against the actions and decisions made by the Fund, and where necessary, what corrective actions or remedy should be applied.

If the member is dissatisfied with the adjudicator's decision, they have the further right to refer that decision to the administering authority for reconsideration at Stage 2.

AADP Stage 2

An Adjudicator is appointed by the administering authority to review and reconsider the original decision and the Stage 1 adjudication and provide a decision on whether to uphold the application, and if upheld, what corrective actions or remedy should be applied.

If the member remains dissatisfied with the adjudicator's decision, they have the further right to escalate their appeal to The Pensions Ombudsman.

The following section includes tables which show the numbers of Stage 1 and Stage 2 adjudications which were adjudicated by the Administering Authority in 2023-2024. The tables also show the number of cases submitted to or determined by The Pensions Ombudsman during 2023-2024 in respect of cases escalated following the two-stage adjudication process.

A brief summary after each table provides information about the reasons for each appeal during 2023-2024.

Comparison figures from 2022-2023 are shown in the tables with totals for 2023-2024:

Stage 1 Appeals against the administering authority: 2023-2024

Year	Total	Appeals upheld	Appeals dismissed	Progressed to Stage 2	Corrective/compensatory costs met by the Pension Fund
2023/2024	2	0	2	0	Nil
2022/2023	1	0	1	1	Nil

The appeals, neither of which were upheld by the Adjudicator, related to the following:

- a claim that the Fund had failed to issue regular annual benefit statements
- dissatisfaction with the Fund's handling of a transfer of pension benefits from a different public sector pension scheme in 2004

Stage 2 Appeals against the administering authority: 2023-24

Year	Total	Appeals upheld	Appeals dismissed	Progressed to Ombudsman	Corrective/compensatory costs met by the Pension Fund
2023/2024	2	1	1	0 (to date)	£1,500
2022/2023	1	0	1	0	£1000.00*

(* a payment in respect of distress and inconvenience caused to a member despite their appeal not being upheld remains unclaimed)

The appeals related to the following:

- a claim relating to a delay impacting the value of a member's Additional Voluntary Contribution (AVC) policy (upheld by the Adjudicator)
- a claim relating to the impact of overstated estimated pension benefits on annual benefit statements (not upheld by the Adjudicator, however, a recommendation to pay a sum to the member in recognition of distress and inconvenience was accepted by the Fund)

Stage 2 Appeals against a Pension Fund employer: 2023-2024

Year	Total	Appeals upheld	Appeals dismissed	Progressed to Ombudsman
2023/24	2	0	2	0 (to date)
2022/23	2	1	1	1

The appeals, neither of which were upheld by the Adjudicator, both related to the member's dissatisfaction with their former employer's decision when considering their eligibility for the early release of pension benefits on the grounds of ill health.

Complaints against the administering authority escalated to The Pensions Ombudsman: 2023-2024

Year	Total	Upheld	Dismissed	Awaiting determination
2023/24	0	0	0	0
2022/23	0	0	0	0

Complaints against a Pension Fund employer escalated to The Pensions Ombudsman: 2023-2024

Year	Total	Upheld	Dismissed	Awaiting determination
2023/24	1	0	0	1
2022/23	2	0	0	2

The complaint escalated to The Pensions Ombudsman related to a member's dissatisfaction with their employer's decision that payments made for call-out duties were deemed as non-contractual and, therefore, should not be included in the calculation of 'final pay' which determines the value of LGPS membership before 1 April 2014

Earlier complaints against the administering authority determined by The Pensions Ombudsman during 2023-24

Year	Total	Upheld	Dismissed
2023/24	1	0	1
2022/23	2	0	2

The complaint which was not upheld by The Pensions Ombudsman related to a member's complaint that the Fund had not issued Pension Saving Statements at the appropriate time following the 2016/2017 and 2017/2018 tax years and sought redress for the loss of pension benefits allegedly suffered.

Earlier complaints against a Pension Fund employer determined by The Pensions Ombudsman during 2023-24

Year	Total	Upheld	Dismissed
2023/24	1	0	1
2022/23	1	1	0

The complaint which was not upheld by The Pensions Ombudsman related to a member's dissatisfaction with their former employer's decision made in 2017 that they did not meet the criteria for the early release of pension benefits on the grounds of ill health.

Cases still to be determined by The Pensions Ombudsman

In addition to the cases summarised, 2 complaints against a Pension Fund employer which were submitted to The Pensions Ombudsman before 2023/2024 remain outstanding. Both complaints relate to decisions by the member's former employer about their eligibility for the early release of pension benefits on the grounds of ill health.

Post determination response

In all cases where the adjudication and/or the Ombudsman notes and identifies errors or inadequate processes by the Fund, officers review procedures and make any necessary changes to ensure as far as possible that similar appeals are avoided.

Communications Policy

The latest version of the Fund's Communications Policy was approved by the Pensions and Investments Committee on 6 December 2023:

derbyshirepensionfund.org.uk/communicationspolicy

The policy provides a detailed review of the Fund's approach to communicating with scheme members, employers and other stakeholders, and a summary of the Fund's strategy with regard to its communications for the 3-year period from 2024 to 2027, is reflected in the draft revised Communications Policy.

Members

Each year an annual benefit statement is made available to all active and deferred members.

All members are eligible to register for the Fund's member self-service portal My Pension Online (derbyshirepensionfund.org.uk/MPO).

The Fund's website provides dedicated sections for active, deferred and pensioner members which provide information about the LGPS, guides and forms and other relevant information. The website is delivered in a user-friendly format which aims to provide up to date, accurate and timely information which is easy to understand and is accessible to as many members as possible. The website provides an online enquiry form to help members easily submit queries or requests to the Fund. Other contact routes to the Fund are also listed on the website:

derbyshirepensionfund.org.uk/contactus

This includes a dedicated Pensions Helpline number (01629 538900) for members to contact the Fund. The Helpline is available Monday to Friday between 9.00am and 5.00pm.

All members are able to request information or documents in an alternative format such as paper versions or to meet their accessibility requirements.

Employers

The Fund's Pension Administration Strategy (PAS) is reviewed annually. It sets out the standards of performance and best practice that the Fund and its employers should aim to meet when carrying out their LGPS related functions and responsibilities. You can access the PAS on the Fund's website: derbyshirepensionfund.org.uk/PAS

Employers are kept up to date with developments which impact on their application of the LGPS regulations by monthly employer newsletters, which are emailed to nominated employer contacts. You can find copies of these employer newsletters on the Fund's website: derbyshirepensionfund.org.uk/newsletters

In addition to information and guidance provided on the Fund's website, it offers employer training (virtually or in-person) to assist individual employers with specific issues and / or provide direct training to their staff. The sessions can be booked directly by employers, but the Fund is also proactive where it identifies that an employer would benefit from assistance. You can find out more about employer training on the Fund's website:

derbyshirepensionfund.org.uk/employertaining

Communication objectives 2024 – 2027

The Communication Policy includes areas which the Fund has identified as key communication-related objectives over the 3-year period from 2024 to 2027:

- Continuing development of My Pension Online to improve functionality for the member experience
- Encouraging increased member engagement and understanding of the LGPS, including the development of a member engagement forum
- Continuing to improve methods of communication with the aim of broadening inclusion to ensure that all stakeholders are able to access and engage with the Fund's services

- Increasing consistency of communications, ensuring that content is accurate, easy to understand and helpful to members and employers
- Improving engagement with all participating employers

Value for money

The Fund delivers an efficient and effective pension administration service evidenced by:

- Strong and improving results against key performance indicators over a number of years
- Significant reductions in backlogs of cases in certain areas
- An internal audit of ‘substantial assurance’ over the adequacy and effectiveness of systems and controls in place.
- Stable administration costs per member
- Reducing numbers of member complaints
- Continued development of digital solutions, electronic communications and bulk functionality towards reducing administration costs

Work continued through 2023-2024 to cleanse and improve data quality, including reminding employers about the importance of data submissions and payments of contributions remaining timely and accurate. Additionally, the Fund has commenced work on checking and, where required, rectifying member’s pensions in compliance with the McCloud remedy and has continued preparations for meeting the requirements of Pensions Dashboards with the target staging date being 31 October 2025.

An internal audit opinion concluded in December 2023 that its investigation, which included a review of the Fund’s administration and compliance, drew ‘substantial assurance’ over the adequacy and effectiveness of systems and controls in place.

Changes to LGPS and related regulations

During 2023-2024, 2 significant legislative changes were introduced:

1. The LGPS regulations were amended from 1 October 2023 to incorporate the McCloud remedy
2. Legislation was issued introducing new tax controls on lump sums which replaced the Lifetime Allowance. The abolition of the Lifetime Allowance and introduction of the limits on tax free lump sums applied from 6 April 2024.

These changes required significant procedural adjustments, revisions of fund documentation and forms, and delivery of staff training.

Additionally, during 2023-2024 the Government Actuary’s Department issued updated actuarial factors following a reduction in the SCAPE rate in March 2023. Due to the staggered issuing of the new factors, the Fund managed the transitional impact of the new factors being introduced.

Employer’s payments of monthly LGPS contributions

Employers are required to collect contributions from active Scheme members and pay these together with their employer’s contribution to DCC not later than the 19th of the following month to which the contributions relate. The Fund fully reconciles each employers’ monthly contributions to their annual year-end return.

The Fund monitors collections each month and reports late payments to the Pensions and Investments Committee periodically. The Fund can levy a late payment fee on employers for under-performance (for example, late payment of contributions; late submission of a year-end return; etc.) based on a sliding scale linked to the frequency of under-performance.

In 2023-2024, the overall receipt of employers' monthly contribution payments and related statements by the due date were as follows:

Monthly contribution payments received by 19 th of the following month	93.7%
Monthly statement of contributions paid received by 19 th of the following month	85.9%

The Fund worked with employers who experienced difficulties in meeting deadlines with a view to improving return levels by the monthly due date.

No late payment charges were issued to any employer during 2023-2024.

A schedule of contributions for the year showing the amounts paid by individual employers and their employees is provided at Appendix 3.

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

Statement of Accounts Derbyshire Pension Fund 2023-24

Derbyshire County Council administers the Local Government Pension Scheme (LGPS) for employees, pensioners and dependents of a variety of bodies in Derbyshire, including Councils; Police and Fire Authorities (for civilian employees); the University of Derby, Colleges and Academies (non-teaching staff); Charities and some private companies providing services to local councils.

Derbyshire Pension Fund (the Pension Fund/Fund) has over 350 participating employers and approaching 110,000 membership records, relating to almost 95,000 members, either active contributors, pensioners or deferred pensioners who have stopped paying into the scheme but are not yet receiving a pension.

The benefits payable to members within the Fund are determined by regulations and are guaranteed. Assets in the Fund meet members' benefit payments when they fall due and are accumulated through a combination of contributions from employees and employers within the Fund and from investment returns (both income and capital). The profile of the Pension Fund is gradually maturing, benefit payments exceeded contribution payments during 2023-24 including the impact of transfers, however, the Fund continues to be cashflow positive including investment income.

In August 2023, the Fund achieved signatory status to the Financial Reporting Council's UK Stewardship Code 2020, which sets high standards for those investing on behalf of savers and pensioners by promoting transparency and accountability.

The Pensions and Investments Committee approved an updated Investment Strategy Statement in March 2024, which included a further switch in the strategic asset allocation benchmark from growth to income assets, to come into effect from 1 April 2024, reflecting the continued improvement in the Pension Fund's funding level. Committee also approved an updated Responsible Investment Framework and an updated Climate Strategy which included increased and expanded climate-related targets following the significant progress made in reducing the carbon footprint of the Fund's equity portfolio and increasing the proportion of Fund assets invested in low carbon and sustainable investments.

At the end of March 2024, the value of the Fund's investments assets had risen to just under £6.5bn, returning 9.3% over the year. The Fund underperformed its benchmark on a relative basis over 1 year but was in line with the benchmark over 3 years and continued to outperform the benchmark over 5 and 10 years.

Equity markets performed strongly in 2023-24 with the FTSE All World Index returning 21% in Sterling terms. Equity market performance was dominated by a small handful of US technology stocks, driven by strong earnings growth and growing excitement about the potential for Artificial Intelligence. Broader market gains were driven by greater than expected economic resilience and easing inflation increasing the prospect of lower interest rates.

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

In the UK, consumer price inflation had fallen from a peak of 11.1% in October 2022 to 3.2% by March 2024. In the US, consumer price inflation had fallen to 3.5% in March 2024, from a peak of 9.1% in June 2022. The Bank of England continued raising interest rates until August 2023, with 3 increases taking rates from 4.25% in March 2023 to 5.25% in August 2023, the highest level since March 2008, with no further rises during the year. In the US, the Federal Reserve continued increasing the target range for the federal funds rate until July 2023, with 2 increases taking the target range from 4.75-5% in March 2023 to 5.25%-5.5% in July 2023, its highest level since early 2001, with interest rates subsequently on hold.

Returns from the major equity markets were positive during the year, ranging from 26.8% in North America to 6.2% in Emerging Markets. Government bond returns were generally poor over the year, as expectations for rate cuts faded as core inflation proved to be stickier than forecast.

The Fund continued to work closely with its partners in the LGPS Central Pool, overseeing the continued development of LGPS Central Limited (LGPSC), the company established to manage investments on behalf of the LGPS Central Pool. LGPSC is currently managing the Fund's investment grade bonds allocation and a portion of the Fund's emerging market equity and global sustainable equity allocations through pooled products and a commitment has been made to the company's private debt, private equity and indirect property funds. The Fund expects further assets to be transitioned into LGPSC pooled products in 2024-25.

The final regulations to implement the McCloud remedy in the LGPS were laid on 8 September 2023 and came into force on 1 October 2023. The implementation of the remedy is a significant administrative undertaking for the Fund, with an estimated 28,000 in-scope cases needing to be investigated. An allowance for the expected benefit change (subsequently confirmed by the final regulations) was included in the 2022 actuarial valuation.

Registrations on My Pension Online (MPO), the Fund's member self-service system, and employer onboarding to i-Connect, continued to progress, with over 36% of the Pension Fund's combined active and deferred members registered on MPO and employers representing around 94% of the Fund's membership using i-Connect, the automated data submission and validation system, by the end of the year.

A separate Annual Report is produced for the Fund which, in addition to the Fund's accounts, includes the governance arrangements for the Fund, detailed performance information and the Fund's approved policy statements. The Annual Report is available on Derbyshire Pension Fund's website: derbyshirepensionfund.org.uk/annualreport

Membership Statistics

The Fund has approaching 110,000 membership records, relating to almost 95,000 members, either active contributors, pensioners, or deferred pensioners:

	Actuals		
	31 Mar 2022	31 Mar 2023	31 Mar 2024
Contributors	38,170	38,025	37,503
Pensioners and Dependants	33,699	34,751	36,178
Deferred Pensioners	33,634	34,866	35,797

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

Employers' Contributions

Employers pay pension contributions into the Fund. The contribution rates payable by the County, Unitary and District Councils expressed as a percentage of pensionable payroll and fixed cash amounts are:

Council	2023-2024	2024-2025
Derbyshire County Council	20.8% plus £0.582m	20.8% plus £0.582m
Derby City Council	20.3% plus £0.883m	20.3% plus £0.883m
Amber Valley Borough Council	21.1% plus £0.631m	21.1% plus £0.566m
Bolsover District Council	20.8% plus £0.262m	20.8% plus £0.262m
Chesterfield Borough Council	20.4% plus £0.726m	20.4% plus £0.726m
Derbyshire Dales District Council	20.5% plus £0.192m	20.5% plus £0.192m
Erewash Borough Council	20.7% plus £0.502m	20.7% plus £0.502m
High Peak Borough Council	20.9% plus £1.227m	20.9% plus £1.147m
North East Derbyshire District Council	20.6% plus £0.901m	20.6% plus £0.901m
South Derbyshire District Council	20.3% plus £0.174m	20.3% plus £0.174m

The percentage rates that were determined by the Actuary in the valuation of the Fund at 31 March 2019, for 2020-21 to 2022-23, and in the valuation of the Fund at 31 March 2022, for 2023-24 to 2025-26, are intended to cover the cost of future service of active Fund members, with the past service deficit being addressed by an annual fixed cash amount.

Members' Contributions

For 2023-24 the contribution rates payable by members into the Fund are determined by The Local Government Pension Scheme 2013 Regulations. The rates are between 5.5% and 12.5% of members' pay, including non-contractual overtime, depending on their pay banding. There is no change to these rates for 2024-25.

Investment Policy

During 2023-24, responsibility for policy matters rested with a Pensions and Investments Committee, which was comprised of 8 County Councillors, 2 Derby City Councillors and one non-voting Trade Union representative. The Pensions and Investments Committee received advice from the Council's Section 151 Officer and from one independent external adviser.

Day-to-day management of the Fund is delegated to the Council's Section 151 Officer and their in-house staff, operating within a policy framework laid down by the Committee.

Policy is determined by reference to The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, which require that advice is taken at regular intervals and place an onus on administering authorities to determine the balance of their investments and take account of risk.

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

The Fund has a central (strategic) benchmark asset allocation which is designed to meet the performance requirements for the level of risk agreed by the Pensions and Investments Committee.

There were no changes to the Fund's benchmark asset allocation in 2023-24. The Fund's benchmark asset allocation was changed on 1 January 2022, following changes to the Fund's Investment Strategy Statement approved in November 2020, together with the development of a standalone Responsible Investment Framework and Climate Strategy. The changes to the asset allocation benchmark included a 1% switch from Growth Assets to Income Assets, together with some of the Fund's regional equity allocations being switched into Global Sustainable Equities.

Subsequent to 31 March 2024, the Fund has changed its benchmark asset allocation, with a further 5% switch from Growth Assets to Income Assets, together with some further switches of the Fund's regional equity allocations into Global Sustainable Equities. The Fund expects the changes will be implemented over 2024-25.

The Pensions and Investments Committee has a degree of flexibility around the central benchmark allocation and decides the specific allocations (weights) for each asset class at its quarterly meetings. In the table below, the column showing the benchmark return is what would have been achieved via neutrally weighted index returns, whereas the actual Fund returns are a function of both active asset allocation and active stock selection decisions.

Investment Returns

The table below shows the Fund's returns over 1, 3, 5 and 10 years to 31 March 2024, compared to those of its strategic benchmark, as well as the impact of inflation on Fund returns:

Periods to 31 Mar 2024	Return		Inflation	Derbyshire Pension Fund Real Return
	Derbyshire Pension Fund	Benchmark	CPI	Versus CPI Inflation
	% pa	% pa	%	%
1 Year	9.3	10.0	3.2	6.1
3 Years	4.4	4.4	6.7	(2.3)
5 Years	5.6	5.4	4.4	1.1
10 Years	7.0	6.7	2.9	4.1

On a year-by-year basis, returns tend to fluctuate significantly according to economic and market conditions. Long-term returns are a more appropriate guide to the performance of the Fund.

