



Pension Fund annual report for the year ended 31 March 2023

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Introduction

As the Chair of the Pensions and Investments Committee, I am pleased to introduce Derbyshire Pension Fund's Annual Report for the year ended 31 March 2023. The aim of this report is to provide an update on the Fund's activities over the last twelve 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 340 employers and around 93,500 individual members of the Fund, with almost 110,000 membership records.

Membership of Derbyshire's Pensions and Investments Committee was unchanged during 2022-23, although subsequent to the year-end, two longstanding members of Committee, Councillor Ron Aston and Councillor Mike Carr were replaced by Councillor Carmel Ashby, representing Derby City Council, and Councillor Alex Stevenson, representing Derbyshire County Council.

Derbyshire Pension Board welcomed a new Member Representative, John Sadler, during the year when the term of Nick Read came to an end. Following the year end, the Chair of the Board, Ronald Graham, very sadly passed away and was replaced by Neil Calvert. Ronald and Nick had been Board members since it was first established in 2015 and had both made very positive contributions to the governance of the Pension Fund.

The triennial actuarial valuation of the Pension Fund on 31 March 2022 was carried out during 2022-23, with an improved funding level of 100% reported against a funding level of 97% at the last valuation in March 2019. The valuation compared the value of the Fund's assets on 31 March 2022 with the value placed on the expected cost of members' benefits in respect of scheme membership completed before the valuation date.

Stronger than anticipated investment returns over the three years since the last valuation, contributed to the improved funding level, more than offsetting the impact of an increase in longer term inflation expectations. Employer contribution rates for the three years from 1 April 2023 were agreed as part of the actuarial valuation.

The roll out of My Pension Online (MPO), the Fund's member self-service website, and the implementation of i-Connect, the automated data submission and validation service, continued during the year. By the end of March 2023, over 30% of the Fund's combined active and deferred membership had registered for MPO and employers representing around 90% of the Fund's membership were using i-Connect to submit data to the Pension Fund.

Increasing the number of members registered for MPO and implementing i-Connect as the standard data submission method for all employers remains a high priority for the Pension Fund, supporting the continuous improvement of service delivery for members.

The Fund's third Climate-Related Disclosures Report was published during the year, describing the way in which climate risks are managed by the Fund and setting out the Fund's performance against its climate-related targets.

I am pleased to report that continued progress has been made in reducing the carbon footprint of the Fund's listed equity portfolio with a reduction of 47% relative to the weighted benchmark in 2020, and with the proportion of the Fund's portfolio invested in low carbon and sustainable investments, including commitments, increasing to just under 30% of the Fund's total investments.

The Pension Fund's climate-related targets are currently being reviewed and are expected to increase in line with the Fund's ambition of achieving a portfolio of assets with net zero carbon emissions by 2050.

Subsequent to the year end, the Fund was delighted to be accepted as signatory of the UK Stewardship Code 2020 which sets high standards of stewardship for those investing money on behalf of UK savers and pensioners, and those that support them.

Investment markets globally in 2022-23, were impacted by the reaction of central banks to rising levels of inflation. Following their first steps to tighten monetary policy towards the end of 2021-22, after a long period of low interest rates, the major central banks moved swiftly during the year to increase rates as the worsening inflationary outlook unfolded.

Returns from the majority of asset classes were negative during the year, with the prices of government bonds and corporate bonds particularly impacted by the increases in interest rates. The Fund's overall investment return for 2022-23 was negative, at -3.1%, however, on a relative basis, the Fund outperformed its benchmark by 0.5%. The overall market value of the Fund stood at £5.9bn on 31 March 2023, down slightly from £6.1bn at the end of March 2022.

The Fund continued to work closely with its partners in the LGPS Central Pool and 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 2023-24.

I should like to thank all the members of the Pension Fund team, the Committee, the Pension Board and the Fund's employees for their contributions to the governance, administration and investment of Derbyshire Pension Fund during the year, supporting the 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

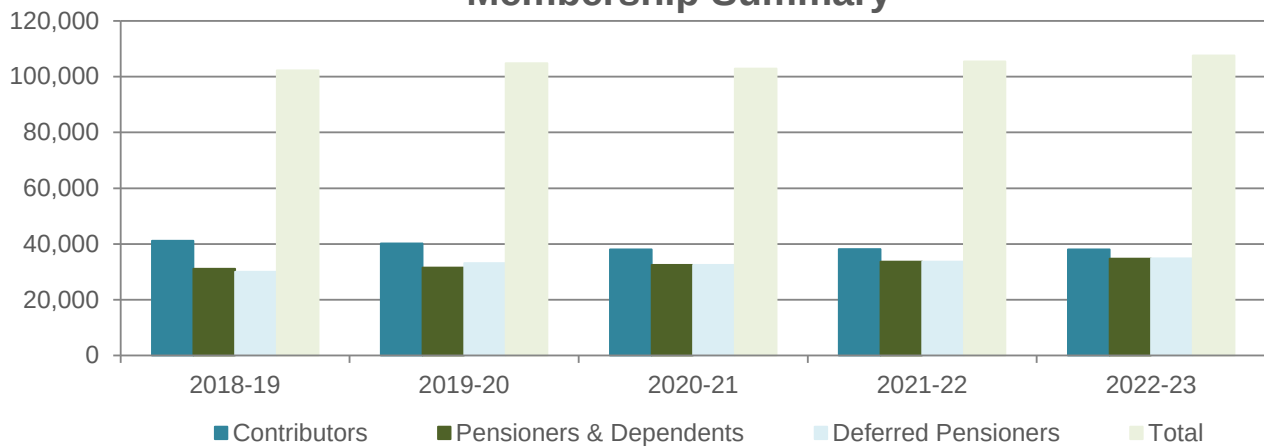
Abbreviation	Term
ABS	Annual Benefit Statement
AUM	Assets Under Management
AVCs	Additional Voluntary Contributions
Bps	Basis Points Charge
CARE	Career Average Revaluated Earnings
CIPFA	Chartered Institute of Public Finance Accountants
CPI	Consumer Price Inflation
CPS	Communications Policy Statement
DCC	Derbyshire County Council
DLUHC	Department for Levelling Up, Housing and Communities
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 Fund	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
MPO	My Pension Online
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

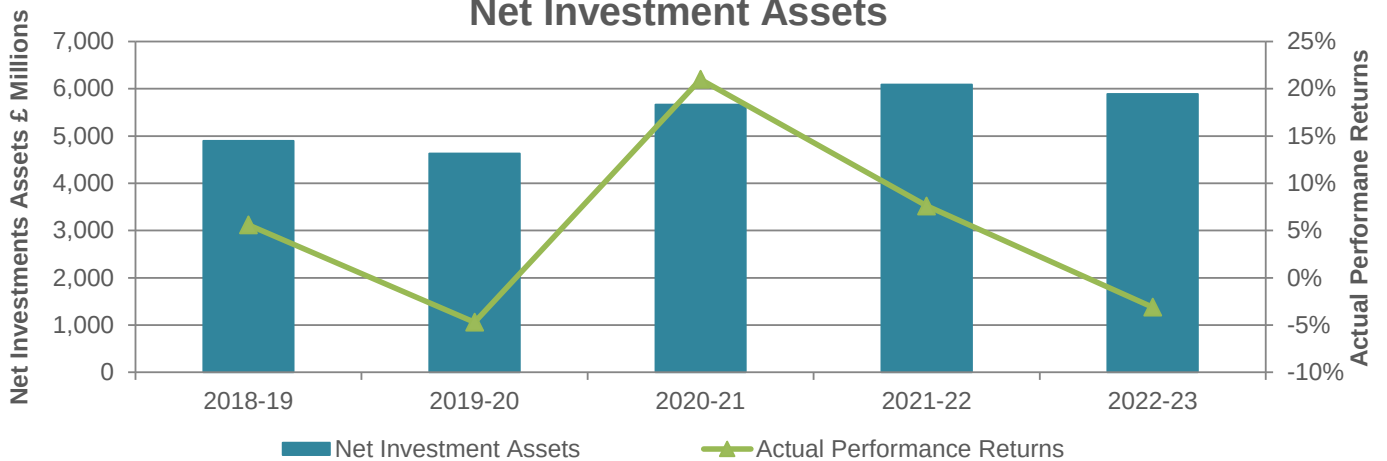
Summary of member records

Membership Summary



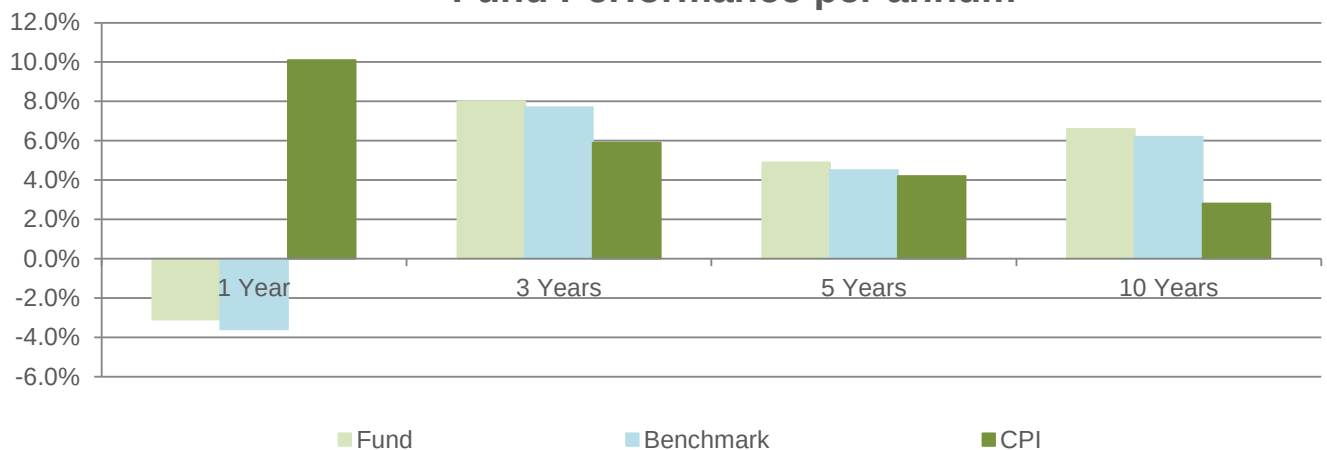
Net investment assets

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 attached as Appendix 1.

Administering Authority

Derbyshire County Council (DCC)

DCC Officers Responsible for the Fund

Director of Finance & ICT:	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 Mick Yates

Derby City Council

Councillor Lucy Care
Councillor Mike Carr

Subsequent to the period end, Councillors Ron Aston and Mike Carr have been replaced by Councillor Alex Stevenson (DCC) and Carmel Ashby (Derby City).

Non-voting trade union representative

Mick Wilson (Unison)

At the year-end Mick Wilson stood down and was replaced by Nick Read (Unison).

Derbyshire Pension Board

Independent Chair:	Ronald Graham
Member Representative:	Karen Gurney
Member Representative:	Nick Read (term ended June 2022)
Member Representative:	John Sadler (term started November 2022)
Employer Representative:	Oliver Fishburn
Employer Representative:	Susan Ambler

Subsequent to the period end, the Independent Chair Ronald Graham has been replaced by Neil Calvert. In addition, Karen Gurney has been replaced by Lisa Seeley and Oliver Fishburn has been replaced by Mark Wreghitt.

Independent External Investment Adviser

Anthony Fletcher (MJ Hudson-Allenbridge)

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)

Wellington Management: US Equities (divested post period-end)

Actuary

Hymans Robertson LLP

Auditor

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

Performance Evaluation Limited

Subsequent to the period end, Performance Evaluation Limited have ceased trading and have been replaced by Northern Trust as the Fund's Performance Measurement service provider.

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 Application 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 eight Elected Members representing DCC and two 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 six 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 & ICT 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

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 & ICT 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 2022-23 Pensions and Investments Committee Meetings

	4 May-22	8 Jun-22	7 Sept-22	19 Oct-22	7 Dec-22	18 Jan-23	8 Mar-23
DCC Councillors							
Ron Ashton	✓	✓	✓	✓	✓	✓	✓
Neil Atkin	✓	✓	X	✓	✓	✓	✓
Barry Bingham	✓	✓	✓	✓	✓	X	✓
Mark Foster	X	✓	✓	✓	X	✓	✓
Gary Musson	✓	✓	✓	✓	X	✓	✓
Peter Smith (Vice Chair)	✓	✓	✓	✓	✓	✓	X
David Wilson (Chair)	✓	✓	✓	✓	✓	✓	✓
Mick Yates	✓	✓	✓	✓	X	✓	X
Substitute Members	-	-	-	-	1	-	1
Derby City Councillors							
Mike Carr	✓	✓	✓	X	X	✓	✓
Lucy Care	✓	✓	✓	✓	✓	✓	✓

Councillors Ron Aston and Mike Carr ceased being members of the Pensions & Investments Committee in April 2023 and were replaced by Councillors Alex Stevenson (DCC) and Carmel Ashby (Derby City).

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 providing governance and assurance of the Fund have sufficient expertise to be able to evaluate and challenge the advice they receive, to ensure their decisions are robust and soundly based
- Members of Derbyshire Pension Board have sufficient knowledge and understanding to challenge any failure to comply with the Regulations and other legislation relating to the governance and administration of the Fund and/or any failure to meet the standards and expectations set out in the Regulator's Codes of Practice

To assist in achieving these objectives, the Fund aims to comply with:

- CIPFA Pensions Finance Knowledge and Skills Frameworks
- Knowledge and skills requirements of the Public Service Pensions Act 2013
- The Pensions Regulator's Code of Practice No. 14, Governance and Administration of Public Service Pension Schemes 2015

CIPFA responded to the implementation of Local Pension Boards by issuing an expanded Knowledge and Skills Framework which identified a requirement for knowledge of eight core technical areas for those involved in the governance of public sector pension funds:

1. Pensions legislation
2. Public sector pensions governance
3. Pensions administration
4. Pensions accounting and auditing standards
5. Financial services procurement and relationship management
6. Investment performance and risk management
7. Financial markets and product knowledge
8. Actuarial methods, standards and practices.