The Fund outperformed the benchmark on a 5 and 10-year basis and was in line with benchmark on a 3-year basis. The Fund underperformed the benchmark by 70 basis points in 2023-24, albeit it should be noted that the Fund still returned +9.3% over this period. It is important to note that the Fund has delivered real returns over the long-term, with returns ahead of inflation on a 5 and 10-year basis. Global inflation increased significantly in 2022-23, with UK inflation peaking at 11.1% in October 2022, reflecting rising energy costs and tight global supply chains following the Covid-19 pandemic. In response to rising inflation, the major central banks increased interest rates to slow down economic activity and reduce inflation. In the UK, the Bank of England raised

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

interest rates from a record low of 0.10% in March 2020 to 5.25%, a sixteen-year high, by March 2024. UK inflation gradually fell in 2023-2024, falling to 3.2% by March 2024.

Equity markets reported strong gains in 2023-24, with the FTSE All World reporting a total return of 21.0% in Sterling terms. Falling inflation, together with growing market expectations that the major central banks would start to reduce interests, created a sizeable tailwind for equity investors. In particular, equity market performance was dominated by the Magnificent Seven; seven mega-cap US technology stocks comprising Apple, Microsoft, Google parent Alphabet, Amazon, Nvidia, Meta Platforms and Tesla. These seven stocks now account for around 30% of the US equity market and delivered an average return in excess of 80% in 2023-24, driven by strong earnings growth and expectations around the growth potential for Artificial Intelligence, which the market expects to be a significant growth area from process and task automation and multi-media content creation.

By asset class, equity returns to Sterling investors in 2023-24 ranged from 26.8% in North America to 6.2% in Emerging Markets. UK Equities returned 8.4%. The FTSE All World returned 21.0% in Sterling terms, rising to 23.6% in US dollar terms, as Sterling strengthened relative to the US dollar. Government bond returns were generally poor in 2023-24, as bond yields increased in response to central bank interest rate rises. UK Gilts returned 0.0% and UK Index-Linked bonds returned -5.0%. UK Investment Grade Bonds returned 7.1%. Property returns were negative at -1.0% in 2023-24, albeit these were up from -13.2% in 2022-2023.

Actuarial Position of the Fund

Every 3 years an actuarial valuation of the Fund is undertaken, in accordance with the provisions of The Local Government Pension Scheme Regulations 2013. The purpose of the valuation is to review the funding strategy and ensure that the Fund has a contribution plan and investment strategy in place that will enable it to pay members' benefits as they fall due. A valuation of the Fund was most recently undertaken as at 31 March 2022 and set the level of contributions payable by each participating employer for the 3 years commencing 1 April 2023.

At 31 March 2022, the Net Assets of the Fund were £6.132bn and the Past Service Liabilities were £6.131bn. The Fund had a small surplus of £1m at that date. The Fund's Funding Strategy Statement is available on the Council's website at: derbyshirepensionfund.org.uk/FSS

The funding level is the Fund's ratio of assets to liabilities at the valuation date. The funding level at the 2022 valuation was 100%, which is an improvement on the funding level at the 2019 valuation of 97%. This means that the Fund's assets were sufficient to meet 100% of its liabilities (the present value of promised retirement benefits) accrued up to that date. For the purposes of reporting a funding level, an investment return of 3.8% was assumed.

A market-related approach was taken to valuing the Fund liabilities, for consistency with the valuation of the Fund assets at their market value. The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership. An allowance has been included at this valuation for the expected benefit change related to the McCloud remedy.

A number of factors, both positive and negative, impacted on the overall funding level in the 2022 valuation, with an overall improvement in funding of £0.164bn over the 3 years to 31 March 2022, an improvement of £0.304bn compared to the expected position.

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

The actual investment return on the Fund's assets for the period 31 March 2019 to 31 March 2022 was better than expected, increasing the market value of the Fund's assets, and improving the funding position, by £1.212bn, £0.655bn more than expected. The accrual of new benefits reduced the funding position by £0.575bn to 31 March 2022, albeit this reduction was £0.071bn lower than expected.

Other membership experience in the period since the last valuation increased the value of the Fund's liabilities and reduced the funding position by £0.172bn. Changes in future expectations further reduced the actual funding position at 31 March 2022 by £0.252bn, with an improvement in investment returns and other demographic assumptions being more than offset by changes in inflation, salary increases and longevity assumptions, used to calculate the present value of the Fund's liabilities.

Assumptions used in the March 2022 actuarial valuation:

	Assumption
Benefit Increases (Consumer Price Index (CPI) Inflation)	2.70%
Career Average Revalued Earnings (CARE) Revaluation (CPI Inflation)	2.70%
CPI Inflation	2.70%
Discount Rate	3.80%
Future Investment Return*	3.80%
Life Expectancy for Current Pensioners - Women Age 65	24.3 years
Life Expectancy for Future Pensioners - Women Age 45	25.8 years
Life Expectancy for Current Pensioners - Men Age 65	21.3 years
Life Expectancy for Future Pensioners - Men Age 45	22.2 years
Salary Increases**	3.70%

* 77% likelihood that the Fund's assets will return at least 3.8% over the 20 years following the 2022 actuarial valuation date. This is the same methodology used for the 2019 actuarial valuation.

** Plus a promotional salary scale.

The contribution rates required have been determined using a "risk based" approach. The level of contribution rate to give an appropriate likelihood of meeting an employer's funding target, within the agreed timeframe, is determined for each employer. The full rate of an employer's contribution provides for the cost of year-by-year accrual of benefits in respect of current Fund members and the amount required to meet a shortfall in respect of the assets required for pensions in payment (including those payable to survivors of former members) and benefits accrued by other members, which will become payable in the future (known as a past service deficiency).

Since 31 March 2022, markets have been affected by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. High levels of inflation in the UK (compared to recent experience), have resulted in a higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, asset performance has improved towards the end of 2023 and into 2024 and inflation has begun to return towards historical levels and the bank of England's target (2% p.a.). There has been a significant shift in the wider economic environment since 2022, resulting in generally higher than expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

As an open scheme, with a strong covenant, the Fund takes a long-term view when considering the funding impact of such events. For employers who have a very short time horizon, recent volatility may be more immediately impactful, and the Fund has engaged with these employers as appropriate. No explicit allowance has been made for this volatility in the valuation results or contribution rates detailed in the Rates & Adjustments Certificate. The Fund will continue to monitor changes in the financial and demographic environment as part of its ongoing risk management approach. The next actuarial valuation will be carried out as at 31 March 2025. The Funding Strategy Statement will also be reviewed at that time.

Further Information

Derbyshire Pension Fund's Investment Strategy Statement, Funding Strategy Statement, Actuarial Valuation Report, Governance Policy and Compliance Statement, Communications Policy and Annual Report are available on the Derbyshire Pension Fund's website at: derbyshirepensionfund.org.uk

PENSION FUND ACCOUNTS
FUND ACCOUNT

FUND ACCOUNT

2022-2023			2023-2024
£m		Note	£m
	Dealings with Members, Employers and Others Directly Involved in the Fund		
202.768	Contributions	6.21	226.807
17.144	Transfers in from Other Pension Funds		12.463
219.912			239.270
(195.410)	Benefits	7.21	(224.351)
(15.510)	Payments to and on Account of Leavers	8	(27.493)
(210.920)			(251.844)
8.992	Net (Withdrawals)/Additions from Dealings with Members, Employers and Others Directly Involved in the Fund		(12.574)
(33.136)	Management Expenses	9	(33.299)
(24.144)	Net (Withdrawals) Including Fund Management Expenses		(45.873)
	Return on Investments		
71.587	Investment Income	10	91.047
0.008	Taxes on Income	11	2.101
(248.868)	Profits and Losses on Disposal of Investments and Changes in Value of Investments	12	486.227
(177.273)	Return on Investments		579.375
(201.417)	Net Increase/(Decrease) in the Net Assets Available for Benefits During the Year		533.502
6,132.085	Opening Net Assets of the Fund		5,930.668
5,930.668	Closing Net Assets of the Fund		6,464.170

PENSION FUND ACCOUNTS NET ASSETS STATEMENT

NET ASSETS STATEMENT

31 Mar 2023			31 Mar 2024
£m		Note	£m
5,899.509	Investment Assets	12-13	6,448.033
(1.519)	Investment Liabilities	12-13	(1.199)
44.488	Current Assets	15	32.481
(11.810)	Current Liabilities	16	(15.145)
5,930.668	Net Assets of the Scheme Available to Fund Benefits at the Period End		6,464.170

The accounts summarise the transactions of the Fund and deal with the net assets at the disposal of the Pensions and Investments Committee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Fund year. The actuarial present value of promised retirement benefits is disclosed in Note 20 of these accounts.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

Derbyshire Pension Fund (“the Fund”) is administered by Derbyshire County Council and is governed by Local Government Pension Scheme Regulations and associated pension legislation. The Fund is administered in accordance with the following secondary legislation:

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

The Fund is a funded defined benefit scheme, administered locally by the Council on behalf of its own employees (except teachers, former NHS employees and new employees working in Public Health, for whom separate pension arrangements apply), Unitary and District Council employees within Derbyshire and employees of other bodies who are specifically authorised by the Regulations. On 1 April 2014, the Fund, which had previously been a final salary scheme, became a Career Average Revalued Earnings (CARE) scheme.

1. Basis of preparation

The accounts have been prepared on a going concern basis, on the assumption that the functions of the authority will continue in operational existence for the foreseeable future, in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023-24 (“the Code”), which is based upon International Financial Reporting Standards (IFRS), which require the Fund’s accounts to comply with IAS 26 Accounting and Reporting by Retirement Benefit Plans, subject to the interpretations and adaptations for the Public Sector detailed in the Code.

The accounts summarise the transactions of the Fund and deal with the net assets at the disposal of the Pensions and Investments Committee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Fund year. The actuarial present value of promised retirement benefits is disclosed in Note 20 of these accounts.

The amount of separately invested Additional Voluntary Contributions (“AVCs”) paid by members during the year and their value at the net assets statement date are not included in the Pension Fund financial statements in accordance with Regulation 4 (1)(b) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. Members’ AVCs are disclosed in Note 14 of these accounts.

2. Accounting policies

Contributions

Employee contributions are accounted for when deducted from members’ pay. Employers’ normal contributions are accounted for in the period to which the corresponding pay relates. Other employers’ contributions, such as deficit funding contributions, are accounted for in accordance with the agreement under which they are paid, or in the absence of an agreement, on a cash basis.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

Benefits

Benefits and payments to leavers are accounted for in the period they fall due for payment. Where a member has a choice about the form of their benefit, the benefit is accounted for and the liability is recognised when the member notifies the Council of their decision as to what form of benefit they will take. Where a member has no choice about the form of benefit, the benefit is accounted for in the period of leaving/retirement/death, being the period in which the liability to pay the benefit arises.

Transfers

Where past service liabilities do not transfer between schemes until assets/liabilities have been transferred, transfers are accounted for on a cash basis. Where trustees have agreed to accept past service liabilities in advance of the transfer of funds, the transfer is accounted for in accordance with the terms of the agreement.

Management expenses

Management expenses are accounted for on an accruals basis. They are analysed in accordance with CIPFA Guidance "Accounting for Local Government Pension Scheme Management Costs (2016)".

Investment income

Dividends from quoted securities are accounted for when the securities are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statements as an investment asset. Rent is accounted for in accordance with the terms of the lease. Any lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Interest on cash and bonds is accrued on a daily basis. Income arising on the underlying investments of accumulation funds is accounted for within change in market value of investments. Distributions from pooled investment vehicles are recognised at the date of issue. Distribution income is accounted for on an accruals basis and any outstanding amount is included in the Net Asset Statement as an investment asset.

Taxes on income

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 taxation is accounted for as a Fund expense as it arises.

Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies are accounted for at the market exchange rate at the date of transaction. End of year market exchange rates are used to value overseas assets at the end of the accounting period.

Exchange gains and losses relating to the translation of investments are accounted for as part of change in market value included in the Fund Account and those relating to current assets and liabilities are accounted for within the Fund Account under an appropriate heading. **Cash and cash equivalents** Cash comprises cash in hand and on-demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

Basis of valuation

Financial assets and liabilities are included in the net assets statement on a fair value basis or at amortised cost as at the reporting date. A financial asset or liability is recognised in the net assets statement on the date the Fund becomes party to the contractual acquisition of the asset or liability. From this date any gains or losses arising from changes in the fair value of the asset or liability 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 IFRS13 (Note 13). The basis of valuation of each class of financial investment asset and liability is set out in Note 13.

Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the Fund actuary in accordance with the requirements of IAS19 and relevant actuarial standards, with an actuarial annual roll forward of the value carried out. As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits in Note 20 of these accounts.

3. Accounting Standards issued and not yet applied

At the balance sheet date, the following interpretations, new standards and amendments to existing standards have been published but not yet adopted by the Code:

IFRS 16 Leases issued in January 2016.

The CIPFA/LASAAC Board confirmed in a statement that mandatory implementation of IFRS 16 Leases will go ahead as planned, and the standard will be implemented in the Code for 2024-25.

IFRS 16 was issued by the International Accounting Standards Board (IASB) in 2016. Its main impact is to remove (for lessees) the traditional distinction between finance leases and operating leases. Finance leases have effectively been accounted for as acquisitions (with the asset on the Balance Sheet, together with a liability to pay for the asset acquired). In contrast, operating leases have been treated as 'pay as you go' arrangements, with rentals expensed in the year they are paid. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset. IFRS 16 is therefore an important new standard.

One of the areas of focus for local authorities is the adaptation for the definition of a lease. For the UK public sector this includes leases with nil consideration or peppercorn rents, which will widen the definition of a lease. This will require careful application when identifying a lease and particularly in considering when a contract includes or is a lease.

It also applies to the measurement of lease liabilities for PFI arrangements.

The Fund does not currently have any identified lease arrangements and has not entered into any PFI arrangements. The Fund has therefore concluded that this new standard would not have had a significant impact on the Fund's 2023-24 accounts.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
 - specify that an entity's right to defer settlement must exist at the end of the reporting period;
 - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
 - clarify how lending conditions affect classification; and
 - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants.

The Fund has concluded that, although these amendments provide clarification or lead to improved reporting, they would not have had a significant impact on the Fund's 2023-24 accounts.

- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
 - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes; and
 - targeted disclosure requirements for affected entities.

This is only applicable to local authorities with group accounts and, therefore, would not have impacted on the Fund's 2023-24 accounts.

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
 - assess how supplier finance arrangements affect an entity's liabilities and cash flows; and
 - understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

The Fund has concluded that this amendment has a limited application and would not have impacted on the Fund's 2023-24 accounts.

4. Critical judgements made in applying the accounting policies

In applying the accounting policies in Note 2, it has not been necessary to make any critical judgements.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

5. Assumptions made and other estimation uncertainty

Valuation of investment assets

Basis of valuation

The Fund's basis of valuation for each class of financial investment is set out in greater detail in Note 13 to these accounts, and there have been no changes to the valuation techniques used in the year. A significant proportion of the Fund's financial investments relate to Level 1 assets, where there is a readily available daily bid market price and Level 2 assets, where the fair value can be determined based on other market data or market prices, and cash deposits.

The remainder of the Fund's financial investments relate to Level 3 assets, including equity index tracking funds, unquoted private equity, infrastructure, private debt investments and indirect property assets. These assets are valued using the most recently reported net assets statement for that investment, adjusted for drawdowns and distributions to the final day of the accounting period, if the net assets statement is not produced to that date.

Level 3 assets also include the Fund's direct property portfolio, which is independently valued by the Fund's external property valuer, Savills, at market value on the final day of the accounting period, determined in accordance with the Royal Institution of Chartered Surveyors' Valuation Standards.

The value of the Fund's Level 3 assets at 31 March 2024 was £3,570.205m, accounting for 55.4% of total investment assets. The estimated impact of price risk in respect of Level 3 assets is $\pm 6.0\%$, equating to £214.212m at 31 March 2024. Potential price changes are determined based on the observed historical volatility of asset class returns, for example, 'riskier' assets such as equities display greater volatility than bonds. Note 13 provides further details, including a breakdown of the Level 3 assets, the nature of the assumptions that give rise to uncertainty, and a sensitivity analysis in respect of values at 31 March 2024.

The global economy continues to show growth, albeit this differs by country, and concerns that the global economy would experience a 'hard-landing' following the sharp rise in inflation following the Covid-19 pandemic have subsided. Whilst global inflation has fallen over the last twelve months, as the major central banks increased base rates, core inflation remains persistent. Financial markets remain volatile with market sentiment closely linked to expectations around the timing of future interest rate reductions. Ongoing geopolitical uncertainties and tensions are also having an impact on market sentiment, and many developed market nations have elections across 2024-25, which may also have an impact on markets.

On 25 July 2014, the Court of Appeal dismissed the appeal in the Virgin Media Limited v NTL Pension Trustees case. HM Treasury is currently assessing whether there are any implications from this ruling for public service pension schemes.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

6. Contributions

	2022-2023	2023-2024
	£m	£m
Employers		
Normal	121.244	168.017
Deficit Funding	34.722	7.852
Members		
Normal	46.802	50.938
	202.768	226.807

Employers' contributions rates payable in 2022-23 were set as part of the 2019 valuation which revealed an overall funding level of 97%.

Employers' contributions rates payable in 2023-24 were set as part of the 2022 valuation which revealed an overall funding level of 100%.

On 29 April 2022, Derbyshire County Council paid employer contributions of £56.494m to the Fund, for 2022-23. This advance payment was based on an estimate of pensionable pay. Derbyshire County Council's employer contributions payable for 2022-23, based on actual pensionable pay, are £57.720m, which is £1.226m more than the advance payment. An additional cash payment of £1.226m was paid to the Fund on 28 April 2023, in accordance with the Derbyshire County Council 2022-23 Rates and Adjustments Certificate agreed with the Actuary. Derbyshire County Council did not pay advance employer contributions to the Fund for 2023-24.

On 1 April 2022, Derby Homes Limited paid employer contributions of £2.484m to the Fund, for 2022-23. These contributions were accounted for in 2022-23 as £2.385m of employer normal contributions and £0.099m of employer deficit funding contributions. An additional cash payment of £0.144m was paid to the Fund on 11 May 2023, in accordance with the Derby Homes 2022-23 Rates and Adjustments Certificate agreed with the Actuary. Derby Homes Limited did not pay advance employer contributions to the Fund for 2023-24.

An analysis of contributions by participating employer type is disclosed in Note 21 of these accounts.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

7. Benefits

	2022-2023	2023-2024
	£m	£m
Pensions	155.695	175.977
Commutation of pensions and lump sum retirement benefits	33.284	42.843
Lump sum death benefits	6.431	5.531
	195.410	224.351

An analysis of benefits by participating employer type is disclosed in Note 21 of these accounts.

8. Payments to and on account of leavers

	2022-2023	2023-2024
	£m	£m
Refund of contributions to members leaving the Fund	0.709	0.784
Group transfers out to other pension funds	0	3.907
Individual transfers out to other pension funds	14.801	22.802
	15.510	27.493

9. Management expenses

Management expenses are analysed in accordance with CIPFA Guidance "Accounting for Local Government Pension Scheme Management Costs (2016)".