Members of the Committee and the Pension Board complete self-evaluation forms on an annual basis assessing their knowledge of the eight 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 (e.g. additional training in advance of the consideration of new asset classes).

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 2022-23:

Councillors	Jul-22	Dec-22	Jan-23
Ron Aston	✓	✓	✓
Neil Atkin	✓	✓	✓
Barry Bingham	✓	✓	✓
Lucy Care	✓	✓	✓
Mike Carr	✓	X	✓
Mark Foster	✓	X	✓
Gary Musson	✓	X	✓
Peter Smith	✓	✓	✓
David Wilson	✓	✓	✓
Mick Yates	✓	X	✓

The training events were also attended by a number of potential substitute members.

The training events comprised:

July 2022	Property Pension Fund Accounts Pension Fund Annual Report Pension Fund Budgetary Control i-Connect, Member Self-Service & Pensions Dashboard
December 2022	Actuarial Valuations
January 2023	Contracts & Procurement

Training was provided externally by LGPSC at a Responsible Investment Day in March 2023.

Subsequent to the period-end, a training event was held in July 2023 covering Private Equity; Pension Fund Cash Flow; Investment Strategy Statement; Responsible Investment Framework; Climate Strategy; Ill Health Retirement; and LGPS Investment Pooling.

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: <https://www.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 contained in the Communications Policy attached as Appendix 2.

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 reviewed by the Director of Finance & ICT, the Pensions and Investments Committee and the Derbyshire Pension Board on a regular basis and identifies:

- The nature of the Risk
- The Cause and Effect
- A Risk Score
- Risk mitigation controls and procedures
- Risk Owner

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 current identified high-risk items are shown below, and further details, including planned mitigation, is set at Appendix 3.

- Systems failure/Lack of disaster recovery plan/Cybercrime attack & insufficient cyber liability insurance relating to the pensions administration system
- Fund asses insufficient to meet liabilities
- LGPS Central Pool – performance risk
- McCloud Judgement – potential impact on both pension liabilities and pensions administration workloads

Investment risk is managed by holding different categories of investments (e.g. 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 (e.g. 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 (e.g. 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 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.

External & Internal Audit Reviews

The Fund's external auditor is 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 (e.g. IASE 3402 (f AAF01/06) and SSAE 16/70) from each of its key external investment managers.

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 Fund Annual Report 2022-23

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 2022-23, led by Ronald Graham who had been the Chair of the Board since its inception in 2015.

Sadly, Ronald passed away suddenly in May 2023; thanks for his service on the Board and his very positive contribution to the governance of the Pension Fund have been noted by members of the Pension Board, by the Chair of the Pensions and Investments Committee, by the Chair of Full Council and by officers of the Fund.

Neil Calvert was appointed as the new Chair in July 2023. Neil brings a substantial range of executive and non-executive experience to the Board and has previously served on the Board as an Employer Representative.

During 2022-23, Nick Read's term as a Membership Representative came to an end. Nick had been on the Board since it was established, strongly representing the interests of members throughout his period of tenure.

John Sadler, an active member of the Fund through his employment with Derby City Council, was appointed to the Board as a Member Representative. John brings to the Board valuable previous experience of serving on a local pension board.

Further changes to the membership of the Board, following the year end are set out later in the report.

The total number of participating active employers in the Fund rose from 331 at the end of March 2022 to 341 at the end of March 2023, with new admissions relating to academies and to organisations which had secured a contract to provide a service or function for a scheme employer.

Employer exits from the Fund over the period related to employers' last active members leaving their employment, to contracts coming to an end or to employees being transferred back to the original participating employer.

The number of Pension Fund membership records continued to increase during the year, rising to approaching 110,000 at the end of March 2023, up from around 105,500 records at the end of March 2022, representing around 93,500 individual members.

The triennial actuarial valuation of the Pension Fund on 31 March 2022 was completed during the year. The valuation is essentially a planning exercise for the Fund to review its funding strategy and ensure that a contribution plan and investment strategy are in place to enable the Fund to pay members' benefits.

The Board received updates throughout the year on the progress of the valuation and Board members attended a training session on the valuation presented by Hymans Robertson LP, the Fund's actuary which provided a background to the valuation, an explanation of the data and assumptions and initial results, updates to the Funding Strategy Statement and a change in the Fund's approach for carrying out cessation valuations for employers leaving the Fund.

The whole fund results, which provide a high-level snapshot of the funding position on 31 March 2022, reported an improvement in the funding level of the Pension Fund from 97% on 31 March

2019 to 100% at March 2022, moving from a deficit of £163m to a small positive surplus of £1m. For the purposes of reporting a funding level, an investment return of 3.8% p.a was assumed.

The Board was pleased to note the stronger funding position and the Fund's engagement with its employers which supported the agreement of individual employer contribution rates for the three years from 1 April 2023.

The Board has continued to receive regular reports on the roll-out of My Pension Online (MPO), the Fund's member self-service system which was launched in 2021.

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 roll-out 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 2023, over 30% 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 rollout of the i-Connect automated employer data submission and validation system continued during the year, with employers representing around 90% of the Fund's membership now using the system. Submission of data via i-Connect is the standard method for employers to provide member data to the Fund.

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 Fund's data mapping exercise
- the proposed McCloud remedy
- the Fund's McCloud Project Board
- an update to the Fund's Pension Administration Strategy
- the triennial actuarial valuation
- Pensions Dashboards
- the Fund's risk register
- 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 reviewed and commented on the proposed updates to the Fund's Pension Administration Strategy before it was approved by the Pensions and Investments Committee in June 2022.

The Pension Administration Strategy (PAS) sets out the roles, responsibilities, and service standards which the Fund and participating employers will be expected to deliver in order to support the efficient administration of Fund members' records. It also includes details of how employers will be monitored, supported and managed should they fail to meet the required standards of performance in submitting accurate and timely data and payments to the Fund.

The Board fully supports the Fund's ability to recover the cost of maintaining a separate process for receiving data from any employers who fail to engage on the implementation of the i-Connect system, which was included in the updated PAS.

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 eight 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: DLUHC's LGPS Governance and reporting of climate change risks consultation; Good Governance; the expected DLUHC consultation on LGPS investment pooling; the Levelling Up White Paper; the proposed Boycotts, Divestments and Sanctions Bill; Prudential's AVC issues; the Stewardship Code; the DLUHC consultation on the SAB cost management process; the Code of Transparency; Sharia compliance in the LGPS; and McCloud.

The LGPS funds represented at the meetings have also continued to discuss their approaches to assessing and mitigating cyber risk and their compliance with the proposed recommendations from the LGPS Scheme Advisory Board's Good Governance review. A presentation was also received from LGPS Central Limited on Responsible Investment, including the integration of environmental, social and governance factors into investment decisions and including stewardship activities. The continuing collaboration between local pension boards is invaluable.

The Board undertook a detailed review of the Fund's Risk Register in early April 2023. The Board's comments were taken into consideration during the update of the Risk Register that was presented to Committee later that month. Officers continued to welcome this additional review of the risks faced by the Fund.

The Derbyshire Pension Board webpage on the Fund's website at: <https://www.derbyshirepensionfund.org.uk/about-the-fund/governance/derbyshire-pension-board.aspx> contains a summary of each of the Board's meetings and also has a link to the Board's Terms of Reference.

The Board would like to thank all the members of the Pension Fund Team for their work on behalf of the Fund's members over the past year and for the collaborative way in which officers have continued to work with the Pension Board.

Board Members

The Board is made up of five members, with an independent, non-voting Chair, two representatives of scheme members and two representatives of employer organisations. Membership in the year to 31 March 2023:

Chair

Ronald Graham

Subsequent to the year end, Neil Calvert was appointed as the new Chair of the Board by Full Council on 12 July 2023.

Member Representatives

Karen Gurney	Employee of Derbyshire County Council
Nick Read	TU Rep, UNISON East Midlands LGPS Committee*
John Sadler	Employee of Derby City Council**

*Until June 2022

**From November 2022

Employer Representatives

Oliver Fishburn	Bolsover District Council and NE Derbyshire District Council
Susan Ambler	University of Derby

The terms of office for the Member and Employer Representatives on 31st March 2023 were as follows:

Role	Name	Start Date	Term	Expiry
Member Rep	Karen Gurney	June 2019	4 Years	June 2023
Member Rep	John Sadler	Nov 2022	4 Years	Nov 2026
Employer Rep	Oliver Fishburn	May 2019	4 Years	May 2023
Employer Rep	Susan Ambler	Feb 2022	4 Years	Feb 2026

Subsequent to the year end, Oliver Fishburn and Karen Gurney stepped down from the Board at the end of their respective terms of office. In May 2023, Full Council appointed Lisa Seeley, Head of Payroll and Pensions at Aspens-Services Limited, as a new Employer Representative from June 2023 and appointed Mark Wreghitt, a pensioner member of the Fund, as a new Member Representative from July 2023.

Meeting Attendance

Members of the Board attended the following formal Pension Board meetings in 2022-23:

Member	19 May 2022	22 Sept 2022	26 Jan 2023
Ronald Graham	✓	✓	✓
Susan Ambler	✓	✓	✓
Oliver Fishburn	✓	✓	✓
Karen Gurney	✓	✓	✓
Nick Read	✓	N/A	N/A
John Sadler	N/A	✓	✓

John Sadler attended the 22 September 2022 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:

- 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 No.14, Governance and Administration of Public Service Pension Schemes 2015

Training Attendance

Members of the Board attended the following training in 2022-23:

Ronald Graham: Actuarial Valuation (Hymans Robertson)

Susan Ambler: Induction; Commercial Property (Colliers); Pension Fund Accounts, Annual Report & Budgetary Control, i-Connect, MPO & Pensions Dashboards; Procurement

Karen Gurney: Actuarial Valuation (Hymans Robertson)

John Sadler: Actuarial Valuations (Hymans Robertson); LGPS Central RI Day*

*Subsequent to the year end, John Sadler attended induction training.

Costs and Expenses

	2021-22	2022-23
	£	£
Members' Allowances (Travel)	58	0
Training Costs & Subscriptions	0	484
Chairman's Services	15,000	16,000
Total	15,058	16,484

Future Work Plan

The Board's work plan for 2023-24 includes:

- Assisting officers to ensure that the Fund has an adequate and resilient staffing structure.
- Considering the Fund's actions to increase its resilience to cybercrime attacks, including reviewing the output from the Fund's data mapping project.
- 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.
- In-depth consideration of the Fund's Risk Register.
- Monitoring progress on the continued roll out of My Pension Online and supporting the development of a Pension Fund Member Forum.
- Overseeing the continued roll out and impact of the i-Connect system to enable secure, automated, monthly data returns from employing authorities.

- Supporting the planning and implementation of actions resulting from the outcome of the McCloud case and its implications for the LGPS and the Fund.
- Monitoring the Fund's progress on preparing for the implementation of Pensions Dashboards.
- Continued monitoring of the administrative performance of the Fund and supporting the development of more customer-focussed Key Performance Indicators.
- Regular reviews of the Fund's compliance with the requirements of the Pension Regulator's Code of Practice 14 (and its eventual successor).
- 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.
- Developing, monitoring and maintaining the technical knowledge required by Board and Pensions and Investment Committee members.

Approved by Derbyshire Pension Board 11 October 2023

Financial Performance

The number of Fund membership records generally grew between 2018-19 and 2022-23, with the fall in 2020-21 reflecting the impact of a data cleanse. On an adjusted like-for-like basis, the number of records increased by 1,840 in 2020-21 year-on-year. Fund membership records increased by 2.0% in 2022-23.

	2018-19	2019-20	2020-21	2021-22	2022-23
Contributors	41,157	40,125	38,065	38,170	38,025
Pensioners & Dependants	30,024	31,548	32,463	33,699	34,751
Deferred Pensions	31,136	33,164	32,427	33,634	34,866
Number of Members	102,317	104,837	102,955	105,503	107,642

Net additions from Dealing with Members (contributions received less pension benefits paid out) remained positive in 2022-23.

£ in Million	2018-19	2019-20	2020-21	2021-22	2022-23
Contributions	193.7	160.4	190.8	193.5	202.8
Transfers in from other Pension Funds	10.3	11.2	14.5	11.9	17.1
Benefits	(160.9)	(172.6)	(173.5)	(185.6)	(195.4)
Payments to and on Account of Leavers	(13.0)	(17.7)	(10.8)	(18.2)	(15.5)
Net Additions from Dealing with Members	30.1	(18.7)	21.0	1.6	9.0

Net Additions from Dealing with Members remained positive at £9.0m in 2022-23 (£1.6m in 2021-22). The reduction in Contributions in 2019-2020 reflected an advance employer's pension contribution payment of £39.716m on 12 June 2018 covering the period May 2018 to March 2020. On an adjusted basis, Net Additions from Dealing with Members was £4.8m in 2018-19 and £6.6m in 2019-20.

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 five years were as follows:

£ per Member	2018-19	2019-20	2020-21	2021-22	2022-23
Number of Members	102,317	104,837	102,955	105,503	107,642
Investment Management Expenses (£000)	24,829	26,054	25,911	28,275	28,257
Cost per Member	£242.67	£248.52	£251.67	£268.00	£262.51
As a % of Net Investment Assets	0.51%	0.60%	0.46%	0.46%	0.48%
Pensions Administration (£000)	2,085	2,599	2,982	2,774	3,119
Cost per Member	£20.38	£24.79	£28.96	£26.29	£28.98
Oversight & Governance (£000)	1,215	1,451	1,467	1,364	1,760
Cost per Member	£11.87	£13.84	£14.25	£12.93	£16.35

The year-on-year increase in Investment Management Expenses per Member between 2018-19 and 2020-21 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.

Pension Administration Costs per Member increased between 2018-19 and 2020-21, 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 2021-22 to £26.29 largely reflecting lower IT costs (2020-21 included some one-off licence fees) and lower professional fees but increased by £2.69 in 2022-23, largely reflecting costs associated with the March 2022 triannual actuarial valuation.