	2022-2023	2023-2024
	£m	£m
Investment management expenses	28.257	28.331
Administrative costs	3.119	3.129
Oversight and governance costs	1.760	1.839
	33.136	33.299

Oversight and governance costs include external audit fees of £0.120m (2022-23: £0.038m), which are comprised of a scale fee of £0.109m for the 2023-24 audit (2022:23: £0.026m) and additional audit fees of £0.011m estimated in respect of 2021-22 and 2022-23 work, including reviewing membership data in the 31 March 2022 actuarial valuation. The statutory audit fee does not include fees chargeable to the Fund for pension assurance work, undertaken at the request of employer auditors, which the Fund recharges to the respective employers. Fees payable for this work in 2023-24 are estimated to be £0.022m (2022-23: £0.018m).

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

10. Investment income

	2022-2023	2023-2024
	£m	£m
Income from equities	10.564	10.301
Income from bonds	10.502	12.155
Net rents from properties	15.229	16.312
Income from pooled investment vehicles	32.143	45.566
Interest on cash deposits	3.149	6.713
	71.587	91.047

Income from equities decreased by £0.263m in 2023-24, to £10.301m (2022-23, £10.564m), principally reflecting the ongoing transition from direct equity holdings into accumulation unit pooled investment vehicles, where dividend income is automatically reinvested and not distributed. Income from pooled investment vehicles increased by £13.423m in 2023-24, to £45.566m (2022-23, £32.143m), reflecting increased allocations to income generating asset classes such as infrastructure and private debt which are managed through pooled investment vehicles, together with a recovery in income levels following the Covid-19 pandemic. The increase of £1.083m in respect of net rent from properties, from £15.229m in 2022-23 to £16.312m in 2023-24, principally reflects the fact that the Fund added 6 new properties to the direct property portfolio in 2022-23. The increase in interest on cash deposits principally reflects the impact of increases in the Bank of England's UK Bank Rate.

Rents from properties are net of £0.350m of property expense (2022-23, net of £0.795m of property expense), which includes a £0.247m credit loss allowance income adjustment for property rent debtors at the year-end (2022-23, £0.101m credit loss expense allowance). The income or expense each year is the net of property management expenses recovered by service charges to tenants and irrecoverable property management expenses, for instance, rates on vacant properties, adjusted for the movement in credit loss allowance.

11. Taxes on income

	2022-2023	2023-2024
	£m	£m
Taxation payable	(0.008)	(2.101)

From 6 April 2016 there are no notional tax charges for UK dividends. Taxes on income relate to withholding taxes in respect of overseas investment income, which are recoverable by the Fund.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

12. Investment assets and liabilities

	Value at 31 Mar 2023	Purchases & hedging payments	Sales & hedging receipts	Profits & losses on disposal of investments & changes in value of investments	Value at 31 Mar 2024
	£m	£m	£m	£m	£m
Investment assets					
Equities	297.381	2.438	(69.874)	6.555	236.500
Bonds	574.839	168.428	(49.574)	(24.529)	669.164
Pooled investment vehicles	4,595.156	332.438	(393.720)	502.794	5,036.668
Properties	331.275	1.104	0	(11.079)	321.300
Currency hedging contracts	0.988	1,432.880	(1,446.345)	12.486	0.009
	5,799.639	1,937.288	(1,959.513)	486.227	6,263.641
Cash deposits & short-term loans	93.917			0	147.077
Other investment balances	5.953			0	37.315
	5,899.509			486.227	6,448.033
Investment liabilities					
Other investment balances	(1.519)			0	(1.199)
	(1.519)			0	(1.199)
	5,897.990			486.227	6,446.834

The total of profits and losses on disposal of investments and changes in value of investment assets and investment liabilities has increased the Fund's value by £486.227m during 2023-24 (2022-23, £248.868m decrease). This total includes all increases and decreases in the market value of investments held at any time during the year and profits and losses realised on sales of investments during the year. All net gains and losses on financial instruments relate to financial assets held at fair value through profit and loss. In 2023-24, net gains on financial assets and financial liabilities measured at fair value are £497.306m (2022-23, £198.866m net losses). This differs to the total of profits and losses on disposal of investments and changes in value of investment assets and investment liabilities in the table as direct property investments are excluded from the total because they are not financial instruments.

At 31 March 2024 the Fund's investments accounting for more than 5% of the total value of the Fund's net assets available for benefits were:

- LGIM MSCI World Low Carbon Target Index Fund £907.812m, representing 14.0% (2023, £677.564m, 11.4%).
- LGIM UK Equity Index Fund £703.210m, representing 10.9% (2023, £774.200m, 13.1%).
- LGPS Central All World Equity Climate Multi Factor Fund £373.231m, representing 5.8% (2023, £314.073m, 5.3%).
- LGPS Central Global Active Corporate Bond Fund A (Acc) £365.851m, representing 5.7% (2023, £337.078m, 5.7%).
- RBC Global Equity Focus Fund £433.653m, representing 6.7% (2023, £378.812m, 6.4%).

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The 2022-23 position was:

	Value at 31 Mar 2022	Purchases & hedging payments	Sales & hedging receipts	Profits & losses on disposal of investments & changes in value of investments	Value at 31 Mar 2023
	£m	£m	£m	£m	£m
Investment assets					
Equities	370.726	49.866	(85.218)	(37.993)	297.381
Bonds	619.498	83.008	(19.386)	(108.281)	574.839
Pooled investment vehicles	4,622.108	240.669	(229.206)	(38.415)	4,595.156
Properties	292.200	89.077	0	(50.002)	331.275
Currency hedging contracts	0	0	0	0.988	0.988
	5,904.532	462.620	(333.810)	(233.703)	5,799.639
Cash deposits & short term loans	182.079			0	93.917
Other investment balances	5.401			0	5.953
	6,092.012			(233.703)	(5,899.509)
Investment liabilities					
Currency hedging contracts	(0.592)	1,332.833	(1,317.076)	(15.165)	0
Other investment balances	(2.388)			0	(1.519)
	(2.980)			(15.165)	(1.519)
	6,089.032			(248.868)	5,897.990

Currency hedging receipts and payments represent the transactions settled during the year on currency hedging contracts relating to sovereign fixed income holdings and the Fund's Infrastructure, Multi-Asset Credit and Indirect Property investments. The Fund's objective is to decrease risk in the portfolio, by entering into forward contracts to match a proportion of assets that are already held in the portfolio without disturbing the underlying assets.

At the year end, there were 2 currency hedging contracts, with less than 6 months to expiry, with a gross contract value of £383.516m (2023, 2 contracts, with less than 6 months to expiry, with a gross contract value of £360.439m).

Pooled investment vehicles are further analysed below:

PENSION FUND ACCOUNTS

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	31 Mar 2023	31 Mar 2024
	£m	£m
Pooled Investment Vehicles		
Equities	2,928.709	3,261.249
Bonds	806.664	883.161
Property	135.416	124.709
Private Equity	201.763	216.143
Infrastructure	522.604	551.406
	4,595.156	5,036.668

The proportion of the market value of net investment assets managed in-house (including the selection of pooled products) and by each external manager at the year-end is set out below.

	31 Mar 2023		31 Mar 2024	
	£m	%	£m	%
In-house	2,887.344	48.9	3,089.190	47.9
Colliers Capital Holdings Ltd	333.903	5.7	323.065	5.0
Legal and General Investment Management	1,775.302	30.1	1,905.869	29.6
LGPS Central Ltd	837.538	14.2	1,128.710	17.5
Wellington Management International Ltd	63.903	1.1	0	0.0
	5,897.990	100.0	6,446.834	100.0

13. Basis of valuation

The basis of valuation of each class of financial investment asset and liability is set out below. There has been no change in the valuation techniques used during the year. All investment assets and liabilities held at fair value through profit or loss have been valued using fair value techniques as follows:

- Market quoted investments, where there is a readily available market price, are valued at the bid market price on the final day of the accounting period.
- Quoted bonds are valued at net market value excluding accrued income.
- Pooled investment vehicles are included at closing bid price for funds with bid/offer spreads, or if single priced, at the closing price. For unquoted pooled investment vehicles this is at the price advised by the fund manager.

PENSION FUND ACCOUNTS

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- Level 3 investments are valued at fair value, at the price or net asset value advised by the fund manager, or for private equity investments, based on the Fund's share of net assets at the year end, using the latest financial information available from the respective fund managers, adjusted for drawdowns and distributions to the final day of the accounting period, if the latest financial information is not produced to that date.
- Fair value for investment property is calculated using the investment method of valuation, the premise of which is that all current and future income streams are capitalised at a rate or rates compared against yields achieved in market investment transactions and adjusted for individual characteristics of the subject property, based on valuer's opinions, wholly derived from observable prices achieved in market transactions. Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract on that date. Property, which is a non-financial asset, is included at market value on the final day of the accounting period, 31 March 2024, determined in accordance with the Royal Institution of Chartered Surveyors' Valuation Standards. The property portfolio was independently valued by Savills, Property Advisers.

Financial investment assets and liabilities valued using fair value techniques have been classified into the 3 levels of what is known as a fair value hierarchy. The hierarchy is ordered according to the quality and reliability of information used to determine recurring fair values, with Level 1 being of the highest quality and reliability.

- Level 1 – Assets and liabilities assigned to Level 1 in the fair value hierarchy are those derived from unadjusted quoted prices in active markets for identical assets or liabilities. The Fund's investments classified as Level 1 are quoted UK and Overseas Equities and quoted UK and Overseas Bonds issued by governments.
- Level 2 – Assets and liabilities assigned to Level 2 in the fair value hierarchy are those where quoted market prices are not available, for instance in a market that is not considered to be active, or where observable valuation techniques are used to determine fair value. The Fund's investments classified as Level 2 are quoted Pooled Investment Vehicles, Currency Hedging Contracts and unquoted LGPSC Bonds and Equities.
- Level 3 – Assets and liabilities assigned to Level 3 in the fair value hierarchy are those where at least one input which could have a significant effect on an instrument's valuation is not based on observable market data. The Fund's investments classified as Level 3 are unquoted Pooled Investment Vehicles and Properties (non-financial assets).

The Fund's fair value hierarchy of investment financial assets and financial liabilities held at fair value through profit or loss, additionally including investment financial assets held at amortised cost, to reconcile to total financial assets and financial liabilities, is as follows:

PENSION FUND ACCOUNTS
NOTES TO THE PENSION FUND ACCOUNTS

	31 March 2023	31 March 2024
	£m	£m
Financial Assets at Fair Value through Profit or Loss		
Level 1		
UK quoted equities	231.229	232.937
Overseas quoted equities	64.837	2.247
UK quoted bonds	476.558	570.584
Overseas quoted bonds	97.596	97.895
	870.220	903.663
Level 2		
Property - quoted pooled investment vehicles	13.980	15.720
Other quoted pooled investment vehicles	1,518.493	1,772.044
UK unquoted equities*	1.315	1.315
UK unquoted bonds	0.685	0.685
Currency hedging contracts	0.988	0.009
	1,535.461	1,789.773
Level 3		
Property - unquoted pooled investment vehicles	121.436	108.989
Other unquoted pooled investment vehicles	2,941.247	3,139.916
UK freehold properties (non-financial instruments)	279.275	270.450
UK leasehold properties (non-financial instruments)	52.000	50.850
	3,393.958	3,570.205
Financial Assets at Amortised Cost		
Sterling cash deposits	22.481	27.077
Money market funds	30.000	120.000
Other Sterling short term loans	40.000	0
Foreign currency	1.436	0
Other investment balances	5.953	37.315
	99.870	184.392
Other Assets – Current Assets	44.488	32.481
Financial Assets	5,943.997	6,480.514

PENSION FUND ACCOUNTS
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	31 March 2023	31 March 2024
	£m	£m
Financial Liabilities at Amortised Cost		
Other investment balances	(1.519)	(1.119)
	(1.519)	(1.119)
Other Liabilities – Current Liabilities	(11.810)	(15.145)
Financial Liabilities	(13.329)	(16.344)
	5,930.668	6,464.170

*The Fund had £1.315m invested in share capital and £0.685m in a loan to LGPSC at 31 March 2024 (31 March 2023: £1.315m and £0.685m, respectively). This share capital investment in LGPSC is carried at cost, which approximates to fair value at 31 March 2024 (31 March 2023, carried at cost, which approximates to fair value).

PENSION FUND ACCOUNTS

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Additional information in respect of the fair value measurement is provided below:

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuation
UK quoted equities	Level 1	Bid market price	Not required	Not required
Overseas quoted equities	Level 1	Bid market price	Not required	Not required
UK quoted bonds	Level 1	Net market value excluding accrued income	Not required	Not required
Overseas quoted bonds	Level 1	Net market value excluding accrued income	Not required	Not required
Property quoted pooled investment vehicles	Level 2	Closing bid price where bid and offer prices are published	Net Asset Value (NAV) - based pricing	Not required
Other quoted pooled investment vehicles	Level 2	Closing bid price where bid and offer prices are published	Evaluated price feeds	Not required
UK unquoted equities	Level 2	Fair value based on price or net asset value advised by the fund manager	Evaluated price feeds	Not required
UK unquoted bonds	Level 2	Fair value based on price or net asset value advised by the fund manager	Evaluated price feeds	Not required
Currency hedging contracts	Level 2	Published exchange prices at the year-end date	Exchange rate risk	Not required

PENSION FUND ACCOUNTS

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Property unquoted pooled investment vehicles	Level 3	Investment method whereby all current and future income streams are capitalised at the rate or rates compared against yields achieved in market investment transactions and adjusted for individual characteristics of the subject property, based on valuer's opinion, wholly derived from observable prices achieved in market transactions	Net Asset Value (NAV) - based principal	Valuations could be affected by material events occurring between the date of the financial statements provided and the year-end date, by changes to expected cash flows, and by any differences between audited and unaudited accounts
Other unquoted pooled investment vehicles (private equity; infrastructure; private debt)	Level 3	At the price or net asset value advised by the manager using the latest financial information available from the respective manager, adjusted for drawdowns and distributions to the final date of the accounting period, if the latest financial information is not produced to that date	Private Equity and Infrastructure: EBITDA; Revenue & EBITDA multiple; Discount for lack of marketability; Control premium; Discounted cash flows Private Debt: Comparable valuation of similar assets; Revenue & EBITDA; Discounted cash flows; Asset security; Enterprise value estimation	Valuations could be affected by material events occurring between the date of the financial statements provided and the year-end date, by changes to expected cash flows, and any differences between audited and unaudited accounts
UK freehold and leasehold properties (non-financial instruments)	Level 3	Determined in accordance with the RICS Valuation Standards	Existing lease term rentals; Independent market research; Covenant strength for existing tenants; Actual and 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 in market prices

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Below is a reconciliation of the movement in fair value measurements within Level 3 of the fair value hierarchy from the start to the end of 2023-24:

	Value at 31 Mar 2023	Transfers to Level 2	Purchases	Sales	Unrealised gains / (losses)	Realised gains / (losses)	Value at 31 Mar 2024
	£m	£m	£m	£m	£m	£m	£m
Financial Assets							
Level 3							
Pooled investment vehicles							
Property - unquoted	121.436	0	1.366	(8.660)	(6.930)	1.777	108.989
Other unquoted	2,941.247	(19.408)	160.026	(269.037)	293.629	33.459	3,139.916
Properties							
UK freehold (non-financial instruments)	279.275	0	1.104	0	(9.929)	0	270.450
UK leasehold (non-financial instruments)	52.000	0	0	0	(1.150)	0	50.850
	3,393.958	(19.408)	162.496	(277.697)	275.620	35.236	3,570.205

Unrealised and realised gains and losses are recognised in the profit and losses on disposal of investments and changes in value of investments line of the fund account.

The 2022-23 position was:

	Value at 31 Mar 2022	Purchases	Sales	Unrealised gains/(losses)	Realised gains/(losses)	Value at 31 Mar 2023
	£m	£m	£m	£m	£m	£m
Financial Assets						
Level 3						
Pooled investment vehicles						
Property - unquoted	161.437	1.662	(36.309)	(17.112)	11.758	121.436
Other unquoted	2,773.376	184.383	(100.136)	70.486	13.138	2,941.247
Properties						
UK freehold (non-financial instruments)	236.650	89.077	0	(46.452)	0	279.275
UK leasehold (non-financial instruments)	55.550	0	0	(3.550)	0	52.000
	3,227.013	275.122	(136.445)	3.372	24.896	3,393.958

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

The impact of current global economic conditions on investment values is considered in Note 5. Having analysed historical data and current market levels, the Fund has determined that the Level 3 values at 31 March 2024 above are likely to be accurate to within the ranges set out in the sensitivity analysis below:

	Value at 31 Mar 2024	Assessed valuation range	Value on increase	Value on decrease
	£m	%	£m	£m
Level 3 sensitivity				
Direct property (non-financial instruments)	321.300	10.0	353.430	289.170
Diversified multi-asset credit funds	259.452	5.0	272.425	246.479
Equity index tracking funds	1,906.072	2.0	1,944.193	1,867.951
Short dated investment grade fund	20.641	3.0	21.260	20.022
Indirect property	108.989	15.0	125.337	92.641
Infrastructure	551.407	12.5	620.333	482.481
Private debt	206.841	10.0	227.525	186.157
Private equity	216.144	15.0	248.566	183.722
	3,590.846	6.0	3,806.297	3,375.395

The position at 31 March 2023 was:

	Value at 31 Mar 2023	Assessed valuation range	Value on increase	Value on decrease
	£m	%	£m	£m
Level 3 sensitivity				
Direct property (non-financial instruments)	331.275	10.0	364.402	298.147
Diversified multi-asset credit funds	231.352	5.0	242.920	219.784
Equity index tracking funds	1,775.475	2.0	1,810.985	1,739.966
Short dated investment grade fund	19.409	3.0	19.991	18.827
Indirect property	121.436	15.0	139.651	103.221
Infrastructure	522.604	12.5	587.930	457.279
Private debt	190.644	10.0	209.708	171.580
Private equity	201.763	15.0	232.027	171.499
	3,393.958	6.0	3,597.595	3,190.321

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

14. Additional Voluntary Contributions

In accordance with Regulation 4(1)(b) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, the Accounts do not include employees' Additional Voluntary Contributions ("AVCs"). Members may make AVCs which are invested separately from the Fund's assets. These investments are specifically allocated to the provision of additional benefits for those members. These are money purchase arrangements where the member uses the invested amount to provide an additional lump sum or to purchase an annuity or buy additional benefits in the Local Government Pension Scheme.

The amount of AVC contributions paid by members during 2023-24 was £4.045m (2022-23: £2.939m).

The total value of funds provided by separately invested AVC contributions at 31 March 2024 was £17.473m (31 March 2023: £14.699m).

15. Current assets

	31 Mar 2023	31 Mar 2024
	£m	£m
Employers' contributions due	8.896	12.543
Employees' contributions due	2.487	3.352
Sundry debtors	1.328	1.592
Cash balance	31.777	14.994
	44.488	32.481

Employers' and employees' contributions due at 31 March 2024 have been received since the year-end.

As at 31 March 2024, the Fund was owed rent and service charges totalling £0.260m in respect of 2023-24 (31 March 2023, the Fund was owed rent totalling £0.667m in respect of 2022-23). Whilst the Fund's discretionary direct property manager is actively managing the collection of this rent, the aftermath of the Covid-19 pandemic, together with inflationary pressures and challenging economic conditions, has had a significant impact on the trading and cash flows of some of the Fund's tenants. As a result, the Fund has provided a credit loss allowance of £0.049m against these rents (2022-23: £0.296m).

16. Current liabilities

	31 Mar 2023	31 Mar 2024
	£m	£m
Unpaid benefits	3.027	2.905
Sundry creditors	6.673	8.685
Amounts owed to Derbyshire County Council	2.110	3.555
	11.810	15.145

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

17. Related party transactions

Derbyshire County Council

The Council is the administering authority for the purposes of the Fund under The Local Government Pension Scheme Regulations 2013.

Included in management expenses in 2023-24 are charges from the Council of £3.360m (2022-23: £3.071m), for expenses incurred in respect of oversight and governance of the Fund, for Fund administration and for the management of the Fund's in-house investments. At 31 March 2024 the Fund owed the Council £3.555m (31 March 2023: the Fund owed the Council £2.110m).

It has not been possible to apportion, on a reasonable basis, the costs and benefits of key management personnel between the Council and the Fund. However, Members' Allowances and Officers' Remuneration are disclosed in Notes 30 and 31 of the Council's Statement of Accounts.

LGPS Central Limited

LGPS Central Limited (LGPSC) has been established to manage investment assets on behalf of 8 LGPS funds across the Midlands. It is jointly owned in equal shares by the 8 administering authorities participating in the LGPSC Pool. The Fund is one of the shareholders.

The Council's Section 151 Officer, or their nominee, represents the Council on the LGPS Central Shareholders' Forum, with delegated authority to make decisions on any matters which require a decision by the shareholders of LGPS Central Limited. All decisions made by the Section 151 Officer or their nominee, using delegated powers, are reported to the Pensions and Investments Committee.

The Fund had £1.315m invested in share capital and £0.685m in a loan to LGPSC at 31 March 2024 (31 March 2023: £1.315m and £0.685m, respectively) and was owed interest of £0.065m on the loan to LGPSC on the same date (2022-23: £0.047m).

The Fund incurred costs of £0.200m associated with LGPSC Investment Management and Monitoring Costs in respect of an Active Global Sustainable Equity Broad Strategy sub-fund, an Active Global Sustainable Equity Targeted Strategy sub-fund, an Active Emerging Markets Equities Multi Manager sub-fund, an index-tracking All World Equity Climate Multi Factor sub-fund, an Active Global Investment Grade Corporate Bond sub-fund and a Credit Partnership Limited Partnership sub-fund (Private Debt) in 2023-24 (2022-23: £0.164m), of which £0.036m was payable to LGPSC at 31 March 24 (31 March 2023: £0.041m). The charge excludes fees paid to the underlying investment managers of £1.903m in 2023-24 (2022-23: £1.265m), with the increase between 2022-23 and 2023-24 reflecting an increase in the level of investment assets managed through LGPSC products.

The Fund incurred £1.211m in respect of Governance, Operator Running and Product Development costs in connection with LGPSC in 2023-2024 (2022-2023: £1.065m), of which £0.329m was payable to LGPSC at 31 March 2024 (31 March 2023: £0.332m).

The Fund incurred Partner Fund Support Office costs of £0.029m in 2023-24 (2022-2023: nil). These costs were incurred by West Midlands Pension Fund (one of the LGPS pension funds comprising the LGPSC Pool) and were recharged to the Fund, of which £0.018m was payable to West Midlands Pension Fund at 31 March 2024 (31 March 2023: nil).

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LGPSC leased office space from the Council. The lease commenced on 14 June 2018 and was for a duration of 5 years, with a break clause at 30 June 2021. In 2023-24, LGPSC notified the Council that it was not renewing the lease on expiry in June 2023. The rental income received by the Council from LGPSC in 2023-24 amounted to £0.003m (2022-23: £0.015m). There was no amount due at 31 March 2024 (31 March 2023: £0.015m).

From 29 March 2023, an amended guarantee was put in place to enable LGPSC to recognise an offsetting asset to the IAS19 liability on its balance sheet. The new agreement extends the definition of 'Outstanding Liabilities' to include the total IAS 19 defined benefit obligation. As the IAS 19 figure was previously used as a proxy to estimate the possible cost of cessation, this does not change the amount estimated under the guarantee. LGPSC is responsible for employer and employee contributions and pays these when due. The LGPSC IAS19 pension asset at 31 March 2024 (calculated annually at the year-end) amounted to £0.047m (31 March 2023: pension liability £0.665m). Derbyshire Pension Fund's share of this LGPSC IAS19 pension asset at 31 March 2024 was £0.006m (31 March 2023: pension liability £0.083m). The partners are jointly and severally liable.

Members of the Pensions and Investments Committee

There is one non-voting Union Representative on the Fund's Pensions and Investments Committee who is an active member of the Fund. In addition, there is one full Member on the Committee who is a deferred member of the Fund.

One full Member on the Committee is also a director of one of the employers of the Fund, Derby Homes Ltd, whose employer contribution rates are determined by the Actuary in the valuation of the Fund.

18. Investment commitments

At the end of the financial year, investment commitments in respect of future payments were:

	31 Mar 2023	31 Mar 2024
	£m	£m
Unquoted investments	277.517	424.928

Unquoted investments commitments are commitments to invest in Multi-Asset Credit, Private Equity, Infrastructure and Indirect Property investments, not yet drawn down by the managers.

19. Financial instruments

Many requirements of the financial instruments standards (IAS 39, IAS 32, IFRS 7 and IFRS 9), which govern the recognition, measurement, presentation, and disclosure of financial instruments, are not applicable to the Fund's accounts, since all material financial instruments are carried in the net assets statement at fair value.

Nature and extent of risks arising from financial instruments

Certain financial risks are a necessary and appropriate component of the investment strategy of the Fund in order for it to achieve the targeted long-term rate of return assumed by the Fund Actuary. This rate of return is used in drawing up the Funding Strategy Statement and setting employer contribution rates.

PENSION FUND ACCOUNTS

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The overall financial risk for the Fund is that its assets could be insufficient to meet its liabilities to pay benefits. At the financial instrument level, the Fund's key risks are:

- **Credit risk** – the risk of the Fund suffering loss due to another party defaulting on its financial obligations.
- **Liquidity risk** – the risk that funds might not be available to meet commitments because the Fund's assets are not readily marketable or easily turned into cash.
- **Market risk** – the risk that the Fund's financial instruments may suffer an adverse change in value, which is common to an entire class of assets or liabilities.

Responsibility for Fund investments has been delegated to the Council's Pensions and Investments Committee (the Committee). Day to day responsibility for the management of the Fund is delegated to the Director of Finance; the investments are managed by a combination of internal and external investment managers and investment advice is provided by an independent investment advisor. The Fund's overall risk management procedures focus on the unpredictability of financial markets and are structured to implement suitable controls to minimise these risks.

As required by the Fund's Investment Strategy Statement, the Fund is invested in accordance with the Strategic Asset Allocation guidelines, to maximise returns within appropriate levels of risk, taking into account the Fund's liabilities and projected cashflows.

These Strategic Asset Allocation guidelines were approved by the Pensions and Investments Committee.

Economic background, market returns, asset allocation, investment activity, investment strategy and investment performance are monitored and reviewed by the Committee on a quarterly basis.

Credit risk

The Fund is primarily exposed to credit risk through its daily treasury management activities and through its forward currency contracts, which address the currency risk on overseas bonds. Credit risk on cash deposits and short-term loans arises from deposits with banks, financial institutions and UK government and local authorities. Credit risk on forward currency contracts arises from contracts with large banks.

There is also a credit risk in respect of income due at the year end from the Fund's direct property tenants. As at 31 March 2024, the Fund was owed rent and service charges totalling £0.260m (31 March 2023, the Fund was owed rent totalling £0.667m). Whilst the Fund's discretionary direct property manager is actively managing the collection of this rent, the aftermath of the Covid-19 pandemic, together with inflationary pressures and challenging economic conditions, has had a significant impact on the trading and cash flows of some of the Fund's tenants. The Fund has provided a credit loss allowance of £0.049m (31 March 2023, £0.296m) against these rents and service charges in Note 15, Current Assets, calculated based on a tier risk rating system, using information provided by both the in-house investment management team and the discretionary direct property manager.

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NOTES TO THE PENSION FUND ACCOUNTS

	Rental and Service Charge Income Debt	General Loss Allowance	Total Loss Allowance 31 Mar 2024
	£m	£m	£m
Property Rental and Service Charge Income	0.260	0.049	0.049

A reconciliation of the opening and closing balances of the potential credit losses on the Fund's financial assets for the year ended 31 March 2024 is provided as follows:

	Value at 31 Mar 2023	Change in average default risk rate	Value at 31 Mar 2024
	£m	£m	£m
Credit Loss Allowance	0.296	(0.247)	0.049

Treasury activities – The Fund places security of capital and liquidity ahead of investment return. Credit risk on treasury activities is minimised through the Fund's annual Treasury Management Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Ratings Services and are approved counterparties on this basis. Investments with local authorities, the Government's Debt Management Office, UK Treasury Bills and Certificates of Deposit are also permissible. The Fund has agreed maximum loan durations and joint limits for each counterparty.

The limits for financial institutions are based on the above credit assessment and are approved each year. The financial institutions' credit ratings and supplementary information are monitored throughout the year to ensure compliance with the policy.

The Fund's Treasury Management Strategy for 2023-24 was approved by the Pensions and Investments Committee on 8 March 2023.

The Fund's maximum exposure to credit risk in relation to its treasury/cash deposit investments and operating cash in banks, building societies, money market funds and UK local authorities of £162.071m (2023, £125.694m) cannot be assessed generally, as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare, generally, for such entities to be unable to meet their commitments; the approach to risk assessment taken by the Fund makes this remote.

A risk of non-recovery applies to all of the Fund's deposits, but there was no evidence at 31 March 2024 that this was likely to occur. No breaches of the Fund's counterparty criteria occurred during the reporting period. At 31 March 2024, the Fund had £14.994m (2023, £31.777m) in its operational account with Lloyds Bank.

Forward currency contracts – Credit risk from forward currency contracts is minimised by limiting the extent of these contracts to managing the US Dollar and Euro currency risk on sovereign fixed income holdings and the Fund's Infrastructure, Multi-Asset Credit and Indirect Property investment assets, the value of which comprise 5.9% (2023, 6.1%) of investment assets

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

at the year end, and by selecting large banks as the counterparties. The 2 forward currency contracts at the year-end are with Bank of New York Mellon.

The maximum credit risk exposure on forward currency contracts is the full amount of the foreign currency which the Fund pays when settlement occurs, should the counterparty fail to pay the amount which it has committed to pay the Fund. At the year end, there were 2 currency hedging contracts, with less than 6 months to expiry, with a gross contract value of £383.516m (2023, 2 contracts, with less than 6 months to expiry, with a gross contract value of £360.439m). The Fund does not expect any losses from non-performance by any of its counterparties in relation to these contracts. The investment asset in Note 12 associated with these forward currency contracts, which is the difference between the Sterling value the Fund has contracted to receive on expiry of the contracts and is what would theoretically have been receivable based on the exchange rate at the year end, is £0.009m (31 March 2023, £0.988m investment asset).

Other financial assets – Bonds mainly include investments in UK and US Government securities and certain corporate bond funds. The Fund does not expect any losses from non-performance by any of its counterparties in relation to these financial assets.

Market prices generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of the financial assets as they are marked to market. The market value of financial assets represents the Fund's exposure to credit risk in relation to those assets.

The selection of high-quality counterparties, brokers and financial institutions minimises credit risk that may occur during settlement of transactions.

Liquidity risk

The Fund continues to be cash flow positive, with combined contributions and investment income exceeding benefit payments. There is, therefore, no present requirement to realise assets in order to meet liabilities to pay benefits, as these are more than covered by contributions and investment income, and there is net cash available for investment. The Fund does, however, sell investments from time to time as part of normal investment management activities.

The majority of the Fund's investments are readily marketable and may be easily realised, if required. Emphasis is placed on treasury deposits of up to 6 months' duration to ensure that longer term investment strategy is not compromised by lack of liquidity. Listed equities may also be liquidated at short notice, normally 2 working days. Holdings of investments which may be less easy to realise are limited. In 2022-23 and 2023-24, Pensions and Investments Committee guidelines limited investments in Property to 12%, Multi Asset Credit to 8%, Infrastructure to 13% and Private Equity to 6%. On 1 April 2024 these limits were increased as follows: Property to 12.5% (increasing to 13.0% on 1 April 2025), Multi Asset Credit to 8.5% (increasing to 9.0% on 1 April 2025), Infrastructure to 14.5% (increasing to 16.0% on 1 April 2025) and Private Equity to 8.0%.

Sufficient funds are retained on instant access accounts to ensure that payment of benefits and the settlement of investment transactions can be made without the need to borrow.

The Fund manages its liquidity position using a comprehensive cash flow management system, as required by the CIPFA Code of Practice.

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Maturity analysis for liabilities at the year-end:

- There were no financial liabilities within the portfolio at the year-end other than those that arose from the trading of investments. Such liabilities fall due within 12 months of the year end.
- There were no derivative financial liabilities held at the year-end in respect of the currency hedging contracts referred to above (2023, nil).

Market risk

The Fund is exposed to market risk because it is inherent in the investments the Fund makes. It can result from changes in such measures as interest and exchange rates and changes in prices due to factors other than these. This risk cannot be eliminated but it can be reduced. The sensitivity analysis for each of these risks are in the subsequent sections below.

The objective of market risk management is to manage and control market risk exposure to within acceptable parameters, whilst optimising the return on risk. Excessive volatility in market risk is managed through diversification. Risk reduction arises from the different investments not being perfectly correlated.

The Fund has applied diversification at various levels; that is, diversification between countries, asset classes, sectors and individual securities. Diversification reduces both the upside and downside potential and allows for more consistent performance under a wide range of economic conditions.

Risk of exposure to specific markets is limited by adhering to defined ranges within the asset allocation guidelines, which are monitored and reviewed by the Committee on a quarterly basis.

Interest rate risk – This risk primarily impacts on the valuation of the Fund’s bond holdings, in particular the Fund’s sovereign bond, non-Government investment grade bonds and diversified multi-asset credit portfolios. Interest rate sensitivity can be estimated by multiplying an assumed change in the prevailing market interest rate by the portfolio benchmark duration. The table below shows the estimated impact of a ± 100 basis points (± 100 bps) in the prevailing market interest rate for these assets.

	Value at 31 Mar 2024	Benchmark duration	Change in prevailing market	Effect -100bps	Effect +100bps
	£m	Years	interest rate	£m	£m
Asset type					
Conventional gilts	324.879	8.53	± 100 bps	27.712	(27.712)
Index-linked bonds	343.600	15.47	± 100 bps	53.155	(53.155)
Non-Government investment grade bonds	365.851	7.15	± 100 bps	26.158	(26.158)
Short dated investment grade bonds	51.016	2.77	± 100 bps	1.413	(1.413)
Diversified multi-asset credit funds	259.452	1.09	± 100 bps	2.815	(2.815)
Total change in asset values	1,344.798			111.253	(111.253)

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

The position at 31 March 2023 was:

	Value at 31 Mar 2023	Benchmark duration	Change in prevailing market	Effect -100bps	Effect +100bps
	£m	Years	interest rate	£m	£m
Asset type					
Conventional gilts	282.771	9.23	±100bps	26.100	(26.100)
Index-linked bonds	291.383	16.99	±100bps	49.506	(49.506)
Non-Government investment grade bonds	337.078	6.67	±100bps	22.483	(22.483)
Short dated investment grade bonds	47.589	2.67	±100bps	1.270	(1.270)
Diversified multi-asset credit funds	231.352	1.00	±100bps	2.314	(2.314)
Total change in asset values	1,190.173			101.673	(101.673)

A 100 basis points increase in the prevailing market interest rate would reduce the aggregate value of the identified assets by an estimated £111.253m (2023, £101.673m), whereas a 100 basis points reduction in the prevailing market interest rate would increase the aggregate value of the identified assets by a comparable amount. It should also be noted that both non-Government investment grade bonds and diversified multi-asset credit funds are also sensitive to changes in the interest rate spread, which is the interest rate received relative to sovereign bonds, which can either increase (reducing asset values) or reduce (increasing asset values).

The duration in respect of the Fund's private debt assets, together with cash, is not significant.

The Fund has a number of strategies for managing interest rate risk. Interest rates and the durations of the bond portfolios are monitored during the year, by the Fund's in-house and external managers. Within the annual Treasury Management Strategy, maximum limits are set for fixed and variable interest rate exposure. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, subject to liquidity requirements.

Other price risk – Other price risk originates from factors specific to the individual instrument or to its issuer, or from factors affecting all instruments in the market.

The Fund manages price risk by holding fixed interest bonds, index-linked stocks and property and by holding a diversified equity portfolio spread geographically, across market sectors and across investments. Contracts specify the level of risk to be taken by the external Fund managers investing in overseas equities. These external managers are monitored by in-house managers.

A Fund specific benchmark has been drawn up, which is designed to meet the Fund's performance requirements for the level of risk agreed by the Committee. Economic background, asset allocation, recent transactions, investment strategy and performance are monitored by the Committee on a quarterly basis.

The impact of current global economic conditions on investment values is considered in Note 5.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

The table below quantifies the level of price risk that the Fund's investment assets and liabilities at 31 March 2024 are potentially exposed to. Potential price changes are determined based on the observed historical volatility of asset class returns, for example, 'riskier' assets such as equities display greater potential volatility than bonds. The potential volatilities are consistent with a one standard deviation movement in the change in value of the assets over the last 3 years. The volatility shown for total investment assets and liabilities in both tables below incorporates the impact of correlation across asset classes, which dampens volatility, therefore the value on increase/decrease figures of the asset classes will not sum to the total assets figure.

	Value at 31 Mar 2024		Value on increase	Value on decrease
	£m	%	£m	£m
Underlying asset type				
Government bonds - Short Term	115.992	2.0	118.312	113.672
Government bonds - Medium Term	125.265	5.8	132.530	118.000
Government bonds - Long Term	83.632	7.2	89.654	77.610
Government index-linked bonds - Short Term	58.868	4.1	61.282	56.454
Government index-linked bonds - Medium Term	102.028	7.1	109.272	94.784
Government index-linked bonds - Long Term	182.704	8.4	198.051	167.357
Corporate bonds	417.552	7.0	446.781	388.323
UK equities	758.042	16.0	879.329	636.755
Overseas equities	2,238.274	16.7	2,612.066	1,864.482
Emerging market equities	291.175	23.0	358.145	224.205
Private equities	325.456	31.2	426.998	223.914
Infrastructure	652.350	13.6	741.070	563.630
Multi asset credit	466.294	7.1	499.401	433.187
Cash	147.077	0.3	147.518	146.636
Other investment balances	36.116	0.0	36.116	36.116
Properties (non-financial instruments)	446.009	15.6	515.586	376.432
Total investment assets and liabilities	6,446.834	10.5	7,132.752	5,769.916

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

The position at 31 March 2023 was:

	Value at 31 Mar 2023		Value on increase	Value on decrease
	£m	%	£m	£m
Underlying asset type				
UK Government bonds	240.065	10.24	264.648	215.482
UK index-linked bonds	236.494	13.18	267.664	205.324
Corporate bonds	385.352	9.41	421.614	349.090
Overseas index-linked bonds	54.889	11.13	60.998	48.780
Overseas bonds	43.694	4.37	45.603	41.785
UK equities	901.820	12.74	1,016.712	786.928
Overseas equities	2,115.346	12.64	2,382.726	1,847.966
Private equity	291.908	7.35	313.363	270.453
Infrastructure	641.383	3.31	662.613	620.153
Multi asset credit	421.996	3.67	437.483	406.509
Cash	93.917	0.56	94.443	93.391
Other investment balances	4.434	0.00	4.434	4.434
Properties (non-financial instruments)	466.692	6.20	495.627	437.757
Total investment assets and liabilities	5,897.990	7.67	6,350.366	5,445.614

Currency risk – The Fund is exposed to currency risk through its unhedged overseas currency denominated investment assets. Except for overseas sovereign bonds, infrastructure, multi-asset credit and indirect property investments, the Fund's exposure to overseas currency risk is not hedged. If Sterling weakens, this currency exposure will make a positive contribution to the Fund's performance in Sterling terms.