Oversight and governance costs increased throughout 2018-19 to 2022-23, principally reflecting LGPSC governance, operator and product development costs.

Net Return on Investment totalled minus £177.3m in 2022-23.

£ in Million	2018-19	2019-20	2020-21	2021-22	2022-23
Investment income net of taxes	100.8	94.0	57.1	62.2	71.6
Investment returns (*)	181.7	(316.3)	1,001.7	393.7	(248.9)
Net Return on Investments	282.5	(222.3)	1,058.8	455.9	(177.3)
<i>Actual Fund Investment Return</i>	5.6%	(4.7%)	21.0%	7.6%	(3.1%)
<i>Benchmark Fund Investment Return</i>	5.6%	(5.4%)	20.6%	7.3%	(3.6%)

* 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 2022-23, and over the longer term, are set out in the Investment section of this report.

Net Investment Assets totalled £5,890.0m on 31 March 2023, £199.0m lower than those reported on 31 March 2022, largely reflecting market weakness.

£ in Million	2018-19	2019-20	2020-21	2021-22	2022-23
Investment Assets	4,905.6	4,640.9	5,670.9	6,092.0	5,899.5
Investment Liabilities	(4.9)	(8.8)	(4.1)	(3.0)	(1.5)
Net Investment Assets	4,900.7	4,632.1	5,666.8	6,089.0	5,898.0
<i>Growth / (Reduction)</i>	6.1%	(5.5%)	22.4%	7.5%	(3.1%)

Net Non-Investment Assets totalled £32.7m on 31 March 2023. Year-on-Year changes in the value of Net Non-Investment Assets principally reflect changes in the Fund's operational cash balance.

£ in Million	2018-19	2019-20	2020-21	2021-22	2022-23
Current Assets	32.3	31.4	49.2	53.9	44.5
Current Liabilities	(4.5)	(6.0)	(9.1)	(10.8)	(11.8)
Net Non-Investment Assets	27.8	25.4	40.1	43.1	32.7

The table below shows the forecast and actual Fund Account for 2022-23.

£ in Million	2022-23 Forecast	2022-23 Actual
Contributions	212	220
Benefits	(218)	(211)
Net Additions from Dealing with Members, Employers and Others Directly involved in the Fund	(6)	9
Management Expenses	(34)	(33)
Net (Withdrawals)/Additions including Fund Management Expenses	(40)	(24)
Investment Income (net of taxes)	62	72
Net Increase in Net Assets Before Changes in Market Value	22	48
Profits and Losses on Disposal of Investments and Changes in Value of Investments	n/f	(249)
Net Increase in the Net Assets Available for Benefits During the Year	n/f	(201)

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 £15m higher than forecast principally reflecting higher Contributions and lower Benefit payments.

The table below shows the forecast and actual Management Expenses for 2022-23.

£ in Million	2022-23 Forecast	2022-23 Actual
Investment Management Expenses	28.8	28.2
Pensions Administration Costs	3.5	3.1
Oversight & Governance Costs	1.6	1.8
Management Expenses	33.9	33.1

Actual Investment Management Expenses in 2022-23 were £28.2m, £0.6m lower than forecast, largely reflecting the impact of lower net investment assets.

An analysis of Pension Fund Team Expenses, Pensions Administration Costs and Oversight & Governance Costs is set out below.

£ in Thousand	2021-22 Actual	2022-23 Actual
Staff costs	2,086	2,200
Premises, supplies and services	1,121	1,314
LGPSC costs	947	1,065
Information technology	382	461
Net Actuary charges	26	279
Costs of democracy	28	29
Custody	21	21
Total	4,611	5,369

Combined Pension Fund Team Expenses, Pensions Administration Costs and Oversight & Governance Costs increased by £0.758m in 2022-23, principally reflecting higher staff costs, premises, supplies and services and information technology costs, together with costs associated with the March 2022 triannual actuarial valuation.

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), attached as Appendix 4, 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 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 & ICT and the In-House Investment Management Team.

In 2022-23, a significant 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 2022-2023:

In-House Investment Management Team	The internal team comprised of a Head of Pension Fund, an Investments Manager and an Assistant Fund Manager was responsible for managing: Sovereign Bonds (conventional and index-linked); active Japanese Equities; active Asia Pacific Equities; active Emerging Market Equities; active Global Sustainable Equities, Indirect Property; Infrastructure; Private Equity; and Multi-Asset Credit (including Private Debt). Collective investment vehicles were selected by the internal team for: Japanese, Asia Pacific, Emerging Market Equities, and active Global Sustainable Equities; Indirect Property; Infrastructure; Private Equity; and Multi-Asset Credit.
Colliers Global	Direct Property
LGIM	Passive United Kingdom Equities; Japanese Equities; Emerging Market Equities and Global Sustainable Equities (Low Carbon Fund)
LGPSC	Active Emerging Market Equities; Global Sustainable Equities (Climate Factor Fund); Active Investment Grade Corporate Bonds; and Private Debt
UBS Global Investment Management	Passive European Ex-UK Equities (divested 2022-23)
Wellington Management International	Active US Equities (divested 2023-24)

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 2022-23 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 (e.g. 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 which was approved in November 2020.

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 Report from LGPSC which was received in February 2020 and was structured around the Taskforce for Climate-related Disclosures (TCFD) four thematic areas of governance; strategy; risk management and 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; and carbon risk metrics. The Climate Risk 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 three further Climate Risk Reports (2021 2022 and 2023) from LGPSC and has issued its second and third TCFD reports.

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 and represents around \$60 trillion of assets under management. 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.

¹UN Principles for Responsible Investing
Pension Fund Annual Report for the
year ended 31 March 2023

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. The Fund's voting policy covers the Fund's directly held investments in the United Kingdom and North America. The Committee has appointed Institutional Shareholder Services (ISS), a specialist third party voting service provider to make recommendations on casting votes in respect of the Fund's directly held UK listed investments. Voting is carried out in line with recommendations from ISS, whose voting principles cover four key tenets on: accountability; stewardship; independence; and transparency. The Fund also periodically receives voting alerts from the LAPFF on certain resolutions. If the voting alert from the LAPFF conflicts with the voting service recommendation, due consideration is given to all the arguments before the vote is cast.

The Fund has appointed Wellington Management (Wellington) in a discretionary capacity to manage its directly held North American investments, including voting in line with local practice. Wellington have policies and procedures to ensure that they collect and analyse all relevant information for each meeting, applying their proxy voting guidelines accurately and executing votes in a timely manner.

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.

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.

Subsequent to the year end, the Fund was delighted to be accepted as signatory of the UK Stewardship Code 2020 which sets high standards of stewardship for those investing money on behalf of UK savers and pensioners, and those that support them.

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.

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

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:

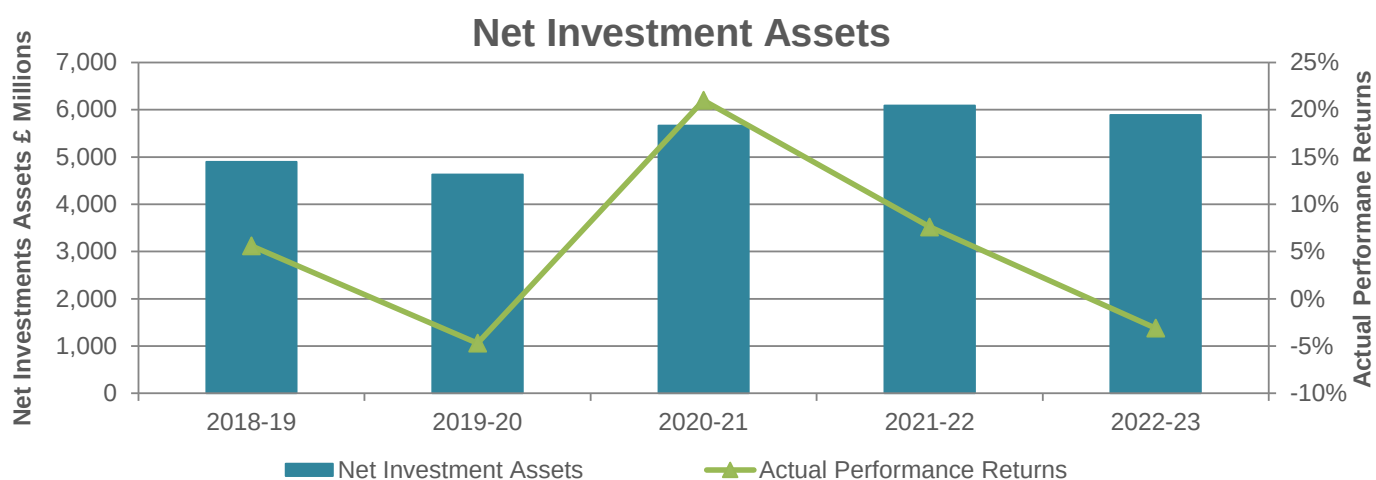
- Long-termism: A long-term approach to investment will deliver better returns and the long-term nature of LGPS liabilities allows for a long-term investment horizon.
- Responsible Investment: Responsible Investment is supportive of risk adjusted returns over the long-term, across all asset classes. Responsible investment should be integrated into the investment process of LGPSC and its investment managers.
- Diversification, risk management and stewardship: Diversification across investments with low correlation improves the risk return profile. A strategy of engagement, rather than exclusion, is more compatible with fiduciary duty and more supportive of responsible investment, because the opportunity to influence companies through stewardship is waived in a divestment approach. Even well-diversified portfolios face systematic risk. Systematic risk can be mitigated over the long-term through widespread stewardship and industry participation.
- 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, particularly in a low-return environment. Fees and remuneration should be aligned with the long-term interests of our clients, and value for money is more important than the 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: We expect 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. We believe 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.

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 six Myners principles is set out at Appendix 5.

Net Investment Assets

The following chart shows the Fund's Net Investment Assets at the last five 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 three 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.

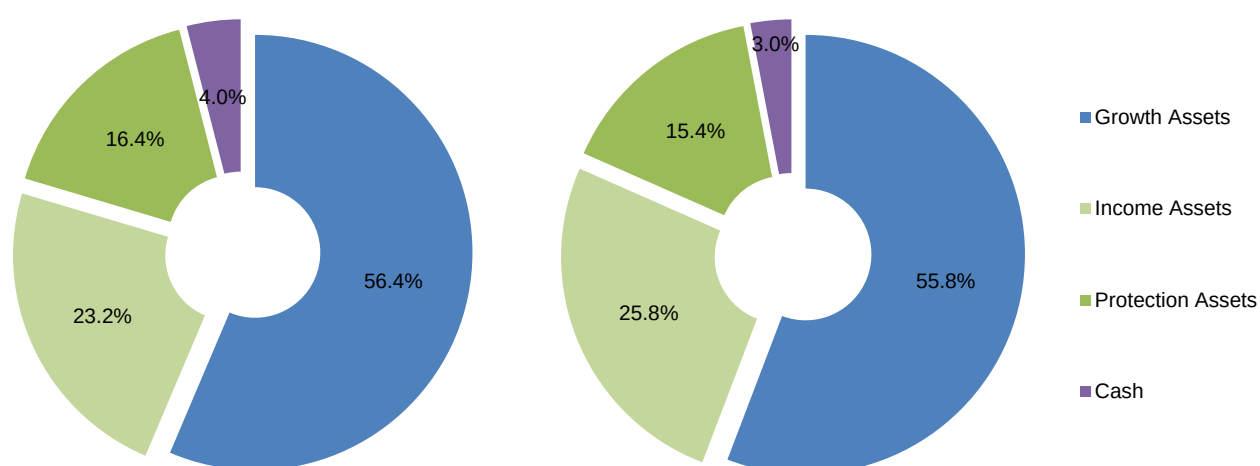
The Fund's Strategic Asset Allocation Benchmark, together with the actual asset class allocations on 31 March 2022 and 31 March 2023, are set out as follows.

	31 March 2022 Benchmark	31 March 2022 Permitted Range	31 March 2022 Actual	31 March 2023 Benchmark	31 March 2023 Permitted Range	31 March 2023 Actual
UK Equities	12.0%	± 4%	13.3%	12.0%	± 4%	14.0%
US Equities	-	-	1.6%	-	-	1.1%
European Equities	-	-	0.5%	-	-	-
Japanese Equities	5.0%	± 2%	5.3%	5.0%	± 2%	5.4%
Asia-Pacific Equities	-	-	0.9%	-	-	-
Emerging Market Equities	5.0%	± 2%	4.7%	5.0%	± 2%	5.5%
Global Sustainable Equities	29.0%	± 8%	25.1%	29.0%	± 8%	25.0%
Private Equity	4.0%	± 2%	5.0%	4.0%	± 2%	4.8%
Growth Assets	55.0%	± 8%	56.4%	55.0%	± 8%	55.8%
Infrastructure	10.0%	± 3%	8.4%	10.0%	± 3%	10.8%
Direct Property	6.0%	± 2%	4.8%	6.0%	± 2%	5.6%
Indirect Property	3.0%	± 2%	3.1%	3.0%	± 2%	2.3%
Multi-Asset Credit	6.0%	± 2%	6.9%	6.0%	± 2%	7.1%
Income Assets	25.0%	± 6%	23.2%	25.0%	± 6%	25.8%
Conventional Bonds	6.0%	± 2%	4.5%	6.0%	± 2%	4.8%
Index-Linked Bonds	6.0%	± 2%	5.7%	6.0%	± 2%	4.9%
Corporate Bonds	6.0%	± 2%	6.2%	6.0%	± 2%	5.7%
Protection Assets	18.0%	± 5%	16.4%	18.0%	± 5%	15.4%
Cash (*)	2.0%	0 – 8%	4.0%	2.0%	0 – 8%	3.0%
Total	100.0%	-	100.0%	100.0%	-	100.0%

(*) Includes Short-Dated Bond Funds

The Committee approved a new Strategic Asset Allocation Benchmark in November 2020. The new Strategic Asset Allocation Benchmark included a 2% switch from Growth Assets to Income Assets, and some of the Fund's regional equity allocations were switched into Global Sustainable Equities. Given the quantum of the proposed changes between the current and Final Strategic Asset Allocation Benchmark, the transition was split into two-phase through an Intermediate Strategic Asset Allocation Benchmark which came into effect on 1 January 2021. The Final Strategic Asset Allocation Benchmark came into effect by 1 January 2022.