The table below quantifies the level of currency risk that the Fund's overseas currency denominated investment assets at 31 March 2024 are potentially exposed to. For the categories of assets where there are investments denominated in overseas currencies, the potential aggregate currency exposure within the Fund at 31 March 2024 is determined using a currency "basket" based on that asset category's currency mix at that date. The weight of each currency multiplied by the change in its exchange rate relative to Sterling is summed to create the aggregate currency change of the basket. As currency risk on the hedged assets is managed using forward currency contracts, the currency risk on these assets is nil, and this is shown as 0.0% below. The outcomes are then applied to all overseas currency denominated assets.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

	Value at 31 Mar 2024	Change	Value on increase	Value on decrease
	£m	%	£m	£m
Underlying asset type				
Overseas index-linked bonds	76.913	0.0	76.913	76.913
Overseas bonds	20.983	0.0	20.983	20.983
Overseas equities	2,238.274	9.3	2,446.433	2,030.115
Overseas private equities	109.471	8.8	119.104	99.838
Overseas infrastructure	226.419	0.0	226.419	226.419
Overseas multi asset credit	69.743	0.0	69.743	69.743
Overseas properties (funds)	45.043	0.0	45.043	45.043
Overseas investment assets	2,786.846	7.8	3,004.639	2,569.053

The position at 31 March 2023 was:

	Value at 31 Mar 2023	Change	Value on increase	Value on decrease
	£m	%	£m	£m
Underlying asset type				
Overseas index-linked bonds	54.889	0.0	54.889	54.889
Overseas bonds	43.694	0.0	43.694	43.694
Overseas equities	2,115.346	7.28	2,269.343	1,961.349
Overseas private equities	107.600	7.32	115.476	99.724
Overseas infrastructure	189.097	0.0	189.097	189.097
Overseas multi asset credit	86.854	0.0	86.854	86.854
Overseas cash	1.436	8.86	1.563	1.309
Overseas properties (funds)	51.479	0.0	51.479	51.479
Overseas investment assets	2,650.395	6.02	2,809.949	2,490.841

20. Actuarial Present Value of Promised Retirement Benefits

Below is an extract from the Report of the Actuary, showing the actuarial present value of the Fund's promised retirement benefits, required by the Code. If an actuarial valuation has not been prepared at the date of the financial statements, IAS 26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation is carried out using assumptions in line with IAS 19 and not the Fund's funding assumptions.

"The promised retirement benefits at 31 March 2024 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

The figures below include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, I have not made any allowance for unfunded benefits.

	31 Mar 2023	31 Mar 2024
	£m	£m
Active members	2,358.000	2,508.000
Deferred members	1,005.000	992.000
Pensioners	2,445.000	2,384.000
Present Value of Promised Retirement Benefits	5,808.000	5,884.000

It should be noted the above figures are appropriate for the Administering Authority only for the preparation of the Pension Fund accounts. They should not be used for any other purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

Assumptions

The assumptions used are those adopted for the Administering Authority's IAS 19 report and are different as at 31 March 2024 and 31 March 2023. I estimate that the impact of the change in financial assumptions to 31 March 2024 is to decrease the actuarial present value by £323m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £39m.

Financial assumptions

	31 Mar 2023	31 Mar 2024
Year ended (% p.a.)	%	%
Pension Increase Rate (CPI)	2.95	2.75
Salary Increase Rate	3.95	3.75
Discount Rate	4.75	4.85

Demographic assumptions

The longevity assumptions have changed since the previous IAS 26 disclosure for the Fund. Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	20.8 years	23.8 years
Future Pensioners*	21.6 years	25.3 years

*Future pensioners are assumed to be aged 45 at the latest funding valuation of the Fund.

All other demographic assumptions are unchanged from last year and are as per the latest funding valuation of the Fund.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

Sensitivity Analysis

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Change in assumption at 31 March 2024	Approximate increase to promised retirement benefits %	Approximate monetary amount £m
<i>0.1% p.a. decrease in the Discount rate</i>	2%	107
<i>1 year increase in member life expectancy</i>	4%	235
<i>0.1% p.a. increase in the Salary Increase Rate</i>	0%	6
<i>0.1% p.a. increase in the Pension Increase Rate (CPI)</i>	2%	109

Richard Warden FFA

11 April 2024

For and on behalf of Hymans Robertson LLP

The actuarial present value of promised retirement benefits in the Report from the Actuary above is £5,884.000m at 31 March 2024 (31 March 2023, £5,808.000m), compared to the net assets available for benefits at that date of £6,464.170m (31 March 2023, £5,930.668m).

21. Participating Employers

The participating employers with active members in the Fund are Derbyshire County Council (which is also the Administering Authority), Derby City Council (Unitary Authority), District Councils (which are Scheduled Bodies) and further Scheduled Bodies and Admission Bodies.

Contributions and benefits, by participating employer type, in respect of the year, are as follows:

	2022-2023		2023-2024	
	Benefits	Contribution	Benefits	Contribution
	£m	£m	£m	£m
Derbyshire County Council	91.040	75.686	102.156	80.291
Scheduled Bodies	97.062	121.502	112.820	139.993
Admission Bodies	7.308	5.580	9.375	6.523
	195.410	202.768	224.351	226.807

22. Subsequent Events

There were no significant events between the net assets statement date and the approval of these financial statements which would require disclosure or adjustment of the statements.

Independent auditor's statement to the members of Derbyshire County Council on the pension fund financial statements included within the Derbyshire Pension Fund annual report

Report on the financial statements

We have examined the Pension Fund financial statements for the year ended 31 March 2024 included within the Derbyshire Pension Fund annual report, which comprise the Fund Account, the Net Assets Statement and the notes to the financial statements, including material accounting policy information.

Opinion

In our opinion, the Pension Fund financial statements are consistent with the audited financial statements of Derbyshire County Council for the year ended 31 March 2024 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Respective responsibilities of the Director of Finance and the auditor

As explained more fully in the Statement of the Director of Finance Responsibilities, the Director of Finance is responsible for the preparation of the Pension Fund's financial statements in accordance with applicable United Kingdom law.

Our responsibility is to report to the Members of Derbyshire County Council as a body, whether the Pension Fund financial statements within the Pension Fund annual report are consistent with the financial statements of Derbyshire County Council.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the Pension Fund financial statements contained within the audited financial statements of Derbyshire County Council describes the basis of our opinions on the financial statements.

AUDITOR'S OPINION – PENSION FUND ACCOUNTS

Use of this auditor's statement

This report is made solely to the members of Derbyshire County Council, as a body and as administering authority for the Derbyshire Pension Fund, in accordance with Part 5 paragraph 20(5) of the Local Audit and Accountability Act 2014. Our work has been undertaken so that we might state to the members of Derbyshire County Council those matters we are required to state to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Derbyshire County Council and Derbyshire County Council's members as a body, for our audit work, for this statement, or for the opinions we have formed.



Alastair Newall, Key Audit Partner
For and on behalf of Forvis Mazars LLP

One St Peter's Square,

Manchester

M2 3DE

28 February 2025

Appendix 1: Risk register

Key Risk	Comments and mitigation
<p>Systems failure/Lack of disaster recovery plan/Cybercrime attack & Insufficient cyber-liability insurance relating to the pensions administration system</p>	<p>Pension schemes hold large amounts of personal data and assets which can make them a target for cybercrime attacks. The trusted public profile of pension funds also makes them vulnerable to reputational damage.</p> <p>Robust procedures are in place for accessing the systems used by the Fund and the Pension Fund's Business Continuity Plan includes the Business Continuity Policy and Business Continuity Incident Management Plan of Aquila Heywood (the provider of the Fund's pension administration system, Altair).</p> <p>Detailed Data Management Procedures have been developed for the Fund which set out why members' data needs to be protected, how it should be protected (including a section on protecting against cybercrime) and what to do when things go wrong.</p> <p>The Fund's data mapping project is continuing to map and document the Fund's data to ensure that it is understood where it is held, on what systems, how it is combined and how, and where, it moves; the related activities are being risk assessed as part of this process and a review of the information security arrangements of relevant suppliers to the Fund is being undertaken.</p> <p>The contract with Aquila Heywood limits a cyber liability claim to a specified limit, unless a claim is based on an event caused by the contractor performing its services in a negligent manner. Separately, the Pension Fund is included in the Council's self-insurance arrangements with respect to managing cyber security risks.</p> <p>Derbyshire County Council's interim Assistant Director of ICT, attended the meeting of the Pension Board in February 2024 to provide an update on the planned changes to the delivery of the Council's ICT services, including changes to the compliance and security functions and the Head of Pension Fund has had an introductory meeting the Council's new Director of Digital.</p>
<p>Fund assets insufficient to meet liabilities</p>	<p>There is a risk for any pension fund that assets may be insufficient to meet liabilities; funding levels fluctuate from one valuation to the next, principally reflecting external risks around both market returns, and the discount rate used to value the Fund's liabilities. Every 3 years, the Fund undertakes an actuarial valuation to determine the expected cost of providing the benefits built up by members at the valuation date in today's terms (the liabilities) compared to the funds held by the Pension Fund (the assets), and to determine employer contribution rates.</p> <p>At the last formal actuarial valuation at the end of March 2022, the funding level of the Pension Fund was 100%. This was an improvement on the funding level of 97% at the formal valuation at the end of March 2019. This improvement was consistent with the gradual increase in the Fund's funding level over the last decade from 82.5% at the end of March 2013 to 100% at the end of March 2022.</p>

	<p>As part of the valuation exercise, the Pension Fund’s Funding Strategy Statement (FSS) is reviewed, to ensure that an appropriate funding strategy and investment strategy are in place. The FSS sets out the funding policies adopted, the actuarial assumptions used, and the time horizons considered for each category of employer. The method of setting contribution rates for different categories of employers for the 3 years from 1 April 2023 was agreed and confirmed by Committee in March 2023.</p> <p>Whilst the Fund has a significant proportion of its assets in growth assets, the last 2 reviews of the Strategic Asset Allocation Benchmark (SAAB) have introduced a lower exposure to growth assets and a higher exposure to income assets with the aim of protecting the improvement in the Fund’s funding position.</p> <p>The SAAB was reviewed again in the final quarter of 2023, and in March 2024 Committee approved an updated SAAB as part of an updated Investment Strategy Statement. This included a further 5% switch from growth assets to income assets, reflecting the continued improvement in the Fund’s funding position, whilst acknowledging that the Fund remains open to new members and continues to accrue additional future pension liabilities.</p>
<p>LGPS Central Limited related underperformance of investment returns</p>	<p>The Fund is expected to transition the management of a large proportion of its investment assets to LGPSC, the operating company of the LGPS Central Pool (the Pool), over the next few years. The Fund has so far transitioned around 11% of its assets into LGPSC active products and a further 6% into an LGPSC enhanced passive product, with 2% of the Fund’s assets committed to LGPSC private markets’ vehicles. By March 2025, the Fund is forecast to have transitioned around 40% of its assets into LGPSC products.</p> <p>The performance of LGPSC’s active funds against their benchmarks has been mixed since the company launched its first investment products in April 2018. There is a risk that the investment returns delivered by the company will not meet the investment return targets against the specified benchmarks.</p> <p>The Fund continues to take a role in the development of LGPSC and has input into the design and development of the company’s product offering to try to ensure that it will allow the Fund to implement its investment strategy. The company’s manager selection process is scrutinised by the Pool’s Partner Funds and the Fund will continue to carry out its own due diligence on selected managers as confidence is built in the company’s manager selection skills.</p> <p>The performance of LGPSC investment vehicles is monitored and reviewed jointly by the Partner Funds under the Investment Working Group (a sub-group of the Partner Funds’ Practitioners’ Advisory Forum) and by the Pool’s Joint Committee.</p> <p>The Fund is also likely to maintain a large exposure to passive investment vehicles in the long term which will reduce the risk of total portfolio underperformance against the benchmark.</p>
<p>Impact of McCloud Judgement on administration</p>	<p>The McCloud case relates to transitional protections given to scheme members in the judges’ and firefighters’ schemes which were found to be unlawful by the Court of Appeal on the grounds of age discrimination. The final regulations to implement the McCloud remedy in the LGPS, The Local Government Pension Scheme (Amendment) (No. 3) Regulations 2023, were laid on 8 September 2023 and came into force on 1 October 2023.</p>

The remedy involves the extension of the underpin protection given to certain older members of the Scheme when the LGPS benefit structure was reformed in 2014. The underpin gives eligible members the better of the 2014 Scheme CARE (career average revalued earnings) or 2008 final salary benefits for the eligible period of service.

The changes are retrospective, which means that benefits for all qualifying leavers between 1 April 2014 and 31 March 2022 will need to be reviewed to determine whether the extended underpin will produce a higher benefit. Locally, it is estimated that the Fund will need to investigate almost 28,000 in-scope cases.

The uncertainty caused by the McCloud judgement is reflected on the Risk Register under 2 separate risks for clarity, one under Funding & Investments and one under Administration, although the 2 risks are closely linked.

The risk score for the impact of the McCloud judgement on funding was reduced to 6 in October 2023 following publication of the final remedy regulations when the expected remedy was confirmed.

The administration risk relates to the enormous challenge faced by administering authorities and employers in backdating scheme changes over such a significant period and remains a high risk; this risk has been recognised by MHCLG and the LGPS Scheme Advisory Board.

While the Fund continued to require employers to submit information about changes in part-time hours and service breaks post the introduction of the new scheme in April 2014, the collection of information about casual hours was not continued. Employers have been asked to supply any missing data and to retain all relevant employee records. Information supplied to date by employers is currently being collated and uploaded to members' records.

The McCloud functionality which allows new calculations to include the underpin protection calculation was switched on in Altair by the Fund in January 2024 and to date 872 in-scope cases have been processed.

The processing of certain transfers is still currently on hold awaiting the development of additional functionality on the Altair system/temporary manual processes.

The Pension Fund's McCloud Project Board is continuing to oversee the governance of this major project and ongoing training on the implementation of the remedy is being provided to relevant members of the Pension Fund team.

The Fund is continuing to collect any missing data and continuing to keep up to date with information related to the implementation of the McCloud remedy from MHCLG, the LGPS Scheme Advisory Board, the Local Government Association, and from Aquila Heywood, the provider of the Altair pension administration system.

Appendix 2: Myners Principles

Principle	Evidence of compliance
<p>Effective Decision Making</p> <ul style="list-style-type: none"> • Decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implications. • Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive and manage conflicts of interest. 	<ul style="list-style-type: none"> • The Fund has established a Local Pension Board in accordance with the Public Service Pensions Act 2013. • The role of the Pensions and Investments Committee (the Committee) is defined in the Governance Policy & Compliance Statement. • The Committee meets at least 6 times a year to discuss current issues and future policy; tactical asset allocation is discussed on a quarterly basis. • Suitably qualified internal investment managers have been appointed to manage the investments of the Fund and LGPSC, an FCA regulated company, has been established to manage investments on behalf of the LGPS Central Pool Partner Funds. • The Committee takes advice from its independent adviser, the DCC Director of Finance and its Head of Pension Fund. • Members' declarations of interests are made at the commencement of each meeting of the Committee. Members of the Committee, Derbyshire Pension Board, senior officers involved in the governance and management of the Fund, and advisors and suppliers to the Fund, are subject to the Fund's Conflicts of Interest Policy. • A training needs assessment programme has been established, and training is provided both internally and externally. • An annual Pension Fund Service Plan is considered by the Committee.
<p>Clear Objectives</p> <ul style="list-style-type: none"> • An overall investment objective(s) should be set out for the fund that takes account of the scheme's liabilities, the potential impact on local taxpayers, the strength of the covenant for non-local-authority employers and the attitude to risk of both the administering authority and Scheme employers and these should be clearly communicated to advisers and investment managers. 	<ul style="list-style-type: none"> • The Fund's investment strategy objectives aim to maximise the returns from investments within acceptable levels of risk, to contribute to the Fund having sufficient asset to cover accrued benefits and to enable employer contributions to be kept as stable as possible. • The Fund's asset allocation is specifically designed to achieve the Fund's objectives, with tactical asset allocation reviewed quarterly at Committee. In determining the Fund's asset allocation, the Committee consider all asset classes in terms of their suitability and diversification benefits. • The Fund's objective is to generate a return at least equal to the rate assumed in the actuarial valuation. The actuarial valuation on 31 March 2022 was prepared on the basis of a long-term investment return of 3.8%. • Target performance and timescales have been set by the Committee. The managers are required to adopt an active style of management and a flexible approach whilst seeking to contain risks in accordance with agreed parameters. • Contracts for external investment managers specify targets, timescales, and approach. • The Fund's Funding Strategy Statement can be found on the Fund's website.