The Fund's actual asset allocation on 31 March 2022 and 31 March 2023 is set out as follows:



In the year to 31 March 2023, the Fund marginally reduced its weighting in respect of Growth Assets (56.4% to 55.8%) and Protection Assets (16.4% to 15.4%) and marginally increased its weight in respect of Income Assets (23.2% to 25.8%), reflecting both tactical asset allocation changes and asset class relative market performance. Cash fell from 4.0% to 3.0%. 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 £277.5m on 31 March 2023

(£340.6m on 31 March 2022), and related to Multi-Asset Credit, Private Equity, Infrastructure and Indirect Property.

The Fund was outside of the permitted weighting in respect of US Equities on 31 March 2023 reflecting the impact of a residual balance as the Fund transitioned towards the new Final strategic asset allocation benchmark which came into effect on 1 January 2022. The Fund fully divested of its US Equity residual position in Q1 2023-24.

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

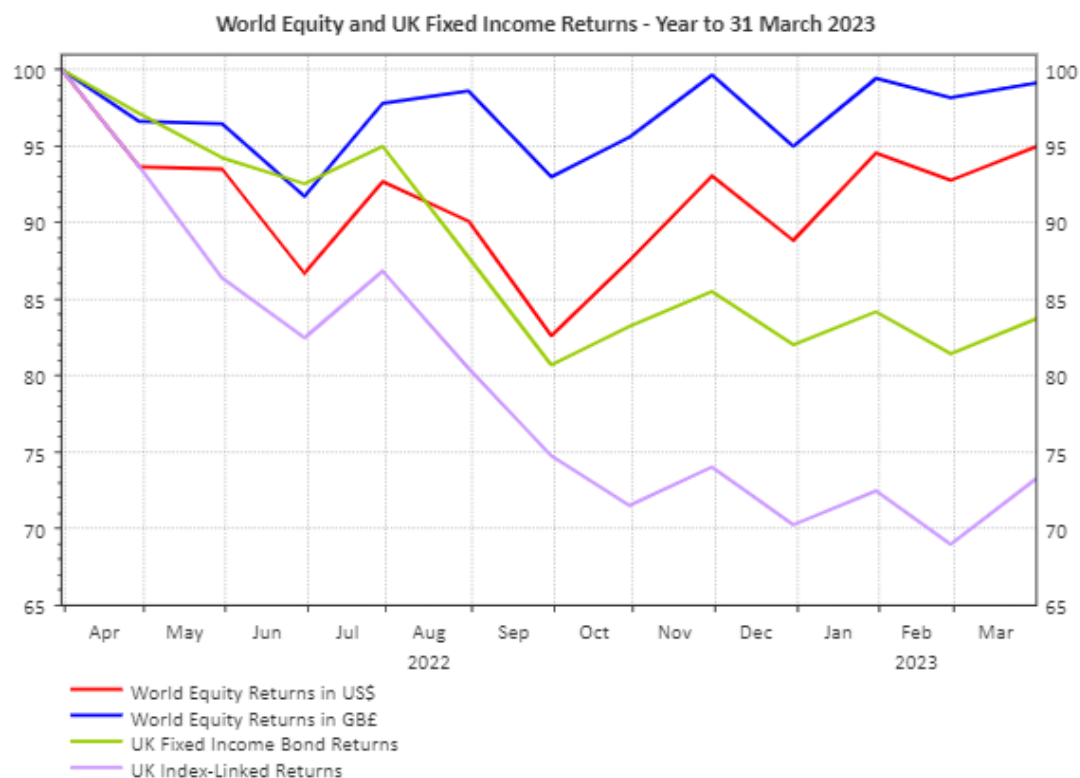
% per Annum	1 Year	3 Year Average	5 Year Average	10 Year Average
The Fund	(3.1%)	8.0%	4.9%	6.6%
Benchmark	(3.6%)	7.7%	4.5%	6.2%
Excess Return	0.5%	0.3%	0.4%	0.4%
Consumer Price Index	10.1%	5.9%	4.2%	2.8%

Source: Performance Evaluation Limited

Investment performance in 2022-23, including a comparison against the Benchmark Return, is calculated independently by Performance Evaluation Limited on a quarterly basis. Subsequent to the period end, Performance Evaluation Limited have ceased trading and have been replaced by Northern Trust as the Fund's performance measurement service provider. 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.

The Fund's 3 and 5 and 10 returns were ahead of inflation, delivering real returns, over those periods and ahead of the assumed long term investment return of 3.8% used in the last actuarial valuation to calculate the funding position of the Fund. The Fund outperformed the benchmark return across all these time periods. Whilst the Fund outperformed the benchmark return on a 1-year basis, the return was lower than the rate of inflation, as UK inflation increased sharply across 2022-23, reflecting the easing of Covid-19 lockdown restrictions which released a surge of pent-up demand. Russia's invasion of Ukraine in February 2022 also significantly disrupted the trade for basic goods such as energy, food and industrial metals, pushing up energy costs and placing further upward pressure on global inflation.

Market Background 2022-23



Markets remained volatile in 2022-23, being impacted by higher global inflation following the Covid-19 pandemic. Lockdown restrictions severely disrupted global supply chains, and the easing of these restrictions released a surge of pent-up demand. Russia's invasion of Ukraine in February 2022 also significantly disrupted the trade for basic goods such as energy, food and industrial metals, pushing up energy costs and placing further upward pressure on global inflation. The effects of the invasion were felt most severely across the United Kingdom and Europe; in the United Kingdom inflation peaked at a 41-year high of 11.1% in October 2022. In response, the major central banks increased interest rates to slow down economic activity. In the United Kingdom, the Bank of England raised interest rates eight times during 2022-23, taking rates from 0.75% to a fourteen-year high of 4.25% by 31 March 2023. Against a backdrop of rising inflation and significantly higher bond yields, the Fund's overall investment return for 2022-23 was negative, at -3.1%, with negative contributions from the majority of the Fund's asset classes. However, on a relative basis, the Fund outperformed its benchmark by 0.5%, principally due to positive excess returns from the Fund's Income and Protection assets.

By asset class, equity returns to Sterling investors in 2022-23 ranged from +8.7% in Europe Ex-UK to -4.1% in Emerging Markets. The FTSE All World returned -0.9% in Sterling terms, falling to -6.9% in US dollar terms, as Sterling strengthened relative to the US dollar. Government bond returns were poor in 2022-23, as bond yields increased in response to central bank interest rate rises. UK Gilts returned -16.3% and UK Index-Linked bonds returned -26.7%. UK Investment Grade Bonds returned -11.4%. Property (70% direct / 30% indirect) returned -13.2% in 2022-23, down from a positive return of 18.8% in 2021-22, as rising interest rates and slow economic growth weighed on investor confidence.

2022-23 Performance by Asset Class

Net Annualised Returns	Investment Assets	Year to Mar-23		3 Years to Mar-23		5 Years to Mar-23	
	Mar-23 £m	Fund Return	Bench-mark Return	Fund Return	Bench-mark Return	Fund Return	Bench-mark Return
Emerging Market Equities (inception May-21)	172.1	(4.9%)	(4.1%)	-	-	-	-
Global Sustainable Equities (inception Jan-22)	314.1	0.5%	0.4%	-	-	-	-
Investment Grade Global Bonds (*) (inception Feb-20)	337.1	(10.8%)	(9.0%)	(0.9%)	(0.6%)	-	-
Private Debt (£50m commitment in Nov-21)	14.3	-	-	-	-	-	-
LGPSC Pooled Product	837.6						
Total Pool Managed Assets							
United Kingdom Equities (**)	826.5	1.9%	2.9%	14.1%	13.8%	5.1%	5.0%
United States Equities	62.5	(1.6%)	(2.5%)	19.1%	18.5%	13.6%	13.7%
Japanese Equities (***)	325.4	(0.5%)	(2.0%)	1.1%	7.9%	(1.9%)	4.1%
Emerging Market Equities	153.3	(5.4%)	(4.1%)	9.1%	9.2%	2.0%	2.9%
Global Sustainable Equities	1,166.1	(4.3%)	(0.7%)	18.6%	16.5%	-	-
Private Equity	286.6	5.1%	0.5%	23.4%	12.3%	16.6%	4.7%
Infrastructure	639.7	7.5%	4.3%	6.3%	2.9%	8.1%	2.8%
Property	466.2	(8.6%)	(13.2%)	4.2%	2.2%	4.3%	2.1%
Multi-Asset Credit	407.2	1.0%	2.7%	6.5%	6.4%	3.4%	3.4%
Conventional Bonds	284.5	(12.9%)	(16.3%)	(7.4%)	(9.1%)	(2.4%)	(3.1%)
Index-Linked Bonds	291.9	(20.6%)	(26.7%)	(5.2%)	(7.6%)	(1.2%)	(3.2%)
Cash and other	152.0	1.7%	2.2%	0.7%	0.8%	0.5%	0.7%
Total Non-Pool Managed Assets (****)	5,061.9						
Total Investment Assets	5,899.5	(3.1%)	(3.6%)	8.0%	7.7%	4.9%	4.5%

Source: Performance Evaluation Limited and LGPSC Reports

(*) LGPSC performance returns reported before transition costs and under-performance over the transition period of around 220 basis points.

(**) The UK Equity portfolio was managed by LGPSC on a discretionary management between 1 April 2018 and 14 November 2019. The mandate was terminated in November 2019. The mandate under-performed both the Benchmark and the Target on an annualised basis by 62 basis points and 112 basis points, respectively.

(***) LGPSC provided an advisory service in respect of active Japanese Equities between 1 April 2020 and 17 January 2021. The mandate was terminated in January 2021.

(****) Includes assets of £2,411.2m (£2,175.2m on 31 March 2022) managed through collaboratively procured agreements.

Pool Managed Investment Assets

Total assets managed by LGPS Central Limited fell from £873m on 31 March 2022 to £838m on 31 March 2023 (£874m on a committed basis), accounting for 14.2% of total investment assets (2021-22, 14.3%). Subsequent to 31 March 2023, a further £170m of investment assets have been transitioned into Global Sustainable Equity products managed by LGPSC.

In addition to the assets managed by LGPSC, the following assets totalling £2,411m (£2,175m, 31 March 2022) were managed through collaboratively procured pooled arrangements:

- Passive equities of £1,776m managed by LGIM in respect of UK Equities; Japanese Equities; Emerging Market Equities and Global Sustainable Equities; and
- Active Global Sustainable Equities of £488m managed by two investment managers; and
- Active Global Infrastructure assets of £147m managed by one manager.

Including the above assets, the percentage of total assets managed through either LGPSC products or other collaboratively procured pooled arrangements increased to 55.1% (£3,249m) on 31 March 2023 (50.0%, £3,048m on 31 March 2022).

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 2023-24.

Gross & Net Performance Returns

The performance returns by asset class shown in the table on the previous page are net of investment management expenses. The gross returns by asset class calculated by the Fund's third-party performance measurement provider, Performance Evaluation Limited, only add back cash settled investment management expenses, and do not add back fees deducted at source in respect of pooled vehicles and closed ended limited partnerships. As a result, the gross returns by asset class reported by Performance Evaluation Limited are understated and have therefore not been presented.

Total investment management expenses in 2022-23 were £28.3m (2021-22, £28.3m), equivalent to 47.7 basis points of total average net investment assets in 2022-23 (2021-22, 46.7 basis points), principally reflecting an increasing move from active management to lower cost passive management.

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 2023-24 onwards.

2022-23 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

2021-22 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	1,077	-	-	-	66	773	1,916
Average Investment Assets (£m)	609.3	-	-	-	609.3	609.3	609.3
Basis Points Charge	17.7	-	-	-	1.1	12.7	31.4
Non-Asset Pool							
Management Expenses	-	24,371	698	50	336	904	26,359
Average Investment Assets (£m)	-	3,044.6	1,783.7	618.1	5,446.4	5,446.4	5,446.4
Basis Point Charge	-	80.0	3.9	0.8	0.6	1.7	48.4
Total							
Management Expenses	1,077	24,371	698	50	402	1,677	28,275
Average Investment Assets (£m)	609.3	3,044.6	1,783.7	618.1	6,055.6	6,055.6	6,055.6
Basis Point Charge	17.7	80.0	3.9	0.8	0.7	2.8	46.7

Note: IIMT = In-House Investment Management Team

* Ad valorem only

** Ad valorem plus performance fees

*** IIMT Fixed cost allocation

In 2022-23, LGPSC investment management fees totalled £1.4m (principally fees paid to the underlying external investment managers), £0.4m higher than 2021-22, reflecting an increase in average assets under management.

Active external manager fees of £24.6m (2021-22, £24.3m) relate to the investment management expenses incurred in respect the Japanese, Asia Pacific, Emerging Market and Global Sustainable Equity pooled vehicles noted above, together with the external investment management expenses incurred in connection with the US Equities, Multi-Asset Credit, Private Equity, Infrastructure, Direct Property and Indirect Property portfolios.

Passive external manager fees of £0.7m (2021-22, £0.7m) relate to the passive management of UK Equities and European Equity portfolio and a proportion of the Japanese, Emerging Market and Global Sustainable Equity allocations.

The in-house investment management team expenses of £0.5m (2021-22, £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.

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 (e.g. active vs. passive); the complexity and liquidity of the asset class; and the stage of investment (e.g. 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 at the Reporting Date

The Fund's net investment assets on 31 March 2023 are detailed below:

£ in Million	UK	Non-UK	Total
Equities	896.6	2,119.3	3,015.9
Bonds	711.4	621.7	1,333.1
Direct Property	331.3	-	331.3
Indirect Property	84.2	51.2	135.4
Alternatives	424.3	509.0	933.3
Cash, Cash Equivalents & Other (*)	120.4	28.6	149.0
Total	2,568.2	3,329.8	5,898.0

(*) Includes Short-Dated Bond Funds

Largest Direct Equity Holdings

The Fund's largest direct US Equity holdings on 31 March 2023, together with the comparable holdings on 31 March 2022, were as follows:

Value of Holding in £000s	31 March 2022	31 March 2023
Microsoft Corp	6,630	4,316
Alphabet Inc	4,757	2,740
Amazon Inc	5,216	2,445
Meta Platforms Inc	1,412	2,015
Apple Inc	3,920	1,645
Performance Food Group Corp	1,698	1,550
Eli Lilly & Co	1,384	1,009
BP PLC - ADR	-	962
Morgan Stanley	917	687
TJX Companies Inc	873	852

Subsequent to 31 March 2023, the Fund fully divested from its direct US Equity holdings.

The Fund's largest indirect holdings on 31 March 2023, together with the comparable holdings on 31 March 2022, were as follows:

Value of Holding in £000s	Asset Class	31 March 2022	31 March 2023
LGIM	UK Equities	751,690	774,200
LGIM	Global Sustainable Equities	686,932	678,564
Royal Bank of Canada	Global Sustainable Equities	412,479	378,812
LGPSC	Investment Grade Bonds	378,001	337,078
LGPSC	Global Sustainable Equities	312,322	314,072
LGIM	Japanese Equities	216,687	220,913
LGPSC	Emerging Market Equities	180,959	172,145
JPMorgan IIF	Infrastructure	118,207	147,167
CQS	Multi-Asset Credit	151,476	118,395
Janus Henderson	Multi-Asset Credit	113,275	112,957

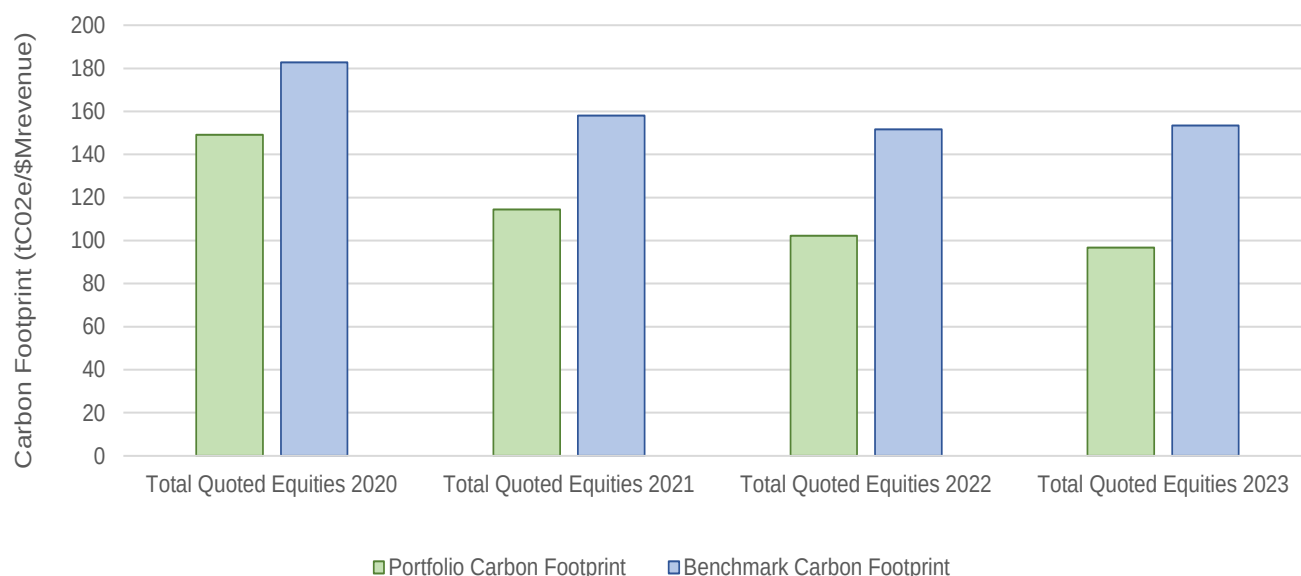
Carbon Risk Metrics

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 and 31 March 2023, together with the carbon metrics in respect of the Fund's investment grade bond investments at the same dates, in 2021, 2022 and 2023, 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 below relate to the Fund's listed equity portfolios on 31 March 2023. These accounted for 50.9% of total investment assets at that date. The analysis sets out the Fund's Carbon Footprint, Weight in Fossil Fuel Reserves, Weight in Thermal Coal Reserves and Weight in Clean Technology relative to Benchmark on 31 July 2019, 31 March 2021, 31 March 2022 and 31 March 2023. The commentary that follows compares 31 March 2023 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^{2 3}



Note: The Benchmark Carbon Footprint at 31 March 2022 has been updated from the previously reported 137.6 tCO2e/\$M revenue to 151.7 tCO2e/\$M revenue to be on a basis consistent with that reported on 31 March 2023

Compared to the weighted Base Benchmark, the Fund's Total Quoted Equities portfolio on 31 March 2023 was around 47% 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 47% fewer GHG emissions than the companies in the weighted Base Benchmark.

In addition, the Fund's Total Quoted Equities portfolio on 31 March 2023 had a lower weight in companies with fossil fuel reserves than the weighted Base Benchmark (Figure 2 below, 51% lower than the weighted Base 2020 Benchmark). The Fund's weight in thermal coal reserves was also 41% lower than the weighted Base 2020 Benchmark (Figure 3 below).

The carbon footprint analysis above 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 two reasons: (1) the rate of Scope 3 disclosure remains insufficient to use reliably in carbon foot-

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³ The weighted benchmark comprises the underlying regional benchmarks, weighted in proportion to the current GBP amount in each equity region

printing 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 2: Exposure to companies with fossil fuel reserves in each regional equity portfolio⁴

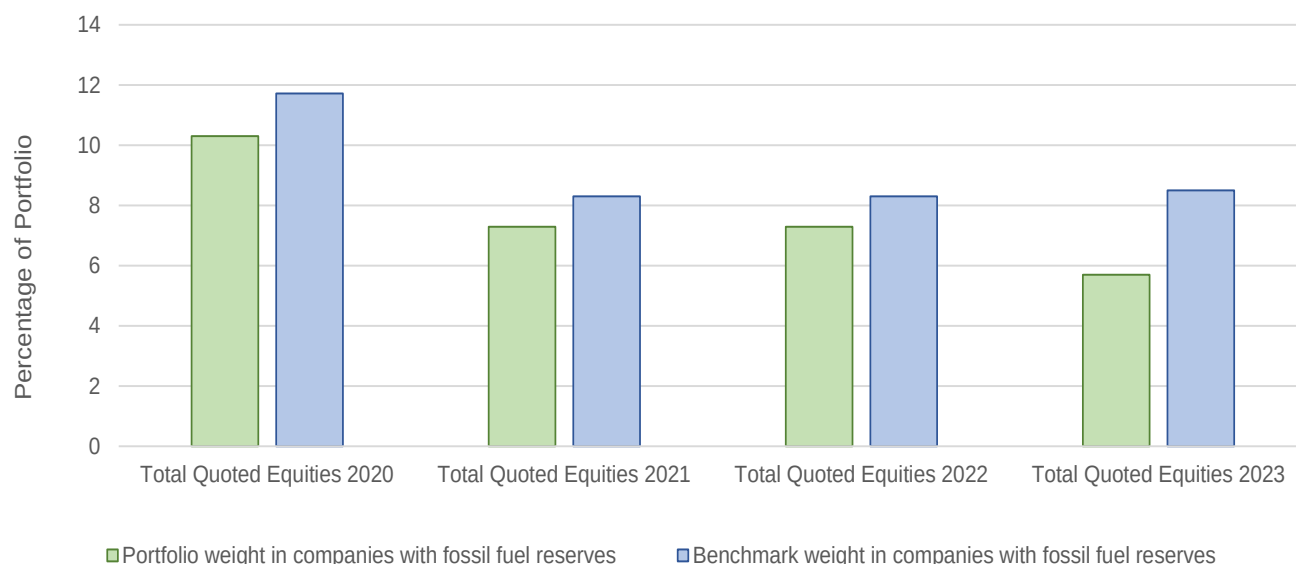


Figure 3: Exposure to thermal coal reserves in each regional equity portfolio⁵

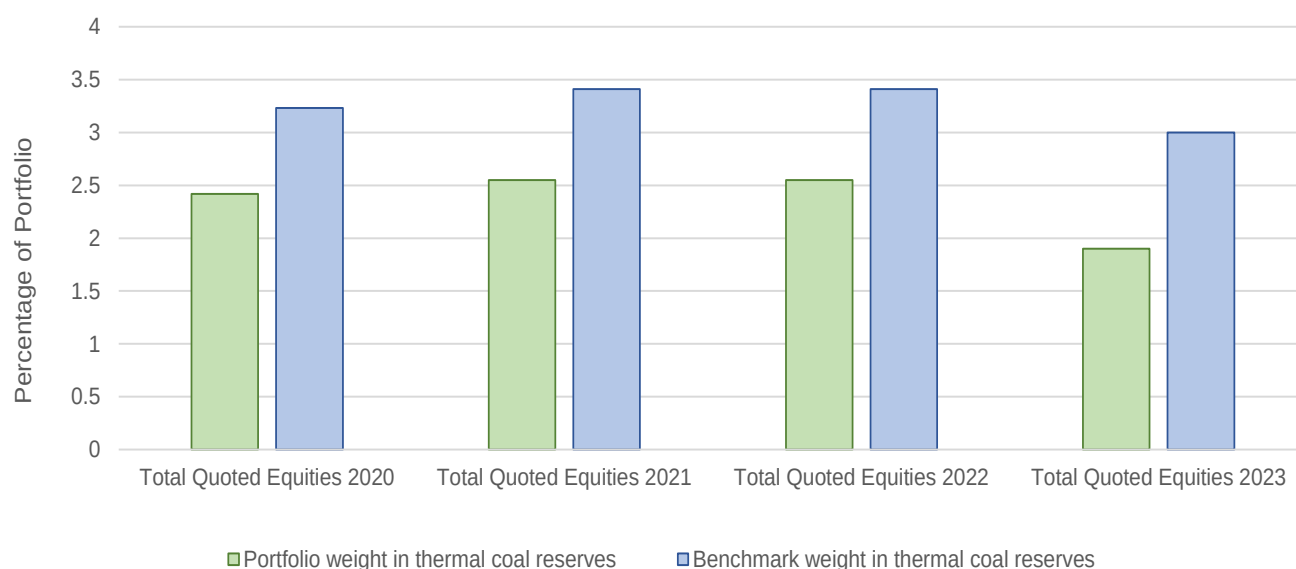


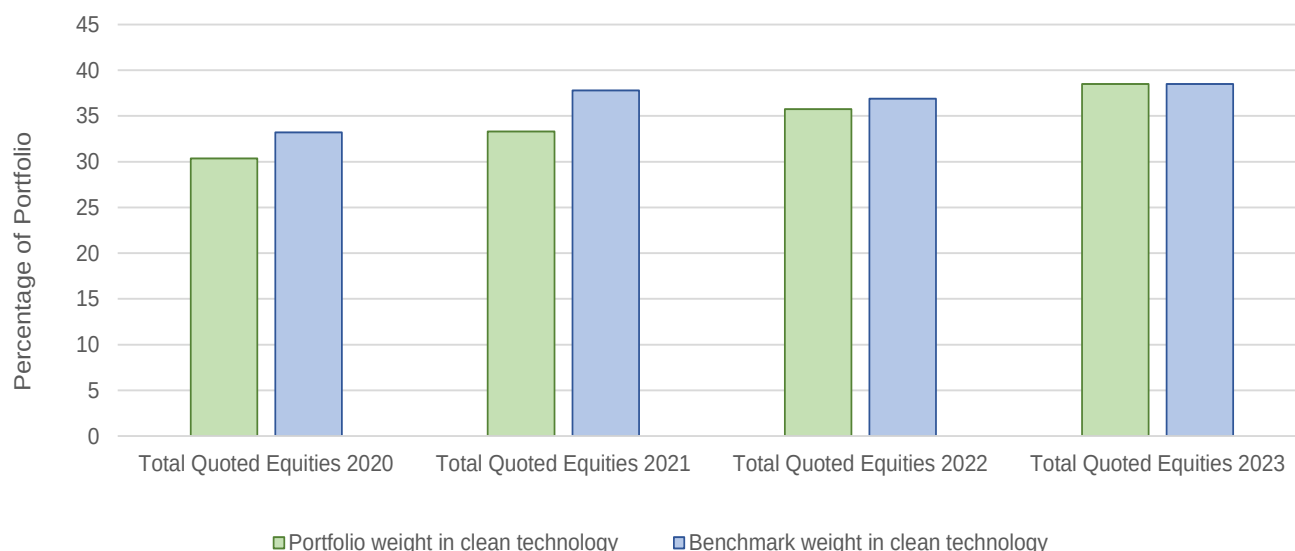
Figure 4 below indicates that the Fund’s Total Quoted Equities portfolio exposure to clean technology is 16% higher than the weighted Base 2020 Benchmark, and in line with the weighted 2023 Benchmark. The Fund notes that this measure should be viewed with some caution as there appears to be a moderate positive correlation in the dataset between sectors that have a high carbon intensity (or a higher weight in fossil fuel reserves) and those that have a higher weight in clean technology. For example, the Utilities and Oil & Gas sectors have some of the highest weights in clean technology. This correlation means that it may be difficult to have a diversified

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⁵ Certain information ©2021 MSCI ESG Research LLC. Reproduced by permission

portfolio that is simultaneously carbon efficient, is underweight fossil fuels, and overweight clean technology. By clean technology revenue, the Fund's weight in clean technology on 31 March 2023 was 5.3%, 10 basis higher than the 2023 weighted benchmark. The analysis takes no account of the Fund's quoted and unquoted on-shore & offshore, solar and hydro renewable energy infrastructure investments. These were more than £270m on a committed basis on 31 March 2023, equating to 4.6% of total net investment assets.