<p>Risk and Liabilities</p> <ul style="list-style-type: none"> • In setting and reviewing their investment strategy, administering authorities should take account of the form and structure of liabilities. • These include the implications for local taxpayers, the strength of the covenant for participating employers, the risk of their default and longevity risk. 	<ul style="list-style-type: none"> • A description of the risk assessment framework used for potential and existing investments is included in the Investment Strategy Statement. • The Fund maintains a risk register, and this is reviewed by the DCC Director of Finance, Pensions and Investments Committee and Local Pension Board on a regular basis. The risk register identifies the Fund's risk, including an assessment of the potential impact and probability, together with current and proposed mitigation controls and procedures. • Employer covenants are assessed as part of the Fund's Employer Risk Management Framework. • The Fund's 2022 triennial valuation (completed in 2022-2023) reported that the Fund had a funding level of 100% on 31 March 2022.
<p>Performance Assessment</p> <ul style="list-style-type: none"> • Arrangements should be in place for the formal measurement of performance of the investments, investment managers and advisers. • Administering authorities should also periodically make a formal assessment of their own effectiveness as a decision-making body and report on this to Scheme members. 	<ul style="list-style-type: none"> • The Fund's performance is assessed on a quarterly basis, using data provided by a specialist performance measurement organisation. • The Fund's performance is reviewed by the Committee on a quarterly basis, including an independent review by the Fund's external advisor. • The asset class specific benchmarks are reviewed for appropriateness and approved by the Pensions and Investments Committee. • The Local Pension Board also assists the administering authority to ensure the effective and efficient governance and administration of the Scheme.
<p>Responsible Owner</p> <ul style="list-style-type: none"> • Recognise, and ensure that their partners in the investment chain adopt, the FRC's UK Stewardship Code. • Include a statement of their policy on responsible ownership in the Investment Strategy Statement. • Report periodically to Scheme members on the discharge of such responsibilities. 	<ul style="list-style-type: none"> • The Fund has developed a Responsible Investment Framework which sets out the Fund's approach to responsible investment. • The Fund has appointed a third-party voting agency to provide voting services in the UK. Consideration is given to voting alerts from the LAPFF. Voting activity is undertaken in a number of overseas markets where votes are cast by the Fund's external investment manager in accordance with local practice. • The stewardship reports in respect of the Fund's key investment managers are reported on a quarterly basis to the Committee. • The Fund is a participating member of the LAPFF and receives information on environmental, social and governance issues. • The Fund is a participating member of the IIGCC. • The Fund became a signatory to the UK Stewardship Code 2020 in August 2023.
<p>Transparency & Reporting</p> <ul style="list-style-type: none"> • Act in a transparent manner, communicating with stakeholders on issues relating to their management of investment, its governance and risks, including 	<ul style="list-style-type: none"> • The Fund's website contains a link to the non-exempt Pensions and Investments Committee reports and minutes, including performance reports, on DCC's website. • The following are published on the Fund's website: <ul style="list-style-type: none"> ○ Actuarial Valuation Report ○ Pension Administration Strategy ○ Admission, Cessation and Bulk Transfer Policy

<p>performance against stated objectives.</p> <ul style="list-style-type: none"> • Provide regular communication to Scheme members in the form they consider most appropriate. 	<ul style="list-style-type: none"> ○ Climate Strategy ○ Communications Policy ○ Complaints Policy ○ Conflicts of Interest Policy ○ Funding Strategy Statement ○ Governance Policy & Compliance Statement ○ Investment Strategy Statement ○ Pension Fund Annual Report, including the Statement of Accounts ○ Responsible Investment Framework ○ Taskforce for Climate-related Financial Disclosures ○ Treasury Management Strategy
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Appendix 3: Employee and Employer Contributions

Contributions 2023/2024		Employee (EE) Contributions							Employer (ER) Contributions			
Employer number	Employer name	Basic EEs (£)	50/50	Arrears	EEs APC (Main)	EEs APC (50/50)	Additional	TOTAL EMPLOYERS	Deficit Payment	ERs APC Conts	ERs Conts	TOTAL EMPLOYERS
00001	Derbyshire County Council	17,784,156.46	73,581.88	1,094.28	23,114.86	0.00	20,460.98	17,902,408.46	582,000.00	9,466.04	60,642,929.52	61,234,395.56
00040	Peak District National Park	367,302.80	1,272.19	0.00	0.00	0.00	1,021.79	369,596.78	0.00	0.00	1,112,029.03	1,112,029.03
00120	Futures Housing (Amber Valley Housing Ltd)	193,552.63	13,025.85	0.00	0.00	0.00	0.00	206,578.48	95,000.04	0.00	945,323.35	1,040,323.39
00123	Derby Homes Ltd	1,134,601.93	4,412.32	0.00	5,400.00	0.00	0.00	1,144,414.25	0.00	0.00	2,846,282.25	2,846,282.25
00124	EMH Homes	83,660.59	0.00	0.00	0.00	0.00	0.00	83,660.59	0.00	0.00	308,948.29	308,948.29
00126	Ryknelnd Homes	469,258.27	4,033.30	0.00	78.84	0.00	0.00	473,370.41	0.00	157.80	1,276,276.91	1,276,434.71
00128	Platform Housing Limited (Waterloo Housing Group)	17,059.45	0.00	0.00	0.00	0.00	0.00	17,059.45	0.00	0.00	110,785.41	110,785.41
00130	Amber Valley B C	397,298.20	806.93	0.00	336.47	0.00	0.00	398,441.60	631,008.00	672.90	1,327,690.09	1,959,370.99
00131	The District of Bolsover	933,429.69	1,975.53	0.00	13.60	0.00	0.00	935,418.82	262,008.00	27.24	3,022,307.36	3,284,342.60
00132	Chesterfield B C	1,823,019.32	5,090.98	0.00	3,296.04	0.00	0.00	1,831,406.34	726,000.00	0.00	5,855,087.59	6,581,087.59
00133	Derby City Council	7,551,689.21	40,756.69	0.00	25,048.06	0.00	0.00	7,617,493.96	0.00	0.00	24,573,734.54	24,573,734.54
00134	Erewash B C	494,487.68	6,158.01	0.00	0.00	0.00	0.00	500,645.69	502,008.00	0.00	1,602,549.62	2,104,557.62
00135	High Peak BC	332,565.04	1,443.62	0.00	0.00	0.00	2,073.92	336,638.96	1,227,000.00	0.00	1,083,879.88	2,310,879.88
00136	North East Derbyshire DC	815,050.86	2,238.32	0.00	2,066.15	0.00	0.00	819,355.33	901,008.00	499.15	2,652,009.31	3,553,516.46
00137	South Derbyshire DC	724,952.79	3,925.21	0.00	3,384.00	0.00	0.00	732,262.00	159,500.00	0.00	2,270,634.82	2,430,134.82
00138	Derbyshire Dales D C	415,401.90	994.73	0.00	6,000.00	0.00	0.00	422,396.63	192,000.00	0.00	1,332,855.22	1,524,855.22
00139	Chesterfield Crematorium	18,373.00	0.00	0.00	0.00	0.00	0.00	18,373.00	24,000.00	0.00	58,611.99	82,611.99
00144	Shirebrook Town Council	16,574.67	0.00	0.00	0.00	0.00	0.00	16,574.67	0.00	0.00	45,136.09	45,136.09
00145	New Mills Town Council	12,035.34	0.00	0.00	0.00	0.00	0.00	12,035.34	0.00	0.00	38,302.88	38,302.88
00147	Clay Cross Parish Council	1,503.63	0.00	0.00	0.00	0.00	0.00	1,503.63	0.00	0.00	4,988.74	4,988.74

00148	Eckington Parish Council	8,742.32	0.00	0.00	0.00	0.00	0.00	8,742.32	0.00	0.00	27,275.92	27,275.92
00150	Pinxton Parish Council	6,912.81	0.00	0.00	0.00	0.00	0.00	6,912.81	0.00	0.00	22,225.04	22,225.04
00151	Wirksworth Town Council	6,229.65	0.00	0.00	0.00	0.00	0.00	6,229.65	0.00	0.00	20,685.17	20,685.17
00152	Old Bolsover Town Council	17,640.98	0.00	0.00	0.00	0.00	0.00	17,640.98	0.00	0.00	55,167.89	55,167.89
00157	Belper Town Council	14,206.69	0.00	0.00	0.00	0.00	0.00	14,206.69	0.00	0.00	45,332.47	45,332.47
00160	Killamarsh Parish Council	7,466.36	0.00	0.00	0.00	0.00	0.00	7,466.36	0.00	0.00	23,240.82	23,240.82
00161	Burnaston Parish Council	305.88	0.00	0.00	0.00	0.00	0.00	305.88	0.00	0.00	1,100.94	1,100.94
00165	North Wingfield PC	3,930.06	0.00	0.00	0.00	0.00	0.00	3,930.06	0.00	0.00	13,938.58	13,938.58
00171	Ashbourne Town Council	5,239.06	0.00	0.00	0.00	0.00	0.00	5,239.06	0.00	0.00	16,156.88	16,156.88
00172	Dronfield Town Council	10,079.70	0.00	0.00	0.00	0.00	0.00	10,079.70	0.00	0.00	31,808.19	31,808.19
00173	Whitwell Parish Council	8,128.25	0.00	0.00	0.00	0.00	0.00	8,128.25	0.00	0.00	25,870.89	25,870.89
00175	Staveley Town Council	4,922.66	0.00	0.00	0.00	0.00	0.00	4,922.66	0.00	0.00	11,233.01	11,233.01
00178	Matlock Town Council	5,818.58	0.00	0.00	0.00	0.00	0.00	5,818.58	0.00	0.00	27,163.85	27,163.85
00179	Whaley Bridge Town Council	2,839.41	0.00	0.00	0.00	0.00	0.00	2,839.41	0.00	0.00	9,590.15	9,590.15
00186	Alfreton Town Council	3,539.84	0.00	0.00	0.00	0.00	0.00	3,539.84	0.00	0.00	11,418.98	11,418.98
00187	Wingerworth Parish Council	3,418.29	0.00	0.00	0.00	0.00	0.00	3,418.29	0.00	0.00	11,195.54	11,195.54
00188	Heanor + Loscoe TC	2,956.08	0.00	0.00	0.00	0.00	0.00	2,956.08	0.00	0.00	9,464.59	9,464.59
00189	Darley Dale Town Council	791.18	0.00	0.00	0.00	0.00	0.00	791.18	0.00	0.00	3,397.80	3,397.80
00234	Tibshelf Parish Council	6,247.33	0.00	0.00	0.00	0.00	0.00	6,247.33	0.00	0.00	20,649.72	20,649.72
00235	Kilburn Parish Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00236	Codnor Parish Council	990.04	0.00	0.00	0.00	0.00	0.00	990.04	0.00	0.00	3,379.76	3,379.76
00239	Stenson Fields Parish Council	833.38	0.00	0.00	0.00	0.00	0.00	833.38	0.00	0.00	2,999.70	2,999.70
00240	Heath & Holmewood Parish Council	3,732.17	0.00	0.00	0.00	0.00	0.00	3,732.17	0.00	0.00	12,069.13	12,069.13
00241	Bretby Parish Council	139.89	0.00	0.00	0.00	0.00	0.00	139.89	0.00	0.00	503.56	503.56
00242	Breaston Parish Council	2,857.55	0.00	0.00	0.00	0.00	0.00	2,857.55	0.00	0.00	9,034.81	9,034.81
00243	Woodville Parish Council	1,797.17	0.00	0.00	0.00	0.00	0.00	1,797.17	0.00	0.00	6,280.98	6,280.98
00245	Hatton Parish Council	878.75	0.00	0.00	0.00	0.00	0.00	878.75	0.00	0.00	3,163.48	3,163.48
00248	Clowne Parish Council	3,503.00	0.00	0.00	0.00	0.00	0.00	3,503.00	0.00	0.00	10,199.94	10,199.94
00249	South Normanton Parish Council	7,472.50	0.00	0.00	0.00	0.00	0.00	7,472.50	0.00	0.00	22,187.57	22,187.57

00250	Draycott Parish Council	1,610.66	0.00	0.00	0.00	0.00	0.00	1,610.66	0.00	0.00	5,219.23	5,219.23
00251	Blackwell Parish Council	3,240.16	0.00	0.00	0.00	0.00	0.00	3,240.16	0.00	0.00	10,501.70	10,501.70
00252	Repton Parish Council	728.25	0.00	0.00	0.00	0.00	0.00	728.25	0.00	0.00	2,621.76	2,621.76
00253	Somercotes Parish Council	6,423.35	0.00	0.00	0.00	0.00	0.00	6,423.35	0.00	0.00	21,225.05	21,225.05
00254	Chapel-en-le-Frith Parish Council	7,668.66	0.00	0.00	0.00	0.00	0.00	7,668.66	0.00	0.00	25,428.46	25,428.46
00255	Ripley Town Council	4,423.68	1,258.60	0.00	0.00	0.00	0.00	5,682.28	0.00	0.00	21,680.78	21,680.78
00256	Stanley and Stanley Common Parish Council	385.68	0.00	0.00	0.00	0.00	0.00	385.68	0.00	0.00	1,555.94	1,555.94
00401	Derbyshire Police Authority	3,705,345.99	12,620.15	0.00	5,798.60	0.00	0.00	3,723,764.74	0.00	4,904.92	10,279,669.18	10,284,574.10
00403	Derbys Fire & Rescue Service	519,478.86	2,469.87	0.00	0.00	0.00	0.00	521,948.73	0.00	0.00	1,381,456.34	1,381,456.34
00169	University of Derby	2,352,025.11	16,575.92	0.00	2,724.06	0.00	351.64	2,371,676.73	0.00	766.45	7,471,207.02	7,471,973.47
00192	Chesterfield College	409,738.17	1,195.67	0.00	1,800.00	0.00	0.00	412,733.84	181,008.00	0.00	1,208,615.31	1,389,623.31
00198	Derby College	608,647.67	11,021.45	0.00	0.00	0.00	0.00	619,669.12	382,008.00	0.00	1,930,536.12	2,312,544.12
00199	Derby Manufacturing University Technical College	10,010.05	853.86	0.00	0.00	0.00	0.00	10,863.91	0.00	0.00	32,826.43	32,826.43
00336	Ecclesbourne Academy	70,799.60	0.00	0.00	0.00	0.00	0.00	70,799.60	0.00	0.00	278,494.02	278,494.02
00337	Kirk Hallam Academy	73,616.66	0.00	0.00	0.00	0.00	0.00	73,616.66	0.00	0.00	251,050.04	251,050.04
00338	John Port Academy	107,495.83	2,116.56	96.75	0.00	0.00	1,541.12	111,250.26	0.00	102.20	438,135.22	438,237.42
00340	Brookfield Academy	66,554.23	0.00	0.00	0.00	0.00	0.00	66,554.23	0.00	0.00	259,427.31	259,427.31
00341	Long Eaton Academy	60,975.74	0.00	0.00	0.00	0.00	0.00	60,975.74	0.00	0.00	225,936.42	225,936.42
00342	West Park School (Academy)	106,785.11	0.00	0.00	0.00	0.00	0.00	106,785.11	0.00	0.00	421,911.33	421,911.33
00345	Hope Valley College (Academy)	51,980.64	0.00	0.00	0.00	0.00	0.00	51,980.64	0.00	0.00	231,908.32	231,908.32
00347	Pennine Way Junior School (Academy)	31,101.40	0.00	0.00	0.00	0.00	0.00	31,101.40	0.00	0.00	126,362.61	126,362.61
00348	Heanor Gate Science College (Academy)	94,502.55	168.72	0.00	0.00	0.00	0.00	94,671.27	0.00	0.00	381,305.36	381,305.36
00349	Lees Brook Community School (Academy)	90,062.72	0.00	0.00	0.00	0.00	0.00	90,062.72	0.00	0.00	358,926.97	358,926.97
00351	Redhill Primary School (Academy)	15,484.78	0.00	0.00	0.00	0.00	0.00	15,484.78	0.00	0.00	67,842.10	67,842.10
00352	St John Houghton School (Academy)	113,377.25	0.00	0.00	2,370.96	0.00	0.00	115,748.21	0.00	0.00	411,528.52	411,528.52
00353	Woodlands School (Academy)	104,316.96	0.00	0.00	0.00	0.00	0.00	104,316.96	0.00	0.00	408,589.58	408,589.58
00354	Grampian Primary School (Academy)	19,522.48	0.00	0.00	0.00	0.00	0.00	19,522.48	0.00	0.00	74,970.38	74,970.38
00360	St Benedict Voluntary Catholic Academy	106,120.27	0.00	0.00	0.00	0.00	0.00	106,120.27	0.00	0.00	461,969.33	461,969.33
00361	St Mary's Catholic Academy	75,404.09	0.00	0.00	0.00	0.00	0.00	75,404.09	0.00	0.00	296,122.62	296,122.62

00362	St John Fisher Catholic Academy	9,844.20	0.00	0.00	0.00	0.00	0.00	9,844.20	0.00	0.00	41,441.44	41,441.44
00363	St George's Voluntary Academy	30,258.37	0.00	0.00	0.00	0.00	0.00	30,258.37	0.00	0.00	116,882.61	116,882.61
00364	Wyndham Primary Academy	35,518.08	518.51	0.00	0.00	0.00	0.00	36,036.59	0.00	0.00	130,412.14	130,412.14
00365	The Bolsover School Academy	48,203.03	0.00	0.00	0.00	0.00	0.00	48,203.03	0.00	0.00	199,692.33	199,692.33
00366	Landau Forte Moorhead Academy	22,563.50	0.00	0.00	0.00	0.00	0.00	22,563.50	0.00	0.00	88,758.49	88,758.49
00367	Derby Pride Academy	10,568.77	2,000.18	0.00	0.00	0.00	0.00	12,568.95	0.00	0.00	43,921.97	43,921.97
00368	Merrill Academy	72,366.30	0.00	0.00	0.00	0.00	0.00	72,366.30	0.00	0.00	301,788.61	301,788.61
00370	Ormiston Ilkeston Enterprise Academy	79,082.03	0.00	0.00	0.00	0.00	0.00	79,082.03	0.00	0.00	359,829.36	359,829.36
00371	English Martyrs Catholic Academy	21,450.04	0.00	0.00	0.00	0.00	0.00	21,450.04	0.00	0.00	77,938.10	77,938.10
00372	Newbold CofE Primary School	24,888.39	0.00	0.00	0.00	0.00	0.00	24,888.39	0.00	0.00	91,750.19	91,750.19
00373	Bishop Lonsdale CofE Primary School & Nursery	20,399.59	0.00	0.00	0.00	0.00	0.00	20,399.59	0.00	0.00	81,477.14	81,477.14
00374	Zaytouna Primary School	29,487.30	0.00	0.00	990.00	0.00	0.00	30,477.30	0.00	0.00	100,280.99	100,280.99
00376	St Joseph's Catholic Primary School Voluntary Academy	15,657.43	0.00	0.00	0.00	0.00	0.00	15,657.43	0.00	0.00	55,778.92	55,778.92
00377	Dovedale Primary School (Willows Academy Trust)	31,450.65	0.00	0.00	0.00	0.00	0.00	31,450.65	0.00	0.00	114,962.78	114,962.78
00378	Sawley Infant School (Willows Academy Trust)	27,159.02	0.00	0.00	0.00	0.00	0.00	27,159.02	0.00	0.00	108,951.95	108,951.95
00379	Sawley Junior School (Willows Academy Trust)	19,609.49	0.00	0.00	0.00	0.00	0.00	19,609.49	0.00	0.00	72,182.45	72,182.45
00380	Shardlow Primary School (Willows Academy Trust)	7,954.76	0.00	0.00	0.00	0.00	0.00	7,954.76	0.00	0.00	30,006.40	30,006.40
00381	Immaculate Conception Academy Trust	10,977.94	0.00	0.00	0.00	0.00	0.00	10,977.94	0.00	0.00	33,838.47	33,838.47
00382	Allenton Primary	26,192.26	733.42	0.00	0.00	0.00	0.00	26,925.68	0.00	0.00	112,789.22	112,789.22
00383	Outwood Academy Newbold (Newbold Community School)	63,692.84	0.00	0.00	0.00	0.00	0.00	63,692.84	0.00	0.00	249,432.27	249,432.27
00384	Turditch Primary	5,560.19	0.00	0.00	0.00	0.00	0.00	5,560.19	0.00	0.00	23,199.39	23,199.39
00385	William Gilbert Primary	22,116.79	0.00	0.00	0.00	0.00	0.00	22,116.79	0.00	0.00	93,044.88	93,044.88
00386	St Laurence Primary School	12,993.08	0.00	0.00	0.00	0.00	0.00	12,993.08	0.00	0.00	49,027.18	49,027.18
00387	Akaal Academy Trust Derby Limited	14,853.78	0.00	0.00	0.00	0.00	0.00	14,853.78	0.00	0.00	42,624.12	42,624.12
00388	Inkersall Primary Academy	28,883.06	0.00	0.00	0.00	0.00	0.00	28,883.06	0.00	0.00	116,084.96	116,084.96
00389	St Philip Howard Catholic Voluntary Academy	36,171.64	924.41	0.00	0.00	0.00	0.00	37,096.05	0.00	0.00	129,414.77	129,414.77
00390	St Giles CofE Aided Primary School	8,320.91	0.00	0.00	0.00	0.00	0.00	8,320.91	0.00	0.00	34,337.79	34,337.79
00391	Walter Evans Primary School	34,565.45	0.00	108.00	0.00	0.00	0.00	34,673.45	0.00	0.00	128,348.59	128,348.59
00392	Swanwick Hall School	58,117.40	571.34	0.00	0.00	0.00	0.00	58,688.74	0.00	0.00	226,063.68	226,063.68