Figure 4: Exposure to clean technology in each regional equity portfolio⁶



The following table sets out the carbon metrics⁷ in respect of the Fund's investment grade bond investments on 31 March 2023, which represented 5.7% of total investment assets at that date.

Carbon Metric Including Sovereign Bonds	Portfolio	Benchmark	Variance
Carbon Footprint	175.5	159.0	10.4%
Weight in Fossil Fuel Reserves	4.4	6.3	(30.2)
Weight in Thermal Coal Reserves	1.5	1.4	10bps
Weight in Clean Technology	22.3	28.9	(660bps)

The table indicates that the Fund's investment grade bonds portfolio is around 10% less carbon efficient than the benchmark, together with higher weights in fossil fuel reserves and thermal coal reserves relative to the benchmark. Comparable with the total quoted equity portfolio, the weight in clean technology is lower than the benchmark.

The Fund has developed a standalone Climate Strategy which was approved by Committee in November 2020. This sets out the Fund's approach to addressing the risks and opportunities related to climate change and includes the introduction of the following targets:

1. Reduce the carbon footprint (Scope 1 & 2) of the Fund's listed equity portfolio by at least 30% relative to the weighted benchmark in 2020 by the end of 2025; and
2. Invest at least 30% of the Fund portfolio in low carbon & sustainable investments by the end of 2025.

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⁷ Certain information ©2021 MSCI ESG Research LLC. Reproduced by permission

The targets will be reviewed at least every three years and are expected to increase in line with the stated ambition of achieving a portfolio of assets with net zero carbon emissions by 2050.

The following table, shows the progress in respect of the two targets on 31 March 2022 and 31 March 2023:

Target	Target by end of 2025	Actual on 31 March 2022	Actual on 31 March 2023
1. Reduce the carbon footprint (Scope 1 & 2) of the Fund's listed equity portfolio by at least 30% relative to the weighted benchmark in 2020 by the end of 2025	(30%)	(44%)	(47%)
2. Invest at least 30% of the Fund portfolio in low carbon & sustainable investments by the end of 2025	30%	Invested: 27% Committed: 29%	Invested: 29% Committed: 30%

The Fund expects to make continued progress in respect of both targets in 2023-24, albeit the Fund notes that as the consistency, comparability and quality of climate-related data, including the identification and measurement of companies' Scope 3 emissions, improves, this could have a material impact on the Fund's carbon metrics relative to the targets noted above.

Copies of the Fund's latest TCFD report and Climate Strategy can be found on the Fund's website: www.derbyshirepensionfund.org.uk

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 over £50bn 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 2017-18.

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 eight 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 (e.g. 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 (e.g. on-going staff and resources deployed to set-up the LGPS Central Pool) these have not been captured.

The Fund incurred costs of £0.164m associated with LGPSC's Emerging Market Equity Active Multi-Manager sub-fund, All World Equity Climate Multi-Factor Fund, Global Active Investment Grade Corporate Bond Multi-Factor Fund and Credit Partnership II LP (Private Debt Fund) in 2022-23 (2021-22, £0.087m). The charge excludes fees paid to the underlying investment managers of £1.265m in 2022-23 (2021-22, £0.990m).

The Fund incurred £1.065m in respect of Governance, Operator Running and Product Development costs in connection with LGPSC in 2022-23 (2021-22, £0.947m).

An estimate of the Fund's cumulative LGPSC pooling cost savings/(loss) on 31 March 2023 is set out below:

Inception to 31 March 2023	£ Million
Product Investment Management Fee Savings	4.3
Transition Costs (*)	(3.7)
LGPSC Costs (**)	(6.5)
LGPSC Funding Costs	(2.0)
Other	1.2
Cumulative Estimated Pooling Cost Savings/(Loss)	(6.7)

(*) Excludes out-or-under-performance and opportunity costs over the transition period

(**) Comprises LGPSC Governance Costs, Operator Costs, Product Development, IMMCs and Service Provider Fees

Whilst the estimate shows a cumulative loss of £6.7m on 31 March 2023, this partly reflects one off transition costs and funding costs. The Fund only started to transition assets into LGPSC products in 2019-20, 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. The Fund forecasts that its cumulative pooling cost savings will turn positive in around 2025-26. 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 table below, shows the annualised net investment performance of the Fund's current assets managed by LGPSC since first investment to 31 March 2023.

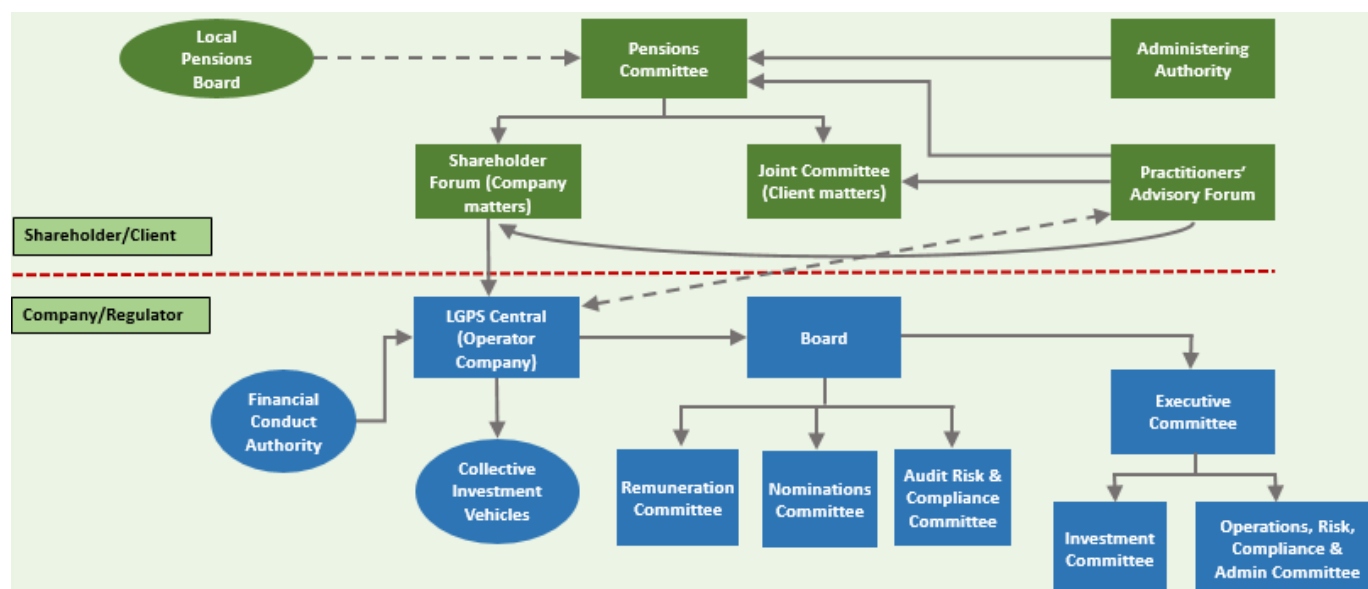
The net investment performance returns shown below exclude transition costs, together with out-or-under-performance and opportunity costs over the transition period.

LGPSC Sub-Fund	First Investment Date	AUM 31 Mar-23 £ Million	Annualised Net Sub-Fund Return	Relative to Annualised Benchmark	Relative to Annualised Target
Emerging Market Equity Active Multi-Manager Fund	May-21	172	(7.1%)	(4.1%)	(6.1%)
All World Equity Climate Multi-Factor Fund	Jan-22	314	(0.9%)	+0.1%	n/a
Global Active Investment Grade Corporate Bond Multi-Manager Fund	Feb-20	337	(0.9%)	(0.3%)	(1.1%)
Credit Partnership II LP (Private Debt)	Nov-21	14	(*)	(*)	(*)

(*) 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 2022-23 (2021-22, 2); a link to the minutes of the LGPS Central Joint Committee can be found on the Fund's website: www.derbyshirepensionfund.org.uk

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 & ICT 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 5 meetings of the Shareholders' Forum in 2022-23 (2021-22, 2), together with 1 training event.

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 and ICT, 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, which is set out at Appendix 6, 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.

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 three 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 is set out at Appendix 7.

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 2022/23

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 continued to be disrupted by the ongoing war in Ukraine and inflationary pressures, 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 increase of 10.1% in April 2023. Despite this, the funding level of the Fund is likely to be higher than reported at the 31 March 2022 funding valuation due to the significant rise in interest rates which reduces the value placed on the Fund's liabilities.

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

31 May 2023

For and on behalf of Hymans Robertson LLP

Scheme Administration

The Fund is administered in-house on a day-to-day basis by the Pension Administration Team which is part of the Corporate Services and Transformation Department and is led by Dawn Kinley, Head of Pension Fund and supported by five Pensions Team Managers.

The Local Government Pension Scheme (LGPS) is a statutory scheme with regulations made under the Superannuation Act 1972 and the Public Service Pensions Act 2013. 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 and their full-time equivalent pensionable pay at retirement.

During 2022-23, 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 2019, determined employer contribution rates for the period from 1 April 2020 to 31 March 2023. The triennial scheme valuation completed by the Fund's actuary on 31 March 2020, has been used to determine employer contribution rates for the period from 1 April 2023 to 31 March 2026.

As an administering authority under The Local Government Pension Scheme Regulations 2013, DCC is responsible for administering the LGPS for all local authority employers in the county and certain other organisations. Some employers participate under admission agreements. A full list of employers is provided at Appendix 8.

Administration

Pension administration broadly comprises:

- managing and maintaining a database of:
 - active members (i.e. contributors)
 - pensioners, including widows, widowers, and dependents
 - those with deferred benefits that will become payable in the future
- 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
- 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
- replying to queries from Scheme members and employers

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

Benefits Team x 2:	Sue Hubbleday Wayne Stone
Technical and Finance Team:	Rachel James
Regulations and Communications Team:	Steve Webster

In addition, a Projects Team managed by Emma Whysall, originally set up in 2018-19 to manage the migration to, and the implementation of Altair (the pension administration system) and other projects, has continued during 2022-23 to work on operational developments and digital transformation, including the following additional functionalities to the core pension administration system:

- i-Connect - a secure automated data exchange service for employers
- My Pension Online – a secure self-service online portal for scheme members

The Projects Team also 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 have now been 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 dashboard eco-system by October 2026

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.

No significant services are outsourced, except for the pensioner payroll service which is 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 ten 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 45 full-time equivalent members of pension administration staff working for the Fund on 31 March 2023 (47 in 2021-22) and the cost of administration, excluding actuarial and audit fees, was £3.119m (2021-22, £2.774m) comprising staffing costs, IT, central charges and the cost of providing a pensions payroll for pensioners. A breakdown is shown below.

£ in Thousand	2021-22 Actual	2022-23 Actual
Staff costs	1,680	1,770
Premises, Supplies and services	686	720
Net Actuarial Services	26	279
Information technology	382	350
Total	2,774	3,119

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

£ per Member	2018-19	2019-20	2020-21	2021-22	2022-23
The Fund	£20.38	£24.79	£28.96	£26.29	£28.98

The cost per member remained relatively stable until 2019 but has increased overall since 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
- the 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 five years:

Year-End Number	2018-19	2019-20	2020-21	2021-22	2022-23
Full-Time Equivalent Staff (FTE)	42	47	47	47	45

Each total does not include vacant positions.

On 31 March 2023 the Fund's overall structure included 9 FTE vacant positions, of which 8 related to the administration team. Subsequent to the year-end, 5 of the vacant administration positions on 31 March 2023 have been filled.

Working arrangements

Hybrid working arrangements, initially implemented following the Covid-19 pandemic and developed through DCC's Modern Ways of Working initiative, became established as the Fund's standard working arrangements during 2022-23.

As part of the Modern Ways of Working initiative, the Fund had been allocated about 60% of its pre-Covid space, and hybrid working arrangements were established towards maintaining the efficient delivery of the service and ongoing structured and unstructured learning.

Performance

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

The administration team regularly monitors key performance indicators 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 changes across key areas of the team's functions.

The table summarising performance achievements in this section of the report does not include completion of deferred memberships.

An ongoing interim programme to eliminate the backlog of deferred membership cases, including working with employers to identify and submit missing data submissions relating to members whose active membership had ended in previous years, progressed during 2022-23.

Backlog numbers have reduced significantly, and it is anticipated that a review will be undertaken during 2023-24 relating to the reporting of deferred membership cases within disclosure timescales.

Whilst the interim programme continues, a disclosure report of deferred membership cases processed during the year within the statutory period of 2 months would result in a distorted figure due to the requirement to eliminate the backlog.

The following performance levels for 2022-23 have been measured against The Occupational Pension Schemes (Disclosure of Information) Regulations.

Operation	Statutory timescale	Processed within statutory timescale
Payment of retirement benefits	1 month	99.7%
Completion of death cases	2 months	98.4%
Provision of retirement estimates	2 months	100.0%
Payment of Transfer Out	6 months	100.0%
Provision of Transfer Out quote	3 months	100.0%
Provision of Transfer In quote	2 months	98.5%
Payment of contributions refund	2 months	99.2%

In other areas of activity, during 2022-23 the Fund:

- onboarded 7 academies as new employers in the Fund
- received applications from 12 organisations for Admission Body status
- commenced formal arrangements for the exit from the Fund of 9 Admitted Bodies where their active participation ended during 2022-23
- continued replacing year-end returns with monthly data submissions via the implementation of the i-Connect secure data transmission solution for 254 participating employers
- continued data cleansing work relating to the GMP reconciliation exercise for active, deferred and beneficiary members
- reduced backlog aggregation cases (those not completed within 12 months) from 963 on 31 March 2022 to 56 on 31 March 2023
- produced and distributed IAS19 and FRS102 Accounting Disclosure Reports for 235 employers
- continued the development of the member self-service website, “My Pension Online”, to enable members to access pension information, including their Annual Benefit Statement, online
- increased registrations from scheme members for the “My Pension Online” portal to 21,406 by 31 March 2023. The total included 30.91% of the combined active and deferred membership at that date
- generated and made available by 31 August 2023, Annual Benefit Statements which reflected membership to 31 March 2023, for 90.4% of the Fund’s active and deferred members (excluding ‘gone aways’)
- commenced transitional 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
- issued Pensions Saving Statements to 77 members who had exceeded their Annual Allowance limit during 2022-23
- monitored and periodically reported to the DCC’s Pensions and Investments Committee, on employer performance in the areas of retirements, deaths in service, transfers, and refunds

Data Quality

The Pension Regulator acknowledges that complete, accurate scheme records are a vital part of the administrative function. The Regulator defines two 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 Data** essential to calculate benefit entitlements such as, member contributions, pensionable pay, service history.

To measure the Fund's data quality, the software provider, Aquila Heywood, has provided the latest common and conditional data results for 2022-23.

The results for the last 5 years are shown in the table below:

Year	Common data	Conditional data
2018-19	97.6%	92.3%
2019-20	98.0%	92.5%
2020-21	98.2%	93.5%
2021-22	97.7%	94.8%
2022-23	98.0%	95.0%

Derbyshire Pension Fund website

The Fund's website, which was launched in October 2018, 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 was developed to be easily accessible for all and user friendly. During 2022-23 a total of 142,322 separate visits to the website were made by scheme members, employers, and other Fund stakeholders.

This represented an increase in website visits which almost doubled the total in 2020-21 of 71,497 in 2020-21 and was predominantly linked to engagement with "My Pension Online" which routed members to the registration process through the Fund's website.

The website's functionality included a benefit estimate calculation service which continued to be hosted on the DCC website, and therefore, is not included in the total of visits to the Fund's website.

The calculator was used by scheme members to carry out 2,890 calculations during 2022-23. This represents a reduction (from 31,091 in 2020-21 and 18,149 in 2021-22) and is linked to members using the enhanced estimate calculation functionality which is available through the "My Pension Online" portal.

As a result of its limited use in 2022-23 and the increase of engagement with the enhanced functionality available through "My Pension Online", the estimate calculator is being disabled during 2023-24.

The administration team continue to review and develop the Fund's website to maintain up to date information and ensure that scheme members and employers always have a user friendly and reliable resource available, including ensuring that the website meets statutory legislation relating to accessibility for use by as many people as possible.

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

Other services to Fund members

Services provided by the Fund to scheme members during 2022-23 included:

- the continued provision of a Pension Fund Helpline service throughout the periods of lockdown, as well as the facility to contact the Fund via a website enquiry form and email
 - telephone 01629 538900
 - [website enquiry form](#)
 - email pensions@derbyshire.gov.uk
- newsletters for active and deferred members produced in collaboration with other Funds to ensure accuracy and to share costs and resource

Other services to Fund employers

Services provided by the Fund to scheme employers during 2022-23 included:

- completion of the 2022 Actuarial Valuation including a review of employer contribution rates and funding positions. A valuation of the Fund's financial position, and each employer's position must be made every three years when the Actuary certifies the employer contribution rates payable until the results of the next valuation are known
- early intervention/support for employers and their contractors in respect of outsourcing agreements and risk-sharing arrangements
- a monthly Employers' Newsletter, and information update letters emailed to employer contacts
- virtual forums provided for employers on specific topics

The Fund's provision of workplace-based LGPS information and drop-in sessions for scheme members were suspended from March 2020 when the government introduced the Covid-19 lockdown measures. Virtual sessions continued to be provided through 2022-23 on request alongside a return of some workplace-based sessions.

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 and revised 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 in dealing with employers.

Employers were required from May 2018 to update their discretions policy documents following the implementation of revised LGPS regulations. During 2022-23 the Fund continued to assist employers with updating their discretions policies during training events, and a document

template and guidance notes which were available on the Fund's website. Since the Fund requested in 2018 that employers update their discretions policy, over 320 of those participating during 2022-23 have submitted revised policies.

The Fund also works closely with employers seeking to contract out services where TUPE transfers of Fund members are involved. Communication efforts to encourage employers to involve the Fund at the planning stage have continued, and the Fund worked with a number of employers and staff groups during 2022-23 to share knowledge and experience and to support smooth transfers and fully informed funding decisions.

Appeals & Ombudsman Escalations

Set out below are tables which show the numbers of Stage 1 and Stage 2 adjudications which were adjudicated by the Administering Authority in 2022-23. The tables also show the number of cases submitted to or determined by The Pensions Ombudsman during 2022-23 in respect of cases escalated following the two-stage adjudication process.

Stage 1 Appeals against the administering authority: 2022-23

Total	Appeals upheld	Appeals dismissed	Progressed to Stage 2
1	0	1	1

Stage 2 Appeals against the administering authority: 2022-23

Total	Appeals upheld	Appeals dismissed	Progressed to Ombudsman
1	0	1	0

Stage 2 Appeals against a Pension Fund employer: 2022-23

Total	Appeals upheld	Appeals dismissed	Progressed to Ombudsman
2	1	1	1

Complaints escalated to The Pensions Ombudsman: 2022-23

Total	Upheld	Dismissed	Awaiting determination
2	0	0	2

Earlier complaints determined by The Pensions Ombudsman during 2022-23

Total	Upheld	Dismissed
3	1	2

In addition to the two cases escalated to The Pensions Ombudsman during 2022-23, one case from 2020-21 and one case from 2021-22 were still awaiting final determination as at 31 March 2023.

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.

Schedule of Contributions

A schedule of contributions for the year showing the amounts paid by individual employers and their employees is provided at Appendix 6.

Arrears of 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 (e.g. 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 2022-23, 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	92.3%
Monthly statement of contributions paid received by 19 th of the following month	88.6%

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

One late payment charge was issued to an employer during 2022-23 which related to regular late payments being made to the Fund during 2021-22.

Fund Activity

Membership:

	31/03/19	31/03/20	31/03/21	31/03/22	31/03/23
Contributors	41,157	40,125	38,065	38,170	38,025
Deferred Pensions	31,136	33,164	32,463	33,634	34,866
Pensioners / Dependents	30,024	31,548	32,427	33,699	34,751
Total	102,317	104,837	102,955	105,503	107,642

Retirements from Active Status:

	31/03/19	31/03/20	31/03/21	31/03/22	31/03/23
Ill Health	32	55	50	53	95
Age retirement	564	676	705	830	753
Flexible	79	100	66	76	65
Redundancy	75	155	82	82	72
Efficiency	14	4	4	3	2
Employer Consent	0	0	0	0	0
Total	764	990	907	1,044	987

Retirements from Deferred Status:

	31/03/19	31/03/20	31/03/21	31/03/22	31/03/23
Ill Health	7	8	4	14	7
Age retirement	687	730	740	808	853
Employer Consent	0	0	0	0	0
Total	694	738	744	822	860

Deaths in Service:

	31/03/19	31/03/20	31/03/21	31/03/22	31/03/23
Deaths in service	29	27	37	46	33

Deaths of Deferred Beneficiaries:

	31/03/19	31/03/20	31/03/21	31/03/22	31/03/23
Deaths of deferred beneficiaries	42	35	63	46	52

Deaths of Pensioners / Dependants:

	31/03/19	31/03/20	31/03/21	31/03/22	31/03/23
Deaths of pensioners & dependants	693	753	920	759	938

Transfers-in:

	31/03/19	31/03/20	31/03/21	31/03/22	31/03/23
Inter-fund Transfers (from the LGPS)	221	239	253	242	392
Club Transfer (Public Sector Transfer Club)	40	22	39	48	36
Non-Club	0	6	1	0	0
Personal Pension	0	0	0	0	0
Total	261	267	293	290	428

Transfers-out:

	31/03/19	31/03/20	31/03/21	31/03/22	31/03/23
Inter-fund Transfers (from the LGPS)	171	273	173	244	343
Club Transfer (Public Sector Transfer Club)	25	50	35	43	34
Non-Club	31	9	5	3	16
Personal Pension	4	35	28	32	33
Overseas	1	1	2	1	0
Total	232	368	243	323	426

Trivial Payments:

	31/03/19	31/03/20	31/03/21	31/03/22	31/03/23
From active status	0	0	4	3	2
From deferred status	70	41	80	116	134
From pension in payment	2	46	56	55	44
Total	72	87	140	174	180

Trivial payments are payment of small pensions via a single one-off lump sum.

Fund Employers:

Active on 31 March 2022	Active on 31 March 2023
331	343

The total now reflects all employers who were separately reporting data and submitting payments of pension contributions to the Fund at that date. This includes organisations such as schools and academies which are included in a main Fund employer's governance and actuarial arrangements, but who for reporting and payment purposes are managed as a separate employer.

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

Statement of Accounts for the year ended 31 March 2023

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 340 participating employers and approaching 110,000 membership records, relating to approximately 93,500 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). Although the profile of the Pension Fund is gradually maturing, it continues to be cashflow positive, with combined contributions and investment income exceeding benefit payments on an annual basis.

The triennial actuarial valuation of the Fund at 31 March 2022 was completed during the year. The whole fund results, which provide a high-level snapshot of the funding position at 31 March 2022, reported an improvement in the funding level of the Fund from 97% at 31 March 2019 to 100% at March 2022, moving from a deficit of £163m to a small positive surplus of £1m. For the purposes of reporting a funding level, an investment return of 3.8% p.a. was assumed.

Employer covenant analysis and engagement with the Fund's employers supported the agreement of employer contribution rates for the three years from 1 April 2023. Employers' primary rates, covering the cost of the benefits that active members will build up in the future, generally increased due to higher inflation expectations; secondary rates, covering the costs associated with funding benefits accrued up to the valuation date, generally decreased due to strong investment performance since the last actuarial valuation in March 2019.

As part of the actuarial valuation, an updated Funding Strategy Statement and an updated Admission, Cessation and Bulk Transfer Policy were approved by the Pensions and Investments Committee. During the year, the Committee also approved an updated Pension Administration Strategy and an updated Governance Policy and Compliance Statement. The Fund also published its third Climate-Related Disclosures Report, which demonstrated the positive progress made in reducing the carbon footprint of the Pension Fund's listed equity portfolio and increasing the Fund's weighting in low carbon and sustainable investments.

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

At the end of March 2023, the value of the Fund's investments assets had fallen to just under £5.9bn, returning -3.1% over the year. However, the Fund continued to outperform on a relative basis against its benchmark over 1, 3, 5 and 10 years.

Investment markets globally were impacted by the reaction of central banks to rising levels of inflation. As the global economy recovered with the easing of Covid-19 pandemic-related lockdown restrictions, demand for products and materials increased sharply. Global supply chains were tight coming out of the pandemic and were further impacted by the conflict in Ukraine. The strong consumer demand for products against a backdrop of tight supply, tight labour markets and rising commodity prices (particularly rising energy prices) resulted in higher levels of price inflation.

Following their first steps to tighten monetary policy towards the end of 2021-22, after a long period of low interest rates, the major central banks moved swiftly during the year to increase rates as the worsening inflationary outlook unfolded. The Bank of England increased its base rate from 0.75% at the start of the year to 4.25% in March 2023, the highest level since October 2008. The US Federal Reserve increased its federal funds rate from a range of 0.25%-0.50% in March 2022 to a range of 4.75% to 5% in March 2023, its highest level since September 2007. Returns from the majority of asset classes were negative during the year, with the prices of government bonds and corporate bonds particularly impacted by the increases in interest rates.

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 fund. The Fund expects further assets to be transitioned into LGPSC pooled products in 2023-24.

The rollout of the i-Connect system continued during with year, with employers representing around 90% of the Fund's membership now using the automated data submission and validation system.

Registrations on My Pension Online, the Fund's member self-service system, continued to grow, with over 30% of the Pension Fund's combined active and deferred members registered on the 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:

<https://www.derbyshirepensionfund.org.uk/publications/annual-report/annual-report.aspx>

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

Membership Statistics

The Fund has approaching 110,000 membership records, relating to approximately 93,500 members, either active contributors, pensioners, or deferred pensioners:

	Actuals		
	31 Mar 2021	31 Mar 2022	31 Mar 2023
Contributors	38,065	38,170	38,025
Pensioners and Dependants	32,463	33,699	34,751
Deferred Pensioners	32,427	33,634	34,866

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	2022-23	2023-24
Derbyshire County Council	15.5% plus £15.536m	20.8% plus £0.582m
Derby City Council	14.5% plus £6.981m	20.3% plus £0.883m
Amber Valley Borough Council	15.0% plus £1.057m	21.1% plus £0.631m
Bolsover District Council	14.9% plus £0.962m	20.8% plus £0.262m
Chesterfield Borough Council	15.2% plus £1.991m	20.4% plus £0.726m
Derbyshire Dales District Council	14.6% plus £0.561m	20.5% plus £0.192m
Erewash Borough Council	14.1% plus £0.999m	20.7% plus £0.502m
High Peak Borough Council	13.4% plus £1.833m	20.9% plus £1.227m
North East Derbyshire District Council	14.7% plus £1.527m	20.6% plus £0.901m
South Derbyshire District Council	14.8% plus £0.678m	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 2022-23 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 2023-24.

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

Investment Policy

During 2022-23, responsibility for policy matters rested with a Pensions and Investments Committee, which was comprised of eight County Councillors, two 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.

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 2022-23. 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. 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 2023, compared to those of its strategic benchmark, as well as the impact of inflation on Fund returns.

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

	Return		Inflation	Derbyshire Pension Fund Real Return
Periods to 31 Mar 2023	Derbyshire Pension Fund	Benchmark	CPI	Versus CPI Inflation
	% pa	% pa	%	%
1 Year	(3.1)	(3.6)	10.1	(13.2)
3 Years	8.0	7.7	5.9	2.1
5 Years	4.9	4.5	4.2	0.7
10 Years	6.6	6.2	2.8	3.8

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 out-performed across all time periods relative to the benchmark. It is important to note that the Fund delivered real returns over all time periods other than on a one year basis, with returns ahead of inflation in each of those time periods. UK inflation increased in 2022-23, from 7.0% in March 2022 to 10.1% in March 2023, reflecting rising energy costs and tight global supply chains following the Covid-19 pandemic.