00395	David Neiper Academy	79,452.34	0.00	0.00	0.00	0.00	0.00	79,452.34	0.00	0.00	273,929.88	273,929.88
00396	Christ Church CoFE Primary School	15,900.81	0.00	0.00	0.00	0.00	0.00	15,900.81	0.00	0.00	60,782.32	60,782.32
00397	Whitecotes School	12,416.55	0.00	0.00	0.00	0.00	0.00	12,416.55	0.00	0.00	44,391.35	44,391.35
00398	Poolsbrook School	8,404.25	0.00	0.00	0.00	0.00	0.00	8,404.25	0.00	0.00	30,689.48	30,689.48
00422	Landau Forte College	138,880.06	393.24	0.00	720.00	0.00	0.00	139,993.30	0.00	0.00	355,781.42	355,781.42
00439	Shirebrook Academy	74,355.09	0.00	0.00	0.00	0.00	0.00	74,355.09	0.00	0.00	292,999.17	292,999.17
00601	Holbrook Primary School	8,813.14	0.00	0.00	0.00	0.00	0.00	8,813.14	0.00	0.00	35,522.92	35,522.92
00602	St Edward's Catholic Academy	18,730.65	0.00	0.00	0.00	0.00	0.00	18,730.65	0.00	0.00	70,764.03	70,764.03
00603	St Joseph's Catholic Primary School - Matlock	15,745.09	0.00	0.00	0.00	0.00	0.00	15,745.09	0.00	0.00	64,078.62	64,078.62
00604	Mary Swanwick Primary	19,533.64	0.00	0.00	0.00	0.00	0.00	19,533.64	0.00	0.00	73,470.47	73,470.47
00605	Brimington Infant School	6,994.74	0.00	0.00	0.00	0.00	0.00	6,994.74	0.00	0.00	26,992.89	26,992.89
00606	Brimington Junior School	21,246.72	0.00	0.00	0.00	0.00	0.00	21,246.72	0.00	0.00	78,698.41	78,698.41
00607	Noel Baker Academy	81,353.83	0.00	0.00	0.00	0.00	0.00	81,353.83	0.00	0.00	320,552.60	320,552.60
00608	All Saints Infant, Matlock	10,048.94	0.00	0.00	0.00	0.00	0.00	10,048.94	0.00	0.00	31,930.52	31,930.52
00609	St Giles Primary (Killamarsh)	25,020.81	0.00	0.00	0.00	0.00	0.00	25,020.81	0.00	0.00	74,574.24	74,574.24
00610	QUEGS MAT	253,725.56	263.31	0.00	0.00	0.00	0.00	253,988.87	0.00	0.00	1,003,410.27	1,003,410.27
00611	Cavendish MAT	129,788.41	521.65	0.00	0.00	0.00	0.00	130,310.06	0.00	0.00	485,972.69	485,972.69
00612	All Saints Junior, Matlock	16,903.36	0.00	0.00	0.00	0.00	0.00	16,903.36	0.00	0.00	56,168.54	56,168.54
00613	Heritage High School	65,758.35	115.74	0.00	0.00	0.00	0.00	65,874.09	0.00	72.00	204,449.71	204,521.71
00614	New Whittington Primary	23,983.46	0.00	0.00	700.00	0.00	0.00	24,683.46	0.00	0.00	71,706.14	71,706.14
00615	Eckington Junior	24,951.12	0.00	0.00	0.00	0.00	0.00	24,951.12	0.00	0.00	70,483.62	70,483.62
00616	Darley Churchtown Primary	5,636.06	0.00	0.00	0.00	0.00	0.00	5,636.06	0.00	0.00	18,512.49	18,512.49
00617	Temple Normanton Primary	6,819.88	0.00	0.00	0.00	0.00	0.00	6,819.88	0.00	0.00	27,339.43	27,339.43
00618	Da Vinci Academy	59,972.79	1,469.91	0.00	0.00	0.00	0.00	61,442.70	0.00	0.00	252,826.99	252,826.99
00619	The Pingle Academy	95,136.33	0.00	0.00	0.00	0.00	0.00	95,136.33	0.00	0.00	319,177.55	319,177.55
00621	Derwent Primary	21,513.26	0.00	0.00	0.00	0.00	0.00	21,513.26	0.00	0.00	74,779.87	74,779.87
00622	Breadsall Hill Top Primary	40,896.74	0.00	0.00	0.00	0.00	0.00	40,896.74	0.00	0.00	150,516.32	150,516.32
00623	Peartree Junior	24,382.77	0.00	0.00	0.00	0.00	0.00	24,382.77	0.00	0.00	100,218.11	100,218.11
00624	Granville Sports College	52,527.40	0.00	0.00	0.00	0.00	0.00	52,527.40	0.00	0.00	142,178.72	142,178.72

00625	St Georges Primary (New Mills)	10,306.84	0.00	0.00	0.00	0.00	0.00	10,306.84	0.00	0.00	35,298.03	35,298.03
00626	Scargill Primary	23,011.02	0.00	0.00	0.00	0.00	0.00	23,011.02	0.00	0.00	80,072.14	80,072.14
00627	Cavendish Close Junior School	23,008.41	746.83	0.00	0.00	0.00	0.00	23,755.24	0.00	0.00	85,942.67	85,942.67
00628	Cloudside Junior	13,410.70	0.00	0.00	0.00	0.00	0.00	13,410.70	0.00	0.00	38,697.37	38,697.37
00629	Somercotes Infant School	10,875.19	0.00	0.00	458.52	0.00	0.00	11,333.71	0.00	0.00	31,261.99	31,261.99
00630	Somerlea Park Junior	12,762.25	0.00	0.00	0.00	0.00	0.00	12,762.25	0.00	0.00	44,367.83	44,367.83
00631	Bolsover CofE Junior	24,338.23	0.00	0.00	0.00	0.00	0.00	24,338.23	0.00	0.00	78,902.32	78,902.32
00632	Frederick Gent	57,468.12	467.30	0.00	0.00	0.00	0.00	57,935.42	0.00	48.00	191,182.76	191,230.76
00633	Firs Estate Primary School	42,444.86	0.00	0.00	0.00	0.00	0.00	42,444.86	0.00	0.00	142,669.67	142,669.67
00634	Hardwick Primary	50,177.85	0.00	0.00	0.00	0.00	0.00	50,177.85	0.00	0.00	169,568.75	169,568.75
00635	Derby Moor Community Sports College	100,396.59	0.00	0.00	0.00	0.00	0.00	100,396.59	0.00	0.00	310,183.99	310,183.99
00636	John King Infant	7,510.23	0.00	0.00	0.00	0.00	0.00	7,510.23	0.00	0.00	25,358.90	25,358.90
00637	Longwood Community Infant	2,717.29	0.00	0.00	0.00	0.00	0.00	2,717.29	0.00	0.00	8,879.07	8,879.07
00639	Kirkstead Junior Academy	14,012.87	0.00	0.00	0.00	0.00	0.00	14,012.87	0.00	0.00	42,755.44	42,755.44
00641	Ironville & Codnor Park Primary	14,083.87	0.00	0.00	0.00	0.00	0.00	14,083.87	0.00	0.00	44,542.62	44,542.62
00644	Chaddesden Park Primary	25,013.28	0.00	0.00	0.00	0.00	0.00	25,013.28	0.00	0.00	99,752.88	99,752.88
00645	Eckington School	64,028.13	1,923.00	0.00	0.00	0.00	0.00	65,951.13	0.00	0.00	216,620.56	216,620.56
00646	Village Primary School	54,383.57	0.00	0.00	0.00	0.00	0.00	54,383.57	0.00	0.00	201,934.40	201,934.40
00648	Ash Croft Primary Academy	5,867.54	0.00	0.00	0.00	0.00	0.00	5,867.54	0.00	0.00	22,090.13	22,090.13
00649	Langwith Bassett Junior Academy	9,050.43	0.00	0.00	0.00	0.00	0.00	9,050.43	0.00	0.00	27,680.17	27,680.17
00650	Friesland School (Academy)	61,606.43	188.25	0.00	0.00	0.00	0.00	61,794.68	0.00	1.99	190,295.08	190,297.07
00651	Esteem Multi Academy Trust (M.A.T)	440,846.11	2,478.30	0.00	231.36	0.00	0.00	443,555.77	0.00	0.00	1,245,066.63	1,245,066.63
00657	All Saints Catholic Voluntary Academy (Glossop)	7,128.11	0.00	0.00	0.00	0.00	0.00	7,128.11	0.00	0.00	21,292.46	21,292.46
00658	Christ the King Catholic Voluntary Academy (Alfreton)	12,475.03	0.00	0.00	0.00	0.00	0.00	12,475.03	0.00	0.00	37,410.07	37,410.07
00659	St Alban's Catholic Voluntary Academy (Derby)	23,513.12	0.00	0.00	0.00	0.00	0.00	23,513.12	0.00	0.00	83,012.63	83,012.63
00660	St Anne's Catholic Voluntary Academy (Buxton)	16,264.23	0.00	0.00	0.00	0.00	0.00	16,264.23	0.00	0.00	56,343.80	56,343.80
00661	St Charles' Catholic Primary Voluntary Academy (Hadfield)	13,969.67	0.00	0.00	0.00	0.00	0.00	13,969.67	0.00	0.00	45,982.70	45,982.70
00662	St Elizabeth's Catholic Voluntary Academy (Belper)	11,472.56	0.00	0.00	0.00	0.00	0.00	11,472.56	0.00	0.00	35,932.40	35,932.40
00663	St Joseph's Catholic Voluntary Academy (Derby)	26,939.91	0.00	0.00	0.00	0.00	0.00	26,939.91	0.00	0.00	93,307.23	93,307.23

00664	St Margaret's Catholic Voluntary Academy (Glossop)	4,056.52	0.00	0.00	0.00	0.00	0.00	4,056.52	0.00	0.00	12,505.48	12,505.48
00665	St Mary's Catholic Voluntary Academy (Derby)	20,101.76	0.00	0.00	0.00	0.00	0.00	20,101.76	0.00	0.00	68,701.04	68,701.04
00667	St Mary's Catholic Voluntary Academy (New Mills)	10,285.04	0.00	0.00	0.00	0.00	0.00	10,285.04	0.00	0.00	29,830.44	29,830.44
00668	St Thomas Catholic Voluntary Academy (Ilkeston)	19,815.45	0.00	0.00	0.00	0.00	0.00	19,815.45	0.00	0.00	62,652.21	62,652.21
00669	St Thomas More Catholic Voluntary Academy (Buxton)	28,793.98	0.00	0.00	0.00	0.00	0.00	28,793.98	0.00	0.00	93,629.76	93,629.76
00670	Derby Cathedral School	58,443.93	0.00	0.00	0.00	0.00	0.00	58,443.93	0.00	0.00	187,211.05	187,211.05
00671	St Mary's Catholic Voluntary Academy (Glossop)	9,075.87	0.00	0.00	0.00	0.00	0.00	9,075.87	0.00	0.00	31,170.19	31,170.19
00672	Alvaston Junior Academy	75,847.48	0.00	0.00	0.00	0.00	0.00	75,847.48	0.00	0.00	281,507.47	281,507.47
00673	Reigate Park Primary Academy	25,873.64	0.00	0.00	0.00	0.00	0.00	25,873.64	0.00	0.00	85,693.60	85,693.60
00674	Cotton Farm Primary Academy	7,696.08	0.00	0.00	0.00	0.00	0.00	7,696.08	0.00	0.00	30,151.58	30,151.58
00675	Hilton Primary School	42,043.37	547.38	0.00	0.00	0.00	0.00	42,590.75	0.00	0.00	135,470.70	135,470.70
00676	Loscoe CofE Primary School and Nursery	17,338.50	0.00	0.00	0.00	0.00	0.00	17,338.50	0.00	0.00	50,346.50	50,346.50
00677	Ashwood Spencer Academy	50,220.15	0.00	0.00	0.00	0.00	0.00	50,220.15	0.00	0.00	178,796.02	178,796.02
00678	Wilsthorpe School	53,917.19	1,477.15	0.00	0.00	0.00	0.00	55,394.34	0.00	48.00	183,866.22	183,914.22
00682	Lakeside Community Primary School	35,221.40	0.00	0.00	0.00	0.00	0.00	35,221.40	0.00	0.00	116,283.21	116,283.21
00684	Walton on Trent CofE Primary and Infant School	15,349.93	0.00	0.00	0.00	0.00	0.00	15,349.93	0.00	0.00	50,334.76	50,334.76
00685	Griffe Field Primary School	31,958.17	0.00	0.00	0.00	0.00	0.00	31,958.17	0.00	0.00	129,729.86	129,729.86
00686	Horsley Woodhouse Primary School	8,861.35	0.00	0.00	0.00	0.00	0.00	8,861.35	0.00	0.00	29,716.09	29,716.09
00687	Kilburn Junior School	14,321.49	0.00	0.00	0.00	0.00	0.00	14,321.49	0.00	0.00	44,847.70	44,847.70
00688	Aldercar Infant School	21,966.92	0.00	0.00	0.00	0.00	0.00	21,966.92	0.00	0.00	73,106.53	73,106.53
00689	Heath Primary School	52,352.59	0.00	0.00	0.00	0.00	0.00	52,352.59	0.00	0.00	130,711.13	130,711.13
00690	Howitt Primary Community School	27,950.44	0.00	0.00	0.00	0.00	0.00	27,950.44	0.00	0.00	93,526.70	93,526.70
00691	Derby St Chads CofE (VC) Nursery and Infant School	12,417.20	0.00	0.00	0.00	0.00	0.00	12,417.20	0.00	0.00	44,747.24	44,747.24
00692	Djanogly Learning Trust	54,659.06	0.00	0.00	0.00	0.00	0.00	54,659.06	0.00	0.00	170,292.63	170,292.63
00693	Arboretum Primary School (Academy)	59,912.79	0.00	0.00	0.00	0.00	0.00	59,912.79	0.00	0.00	204,856.13	204,856.13
00697	Odyssey Trust	208,708.38	961.12	0.00	0.00	0.00	0.00	209,669.50	0.00	0.00	702,447.57	702,447.57
00704	Holme Hall Primary School	9,514.12	0.00	0.00	0.00	0.00	0.00	9,514.12	0.00	0.00	32,946.79	32,946.79
00705	Brookfield Primary School	16,983.45	0.00	0.00	0.00	0.00	0.00	16,983.45	0.00	0.00	68,627.56	68,627.56
00706	Richardson Endowed Primary School	14,445.37	0.00	0.00	0.00	0.00	0.00	14,445.37	0.00	0.00	57,716.76	57,716.76

00707	Woodthorpe CofE Primary School	9,699.11	0.00	0.00	0.00	0.00	0.00	9,699.11	0.00	0.00	34,731.73	34,731.73
00708	Ashgate Croft School	99,521.50	0.00	0.00	0.00	0.00	0.00	99,521.50	0.00	0.00	367,928.48	367,928.48
00709	Old Hall Junior School	14,644.61	0.00	0.00	0.00	0.00	0.00	14,644.61	0.00	0.00	57,647.24	57,647.24
00710	Walton Holymoorside Primary School	16,893.93	0.00	0.00	0.00	0.00	0.00	16,893.93	0.00	0.00	67,297.58	67,297.58
00711	Westfield Infant School	10,380.90	0.00	0.00	0.00	0.00	0.00	10,380.90	0.00	0.00	43,619.66	43,619.66
00713	Brooklands Primary School	27,253.62	0.00	0.00	0.00	0.00	0.00	27,253.62	0.00	0.00	92,966.35	92,966.35
00714	Tupton Primary and Nursery Academy	18,332.79	0.00	0.00	0.00	0.00	0.00	18,332.79	0.00	0.00	68,456.54	68,456.54
00716	Carlyle Infant and Nursery School	14,149.44	0.00	0.00	0.00	0.00	0.00	14,149.44	0.00	0.00	55,026.80	55,026.80
00717	Hodthorpe Primary School	5,800.54	0.00	0.00	0.00	0.00	0.00	5,800.54	0.00	0.00	21,970.13	21,970.13
00719	Longford CofE Primary School	2,203.00	0.00	0.00	0.00	0.00	0.00	2,203.00	0.00	0.00	8,732.63	8,732.63
00722	St Andrew's School	72,752.44	0.00	0.00	0.00	0.00	0.00	72,752.44	0.00	0.00	304,838.48	304,838.48
00723	Church Gresley Infant and Nursery School	22,262.03	0.00	0.00	0.00	0.00	0.00	22,262.03	0.00	0.00	85,104.89	85,104.89
00724	Ravensdale Junior School	24,195.35	190.67	0.00	0.00	0.00	0.00	24,386.02	0.00	0.00	116,534.52	116,534.52
00725	Chellaston Fields	12,130.54	0.00	0.00	0.00	0.00	0.00	12,130.54	0.00	0.00	38,728.43	38,728.43
00726	The Mease At Hilton	13,165.65	0.00	0.00	0.00	0.00	0.00	13,165.65	0.00	0.00	48,955.24	48,955.24
00727	Hackwood Primary Academy	13,167.08	0.00	0.00	0.00	0.00	0.00	13,167.08	0.00	0.00	54,802.88	54,802.88
00728	Ivy House School	63,947.89	0.00	0.00	1,004.16	0.00	0.00	64,952.05	0.00	0.00	272,966.12	272,966.12
00729	Tupton Hall School	72,130.69	0.00	0.00	0.00	0.00	0.00	72,130.69	0.00	0.00	252,030.02	252,030.02
00730	St Werburgh's CofE Primary School	21,821.18	0.00	0.00	0.00	0.00	0.00	21,821.18	0.00	0.00	91,763.07	91,763.07
00731	St Giles' School	62,759.40	212.29	0.00	0.00	0.00	0.00	62,971.69	0.00	0.00	218,887.12	218,887.12
00732	The Green Infant School	5,205.33	0.00	0.00	0.00	0.00	0.00	5,205.33	0.00	0.00	16,566.02	16,566.02
00733	Lawn Primary School	33,076.47	0.00	0.00	0.00	0.00	0.00	33,076.47	0.00	0.00	141,535.59	141,535.59
00734	St Peter's Church of England Aided Junior School	12,420.95	0.00	0.00	0.00	0.00	0.00	12,420.95	0.00	0.00	64,845.48	64,845.48
00735	Springwell Community College	54,245.70	0.00	0.00	0.00	0.00	0.00	54,245.70	0.00	48.00	221,170.64	221,218.64
00736	North Wingfield Primary and Nursery Academy	34,906.47	0.00	0.00	0.00	0.00	0.00	34,906.47	0.00	0.00	123,458.97	123,458.97
00737	Chaucer Junior School	25,967.98	174.06	0.00	0.00	0.00	0.00	26,142.04	0.00	0.00	98,202.06	98,202.06
00739	Chaucer Infant School	21,434.22	0.00	0.00	0.00	0.00	0.00	21,434.22	0.00	0.00	78,335.94	78,335.94
00740	St Martins School	75,537.72	0.00	0.00	0.00	0.00	0.00	75,537.72	0.00	0.00	235,843.73	235,843.73
00741	Whaley Thorns Primary School	12,364.07	0.00	0.00	0.00	0.00	0.00	12,364.07	0.00	0.00	40,236.08	40,236.08

00742	Stubbin Wood School	92,526.89	0.00	0.00	0.00	0.00	0.00	92,526.89	0.00	0.00	287,051.42	287,051.42
00743	Model Village Primary School	21,981.16	0.00	0.00	0.00	0.00	0.00	21,981.16	0.00	0.00	72,595.77	72,595.77
00744	Gamesley Primary School	21,981.16	0.00	0.00	0.00	0.00	0.00	21,981.16	0.00	0.00	103,438.74	103,438.74
00745	Ashbrook Junior School	12,034.89	0.00	0.00	0.00	0.00	0.00	12,034.89	0.00	0.00	51,789.70	51,789.70
00746	Bakewell CofE Infant School	3,290.38	0.00	0.00	0.00	0.00	0.00	3,290.38	0.00	0.00	10,226.92	10,226.92
00747	Bishop Purglove CofE Primary School	8,484.81	0.00	0.00	0.00	0.00	0.00	8,484.81	0.00	0.00	32,225.08	32,225.08
00748	Highfields Spencer Academy	18,055.48	0.00	0.00	0.00	0.00	0.00	18,055.48	0.00	0.00	59,365.43	59,365.43
00749	Hague Bar Primary School	6,521.19	0.00	0.00	0.00	0.00	0.00	6,521.19	0.00	0.00	35,974.15	35,974.15
00750	Glossopdale School	87,208.41	0.00	0.00	0.00	0.00	0.00	87,208.41	0.00	0.00	313,691.31	313,691.31
00751	Field House Infant School	16,080.05	0.00	0.00	0.00	0.00	0.00	16,080.05	0.00	0.00	59,391.57	59,391.57
00752	Ladywood Primary School	29,693.48	0.00	0.00	0.00	0.00	0.00	29,693.48	0.00	0.00	101,659.47	101,659.47
00753	Waingroves Primary School	12,965.56	0.00	0.00	0.00	0.00	0.00	12,965.56	0.00	0.00	46,804.61	46,804.61
00754	St James' CofE Aided Junior School	30,180.38	0.00	0.00	0.00	0.00	0.00	30,180.38	0.00	0.00	104,186.94	104,186.94
00755	Outwood Academy Hasland Hall	68,771.73	794.42	0.00	0.00	0.00	0.00	69,566.15	0.00	0.00	238,645.96	238,645.96
00756	Brackensdale Spencer Academy	63,737.81	0.00	0.00	0.00	0.00	0.00	63,737.81	0.00	0.00	206,011.26	206,011.26
00758	Hollingwood Primary School	26,937.15	0.00	0.00	0.00	0.00	0.00	26,937.15	0.00	0.00	86,588.53	86,588.53
00759	Castleward Spencer Academy	8,867.28	0.00	0.00	0.00	0.00	0.00	8,867.28	0.00	0.00	32,107.54	32,107.54
00760	Clover Leys Spencer Academy	6,656.06	0.00	0.00	0.00	0.00	0.00	6,656.06	0.00	0.00	22,761.58	22,761.58
00762	Riddings Junior School	23,979.21	0.00	0.00	0.00	0.00	0.00	23,979.21	0.00	0.00	83,405.27	83,405.27
00763	William Rhodes Primary and Nursery School	24,439.69	0.00	0.00	0.00	0.00	0.00	24,439.69	0.00	0.00	78,766.11	78,766.11
00764	St Georges CofE Primary (Church Gresley)	13,613.16	0.00	0.00	0.00	0.00	0.00	13,613.16	0.00	0.00	52,538.29	52,538.29
00765	Sale and Davys Church of England Primary School	4,774.33	0.00	0.00	0.00	0.00	0.00	4,774.33	0.00	0.00	18,831.72	18,831.72
00766	T.E.A.M. Education Trust (Trust only)	28,785.10	0.00	0.00	0.00	0.00	0.00	28,785.10	0.00	0.00	91,125.82	91,125.82
00767	William Allitt School	44,243.93	0.00	0.00	0.00	0.00	0.00	44,243.93	0.00	0.00	163,751.86	163,751.86
00768	Derby Diocesan Academy Trust	81,445.32	0.00	0.00	0.00	0.00	0.00	81,445.32	0.00	0.00	207,860.11	207,860.11
00769	Aldercar High School	64,162.32	0.00	0.00	0.00	0.00	0.00	64,162.32	0.00	0.00	242,173.09	242,173.09
00771	Parkside Community School	57,137.90	534.51	0.00	0.00	0.00	0.00	57,672.41	0.00	0.00	219,280.53	219,280.53
00772	Scarcliffe Primary School	8,444.27	0.00	0.00	0.00	0.00	0.00	8,444.27	0.00	0.00	33,013.43	33,013.43
00773	Buxton Community School	72,956.49	0.00	0.00	0.00	0.00	0.00	72,956.49	0.00	0.00	268,239.27	268,239.27

00774	Anthony Gell School	47,704.64	0.00	0.00	0.00	0.00	0.00	47,704.64	0.00	0.00	178,915.96	178,915.96
00775	Three Trees CofE Junior Academy	15,430.40	0.00	0.00	0.00	0.00	0.00	15,430.40	0.00	0.00	59,814.39	59,814.39
00776	Three Trees Infant School	12,649.91	0.00	0.00	0.00	0.00	0.00	12,649.91	0.00	0.00	49,072.17	49,072.17
00777	Oak Grange Primary School	2,149.07	0.00	0.00	0.00	0.00	0.00	2,149.07	0.00	0.00	8,361.74	8,361.74
00778	Stonebroom Primary and Nursery School	9,727.30	0.00	0.00	0.00	0.00	0.00	9,727.30	0.00	0.00	36,500.01	36,500.01
00779	Long Lane CofE Primary School	1,002.89	0.00	0.00	0.00	0.00	0.00	1,002.89	0.00	0.00	4,011.88	4,011.88
00780	Marston Montgomery Primary School	1,269.97	0.00	0.00	0.00	0.00	0.00	1,269.97	0.00	0.00	5,080.09	5,080.09
00781	Bradwell Junior School	1,336.68	0.00	0.00	0.00	0.00	0.00	1,336.68	0.00	0.00	5,198.32	5,198.32
00782	Bakewell Methodist Academy	1,217.71	0.00	0.00	0.00	0.00	0.00	1,217.71	0.00	0.00	4,732.91	4,732.91
00783	Stanley Common CofE Primary School	431.98	0.00	0.00	0.00	0.00	0.00	431.98	0.00	0.00	1,708.49	1,708.49
00170	Crich Tramway Museum Society	3,682.46	0.00	0.00	0.00	0.00	0.00	3,682.46	0.00	0.00	21,692.21	21,692.21
00184	Chesterfield Care Group	5,806.64	0.00	0.00	0.00	0.00	0.00	5,806.64	0.00	0.00	3,188.56	3,188.56
00185	Belper Leisure Centre Ltd	9,440.18	0.00	0.00	0.00	0.00	0.00	9,440.18	0.00	0.00	11,418.17	11,418.17
00404	Derbys Student Residences Ltd	57,541.97	0.00	0.00	0.00	0.00	0.00	57,541.97	0.00	0.00	227,066.98	227,066.98
00414	Veloia (C'field Refuse)	6,509.36	0.00	0.00	0.00	0.00	0.00	6,509.36	0.00	0.00	5,450.98	5,450.98
00416	Vinci (ex Norwest Holst) PLC	1,572.97	0.00	0.00	0.00	0.00	0.00	1,572.97	0.00	0.00	2,576.40	2,576.40
00418	Interserve Integrated Services	582.66	0.00	0.00	0.00	0.00	0.00	582.66	0.00	0.00	8,993.55	8,993.55
00420	DC Leisure Management Ltd (AV)	11,749.77	0.00	0.00	0.00	0.00	0.00	11,749.77	0.00	0.00	27,783.21	27,783.21
00424	Balfour Beatty	2,331.00	0.00	0.00	0.00	0.00	0.00	2,331.00	0.00	0.00	1,793.05	1,793.05
00425	Macintyre Care	3,473.95	0.00	0.00	0.00	0.00	0.00	3,473.95	0.00	0.00	0.00	0.00
00443	Mitie	5,286.81	0.00	0.00	0.00	0.00	0.00	5,286.81	0.00	0.00	15,464.96	15,464.96
00444	Compass (DCC)	630.05	0.00	0.00	0.00	0.00	0.00	630.05	0.00	0.00	3,459.94	3,459.94
00446	Active Nation	113.47	0.00	0.00	0.00	0.00	0.00	113.47	0.00	0.00	408.48	408.48
00451	Compass Ltd (City)	654.83	0.00	0.00	0.00	0.00	0.00	654.83	0.00	0.00	2,507.51	2,507.51
00453	Cleanslate (UK) Ltd (Pottery)	686.70	0.00	0.00	0.00	0.00	0.00	686.70	0.00	0.00	4,894.39	4,894.39
00457	Derby Museums and Arts Trust	20,374.16	0.00	0.00	0.00	0.00	0.00	20,374.16	66,000.00	0.00	120,226.09	186,226.09
00460	Balfour Beatty (Derby BSF)	2,761.44	0.00	0.00	0.00	0.00	0.00	2,761.44	0.00	0.00	8,837.97	8,837.97
00468	Aspens Services Ltd	740.43	0.00	0.00	0.00	0.00	0.00	740.43	0.00	0.00	3,473.41	3,473.41
00471	NSL Ltd	2,416.40	0.00	0.00	0.00	0.00	0.00	2,416.40	0.00	0.00	6,994.44	6,994.44

00482	Derbyshire Building Control	59,139.24	0.00	0.00	0.00	0.00	0.00	59,139.24	0.00	0.00	243,565.37	243,565.37
00483	Amber Valley School Sports Partnership	3,053.51	0.00	0.00	0.00	0.00	0.00	3,053.51	0.00	0.00	10,224.36	10,224.36
00485	Alliance Environmental Services Ltd	77,886.29	0.00	0.00	0.00	0.00	0.00	77,886.29	0.00	0.00	257,795.18	257,795.18
00493	Wealden Leisure Ltd (Freedom Leisure)	22,615.63	0.00	0.00	0.00	0.00	0.00	22,615.63	0.00	0.00	81,244.02	81,244.02
00499	Legacy Leisure Ltd (Parkwood Leisure) Erewash	18,507.10	0.00	0.00	0.00	0.00	0.00	18,507.10	0.00	0.00	71,389.78	71,389.78
00500	Caterlink Ltd (De Ferrers Trust)	2,833.31	0.00	0.00	0.00	0.00	0.00	2,833.31	0.00	0.00	16,479.78	16,479.78
00502	Caterlink Ltd (Cavendish Learning Trust)	3,896.30	0.00	0.00	0.00	0.00	0.00	3,896.30	0.00	0.00	10,454.19	10,454.19
00503	Parkwood Leisure Ltd (Buxton Pavilion)	1,165.52	0.00	0.00	0.00	0.00	0.00	1,165.52	0.00	0.00	1,482.81	1,482.81
00504	Lex Leisure CIC (HP)	14,845.32	0.00	0.00	0.00	0.00	0.00	14,845.32	0.00	0.00	39,886.18	39,886.18
00505	Accuro FM Ltd	316.39	0.00	0.00	0.00	0.00	0.00	316.39	0.00	0.00	1,581.77	1,581.77
00506	Churchill (Hilton School)	542.55	0.00	0.00	0.00	0.00	0.00	542.55	0.00	0.00	4,399.63	4,399.63
00507	Aspens Services Ltd (Kirk Hallam)	3,865.93	0.00	0.00	0.00	0.00	0.00	3,865.93	0.00	0.00	16,221.28	16,221.28
00508	Mellors Catering (Two Counties)	670.18	0.00	0.00	0.00	0.00	0.00	670.18	0.00	0.00	4,792.02	4,792.02
00510	Churchill (Spencer Academy Trust)	3,168.57	0.00	0.00	0.00	0.00	0.00	3,168.57	0.00	0.00	25,694.23	25,694.23
00511	Caterlink (Parkwood & Redwood)	705.42	0.00	0.00	0.00	0.00	0.00	705.42	0.00	0.00	6,536.50	6,536.50
00512	Amber Valley Norse (AVBC)	14,992.49	0.00	0.00	0.00	0.00	0.00	14,992.49	0.00	0.00	68,723.04	68,723.04
00513	Churchill Services (Kirk Hallam)	2,235.13	0.00	0.00	0.00	0.00	0.00	2,235.13	0.00	0.00	13,085.72	13,085.72
00514	Mellors Catering (Shirebrook & Stubbin Wood)	945.94	0.00	0.00	0.00	0.00	0.00	945.94	0.00	0.00	4,660.87	4,660.87
00515	Vertas Derbyshire Ltd	205,615.47	397.73	0.00	0.00	0.00	0.00	206,013.20	0.00	0.00	773,793.13	773,793.13
00516	Concertus Derbyshire Ltd	34,776.87	0.00	0.00	6,700.00	0.00	0.00	41,476.87	0.00	0.00	113,307.09	113,307.09
00517	Mellors (Learners Trust)	12,839.42	0.00	0.00	0.00	0.00	0.00	12,839.42	0.00	0.00	53,682.13	53,682.13
00518	Accuro FM Ltd (De Ferrers Trust)	6,170.66	0.00	0.00	0.00	0.00	0.00	6,170.66	0.00	0.00	30,517.08	30,517.08
00519	Accuro FM (St Andrews Academy)	799.20	0.00	0.00	0.00	0.00	0.00	799.20	0.00	0.00	4,461.36	4,461.36
00520	Action for Children (Derby City)	6,823.29	0.00	0.00	0.00	0.00	0.00	6,823.29	0.00	0.00	23,532.38	23,532.38
00521	Vertas Derbyshire (Odyssey Collaborative Trust)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00522	Caterlink (Derby Cathedral School)	1,717.45	0.00	0.00	0.00	0.00	0.00	1,717.45	0.00	0.00	13,115.07	13,115.07
00523	Busy Bee Cleaning Services Ltd (Harmony Trust)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00527	Easy Clean Contractors	138.63	0.00	0.00	0.00	0.00	0.00	138.63	0.00	0.00	1,459.03	1,459.03
00528	Aspens Services (St Joseph's Catholic Primary)	907.45	0.00	0.00	0.00	0.00	0.00	907.45	0.00	0.00	3,976.38	3,976.38

00529	Accuro FM Ltd (Friesland School)	4,125.41	0.00	0.00	0.00	0.00	0.00	4,125.41	0.00	0.00	19,952.66	19,952.66
00534	Enviroserve (Norbriggs Primary School)	539.25	0.00	0.00	0.00	0.00	0.00	539.25	0.00	0.00	2,137.35	2,137.35
00535	Spotlight Cleaning Services (Ripley Juniors)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00540	DCS Cleaning Solutions Dronfield Infants and Juniors	1,852.75	0.00	0.00	0.00	0.00	0.00	1,852.75	0.00	0.00	10,338.87	10,338.87
00541	Chartwells (The Ecclesbourne School)	654.12	0.00	0.00	0.00	0.00	0.00	654.12	0.00	0.00	2,497.63	2,497.63
00542	Chartwells (True Learning Partnership)	3,376.43	0.00	0.00	0.00	0.00	0.00	3,376.43	36,322.55	0.00	11,497.22	47,819.77
00543	Alliance in Partnership (Ashgate Primary)	341.16	0.00	0.00	0.00	0.00	0.00	341.16	0.00	0.00	1,461.27	1,461.27
00544	Innovate Services (Murray Park)	423.52	0.00	0.00	0.00	0.00	0.00	423.52	0.00	0.00	1,511.52	1,511.52
00546	Sparkling Clean Solutions Ltd	166.99	0.00	0.00	0.00	0.00	0.00	166.99	0.00	0.00	613.34	613.34
00547	Compass (Wren Park Primary School)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00548	Alliance Norse (HPBC)	96,621.93	0.00	0.00	0.00	0.00	0.00	96,621.93	0.00	0.00	313,258.39	313,258.39
00549	Vertas Group Limited (St Ralph Sherwin)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00550	Spotlight Cleaning Services (Long Row Primary)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00552	Green Clean (Staveley)	426.92	0.00	0.00	0.00	0.00	0.00	426.92	0.00	0.00	1,886.13	1,886.13
00553	Aspens Services Ltd (Two Counties Trust)	23,631.91	0.00	0.00	0.00	0.00	0.00	23,631.91	0.00	0.00	76,326.59	76,326.59
00554	Everyone Active (Derby City Council)	20,426.61	0.00	0.00	0.00	0.00	0.00	20,426.61	0.00	0.00	71,323.33	71,323.33
00555	Kindred (John Taylor MAT)	1,335.47	0.00	0.00	0.00	0.00	0.00	1,335.47	0.00	0.00	6,944.59	6,944.59
00556	Kindred (QUEGSMAT)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00557	Chartwells (Long Eaton School & Outwood Academy Newbold)	4,850.87	0.00	0.00	0.00	0.00	0.00	4,850.87	0.00	0.00	31,077.81	31,077.81
00558	Ideal Cleaning Services Ltd (Charlotte Infant School)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00559	Cleantech Services Ltd (Spencer Academies Trust)	0.01	0.01	0.01	0.01	0.01	0.01	0.06	0.01	0.01	0.01	0.03
00560	Mellors Catering Service (John Taylor MAT)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00561	Ideal Cleaning Services Ltd (Field Infants)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00563	Blueberry Cafe (Castleton) Ltd (Chesterfield BC)	133.01	0.00	0.00	0.00	0.00	0.00	133.01	0.00	0.00	485.77	485.77
00564	Leisure United (Derby City Council)	620.30	0.00	0.00	0.00	0.00	0.00	620.30	0.00	0.00	2,111.33	2,111.33
	TOTAL	49,642,734.05	226,601.09	1,299.04	92,235.69	0.01	25,449.46	49,988,319.34	5,966,870.60	16,814.70	163,734,903.62	169,718,588.92