Markets remained volatile in 2022-23, with the markets being impacted by higher global inflation following the Covid-19 pandemic. Lockdown restrictions severely disrupted global supply chains, and the easing of these restrictions released a surge of pent-up demand. Russia's invasion of Ukraine in February 2022 also significantly disrupted the trade for basic goods such as energy, food and industrial metals, pushing up energy costs and placing further upward pressure on global inflation. The effects of the invasion were felt most severely across the United Kingdom and Europe; in the United Kingdom inflation peaked at a 41-year high of 11.1% in October 2022. In response, the major central banks increased interest rates to slow down economic activity. In the United Kingdom, the Bank of England raised interest rates eight times during 2022-23, taking rates from 0.75% to a fourteen-year high of 4.25% by 31 March 2023. Against a backdrop of rising inflation and significantly higher bond yields, the Fund's overall investment return for 2022-23 was negative, at -3.1%, with negative contributions from the majority of the Fund's asset classes. However, on a relative basis, the Fund outperformed its benchmark by 0.5%, principally due to positive excess returns from the Fund's Income and Protection assets.

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

By asset class, equity returns to Sterling investors in 2022-23 ranged from +8.7% in Europe Ex-UK to -4.1% in Emerging Markets. The FTSE All World returned -0.9% in Sterling terms, falling to -6.9% in US dollar terms, as Sterling strengthened relative to the US dollar. Government bond returns were poor in 2022-23, as bond yields increased in response to central bank interest rate rises. UK Gilts returned -16.3% and UK Index-Linked bonds returned -26.7%. UK Investment Grade Bonds returned -11.4%. Property (70% direct / 30% indirect) returned -13.2% in 2022-23, down from a positive return of 18.8% in 2021-22, as rising interest rates and slow economic growth weighed on investor confidence.

Actuarial Position of the Fund

Every three 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 three 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:
<https://www.derbyshirepensionfund.org.uk/publications/policies-strategies-and-statements/funding-strategy.aspx>

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 three 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).

PENSION FUND ACCOUNTS EXPLANATORY FOREWORD

Since 31 March 2022, markets have continued to be affected by the ongoing war in Ukraine and inflationary pressures, 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 increase of 10.1% in April 2023. Despite this, the funding level of the Fund is likely to be higher than reported at the 31 March 2022 funding valuation due to the significant rise in interest rates, which reduces the value placed on the Fund's liabilities.

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 <http://www.derbyshirepensionfund.org.uk> .

PENSION FUND ACCOUNTS

FUND ACCOUNT

FUND ACCOUNT

2021-22 £m		Note	2022-23 £m
	Dealings with Members, Employers and Others Directly Involved in the Fund		
193.536	Contributions	6,23	202.768
11.940	Transfers in from Other Pension Funds	7	17.144
205.476			219.912
(185.578)	Benefits	8,23	(195.410)
(18.262)	Payments to and on Account of Leavers	9	(15.510)
(203.840)			(210.920)
1.636	Net Additions from Dealings with Members, Employers and Others Directly Involved in the Fund		8.992
(32.413)	Management Expenses	10	(33.136)
(30.777)	Net (Withdrawals) Including Fund Management Expenses		(24.144)
	Return on Investments		
62.217	Investment Income	11	71.587
0.018	Taxes on Income	12	0.008
393.710	Profits and Losses on Disposal of Investments and Changes in Value of Investments	13	(248.868)
455.945	Return on Investments		(177.273)
425.168	Net Increase/(Decrease) in the Net Assets Available for Benefits During the Year		(201.417)
5,706.917	Opening Net Assets of the Fund		6,132.085
6,132.085	Closing Net Assets of the Fund		5,930.668

PENSION FUND ACCOUNTS

NET ASSETS STATEMENT

NET ASSETS STATEMENT

31 Mar 2022			31 Mar 2023
£m		Note	£m
6,092.012	Investment Assets	13-15	5,899.509
(2.980)	Investment Liabilities	13-15	(1.519)
53.926	Current Assets	17	44.488
(10.873)	Current Liabilities	18	(11.810)
6,132.085	Net Assets of the Scheme Available to Fund Benefits at the Period End		5,930.668

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 22 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, in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2022-23 (“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 22 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 16 of these accounts.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND 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.

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.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

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.

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 15). The basis of valuation of each class of financial investment asset and liability is set out in Note 15.

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:

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.

The Fund has concluded that although these amendments lead to improved reporting they would not have had a significant impact on the Fund's 2022-23 accounts.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

This is only applicable to local authorities with group accounts and, therefore, would not have impacted on the Fund's 2022-23 accounts.

- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

The Fund has concluded that this amendment would not have impacted on the Fund's 2022-23 accounts.

IFRS 16 (Leases) is not included in the list above because early adoption is not envisaged in 2023-24.

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.

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 15 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.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

The value of the Fund's Level 3 assets at 31 March 2023 was £3,393.958m, accounting for 57.5% of total investment assets. The estimated impact of price risk in respect of Level 3 assets is $\pm 6.0\%$, equating to £203.637m at 31 March 2023. 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 15 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 2023.

The global economy continues to experience inflationary pressures against a backdrop of faltering economic growth and concerns over the cost of living. Whilst global inflation appears to be close to peaking, it remains persistent and central banks, including the Bank of England, have sought to address this by increasing interest rates, placing further pressure on corporate and consumer finances and confidence. Financial markets remain volatile and heavily focused on the future direction of inflation and interest rates. It is unclear how the tightening of credit conditions, particularly in the US, in response to some regional bank failures in the first quarter of 2023, will impact on economic activity.

Actuarial present value of promised retirement benefits

These accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the Fund year; however, the actuarial present value of promised retirement benefits is disclosed in these accounts. Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on Fund investments. The Fund has engaged Hymans Robertson LLP as its Actuary to provide expert advice about the assumptions to be applied. The effect of changes in these estimates on the Fund's actuarial present value of promised retirement benefits is disclosed in the Report of the Actuary, in Note 22.

Since 31 March 2022, markets have continued to be affected by the ongoing war in Ukraine and inflationary pressures, 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 increase of 10.1% in April 2023. Despite this, the funding level of the Fund at 31 March 2023 is likely to be higher than reported at the 31 March 2022 funding valuation due to the significant rise in interest rates, which reduces the value placed on the Fund's liabilities.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

6. Contributions

	2021-22	2022-23
	£m	£m
Employers		
Normal	111.891	121.244
Deficit Funding	37.081	34.722
Members		
Normal	44.564	46.802
	193.536	202.768

Employers' contributions rates payable in 2021-22 and 2022-23 were set as part of the 2019 valuation which revealed an overall funding level of 97%.

On 30 April 2021, Derbyshire County Council paid employer contributions of £55.781m to the Fund, for 2021-22. This advance payment was based on an estimate of pensionable pay. Derbyshire County Council's employer contributions payable for 2021-22, based on actual pensionable pay, are £55.295m, which is £0.486m less than the advance payment. The excess cash payment of £0.486m has been retained by the Fund and accounted for as employer deficit funding contributions in 2021-22 in accordance with the Derbyshire County Council 2021-22 Rates and Adjustments Certificate agreed with the Actuary.

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.

On 15 October 2020, Derby Homes Limited paid employer contributions of £3.535m to the Fund, for an eighteen-month period, October 2020 to March 2022. Of this payment, £2.184m related to 2021-22, and these contributions were accounted for as employer deficit funding contributions in 2020-21. On 1 April 2022, Derby Homes Limited paid employer contributions of £2.484m to the Fund, for 2022-23. These contributions have been accounted for in 2022-23 as £2.385m of employer normal contributions and £0.099m of employer deficit funding contributions.

An analysis of contributions by participating employer type is disclosed in Note 23 of these accounts.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

7. Transfers in from other pension funds

	2021-22	2022-23
	£m	£m
Individual transfers in from other pension funds	11.940	17.144

8. Benefits

	2021-22	2022-23
	£m	£m
Pensions	146.923	155.695
Commutation of pensions and lump sum retirement benefits	32.711	33.284
Lump sum death benefits	5.944	6.431
	185.578	195.410

An analysis of benefits by participating employer type is disclosed in Note 23 of these accounts.

9. Payments to and on account of leavers

	2021-22	2022-23
	£m	£m
Refund of contributions to members leaving the Fund	0.668	0.709
Group transfers out to other pension funds	8.009	0.000
Individual transfers out to other pension funds	9.585	14.801
	18.262	15.510

Group transfers out in 2021-22 relate to the transfer of members of six East Midlands Education Trust (EMET) academies to the Nottinghamshire Pension Fund with effect from 1 September 2021.

10. Management expenses

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

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

	2021-22	2022-23
	£m	£m
Investment management expenses	28.275	28.257
Administrative costs	2.774	3.119
Oversight and governance costs	1.364	1.760
	32.413	33.136

Oversight and governance costs increased by £0.396m in 2022-23, to £1.760m (2021-22, £1.364m), with the increase relative to the prior year mainly reflecting an increase in actuarial fees relating to the actuarial valuation of the Fund at 31 March 2022. Oversight and governance costs include external audit fees of £0.038m (2021-22: £0.027m), which are comprised of a scale fee of £0.026m for the 2022-23 audit, £0.005m estimated in respect of additional audit fees for the 2022-23 audit not included in the scale fee, for instance in respect of new auditing standards, and additional audit fees of £0.007m estimated in respect of 2022-23 work 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 2022-23 are estimated to be £0.018m (2021-22: £0.018m).

Administration costs increased by £0.345m in 2022-23, to £3.119m (2021-22, £2.774m), with the increase relative to the prior year reflecting an increase in the cost of the Pension Fund Team and a number of write-offs related to pension overpayments. Pension administration costs per member were £28.98 in 2022-23 (2021-22: £26.29).

Investment management expenses are analysed below:

	2021-22	2022-23
	£m	£m
Fund value based management fees	26.125	26.721
In house management fees	0.452	0.470
Transaction costs	1.677	1.046
Custody fees	0.021	0.020
	28.275	28.257

Fund value-based management fees increased by £0.596m, to £26.721m in 2022-23 (2021-22, £26.125m). A reduction in the average value of underlying investments during the year was more than offset by switches into more expensive to manage private market assets. Based on average investment assets across the year, management fees as a proportion of average investment assets were 0.46% (2021-22, 0.44%).

Transaction costs relate to the following asset classes:

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NOTES TO THE PENSION FUND ACCOUNTS

	2021-22	2022-23
	£m	£m
Equities	0.231	0.120
Pooled Investment Vehicles	1.446	0.926
	1.677	1.046

Transaction costs are incremental costs that are directly attributable to the acquisition or disposal of an investment financial asset or liability. An incremental cost is one that would not have been incurred if the scheme had not acquired or disposed of the financial instrument. Transaction costs include fees and commissions paid to agents, anti-dilution levies, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges and transfer taxes and duties.

Directly held investment properties are not financial assets and transaction costs in respect of them are capitalised into their initial cost, rather than expensed.

Direct transaction costs do not include debt premiums or discounts, financing costs or internal administration or handling costs.

Other costs are incurred indirectly by the Fund on sales and purchases of pooled investment vehicles through the difference between the highest price a buyer of a security or other asset is willing to pay and the lowest price a seller is willing to offer (bid-offer spread).

Such costs are not separately identifiable but are reflected in the cost of these investment purchases and in the proceeds from their sale (Note 13).

11. Investment income

	2021-22	2022-23
	£m	£m
Income from equities	12.224	10.564
Income from bonds	9.566	10.502
Net rents from properties	10.854	15.229
Income from pooled investment vehicles	29.168	32.143
Interest on cash deposits	0.405	3.149
	62.217	71.587

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Income from equities decreased by £1.660m in 2022-23, to £10.564m (2021-22, £12.224m), 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 £2.975m in 2022-23, to £32.143m (2021-22, £29.168m), reflecting increased allocations to income generating asset classes such as infrastructure and private debt which are managed through pooled investment vehicles. The increase of £4.375m in respect of net rent from properties, from £10.854m in 2021-22 to £15.229m in 2022-23, principally reflects the fact that the Fund added six new properties to the direct property portfolio in 2022-23.

Rents from properties are net of £0.795m of property expense (2021-22, net of £0.596m of property expense), which includes a £0.101m credit loss allowance expense adjustment for property rent debtors at the year-end (2021-22, £0.032m income adjustment). 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.

12. Taxes on income

	2021-22	2022-23
	£m	£m
Taxation payable	(0.018)	(0.008)

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

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13. Investment assets and liabilities

	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	0.000	(50.002)	331.275
Currency hedging contracts	0.000	0.000	0.000	0.988	0.988
	5,904.532	462.620	(333.810)	(233.703)	5,799.639
Cash deposits & short term loans	182.079			0.000	93.917
Other investment balances	5.401			0.000	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)	0.000
Other investment balances	(2.388)			0.000	(1.519)
	(2.980)			(15.165)	(1.519)
	6,089.032			(248.868)	5,897.990

The total of profits and losses on disposal of investments and changes in value of investment assets and investment liabilities has reduced the Fund's value by £248.868m during 2022-23 (2021-22, £393.710m increase). 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 2022-23, net losses on financial assets and financial liabilities measured at fair value are £198.866m (2021-22, £358.832m net gains). 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.

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At 31 March 2023 the Fund's investments accounting for more than 5% of the total value of the Fund's net assets available for benefits were:

- LGIM UK Equity Index Fund £774.200m, representing 13.1% (2022, £751.690m, 12.3%).
- LGIM MSCI World Low Carbon Target Index Fund £677.564m, representing 11.4% (2022, £686.933m, 11.2%).
- RBC Global Equity Focus Fund £378.812m, representing 6.4% (2022, £412.479m, 6.7%).
- LGPS Central Global Active Corporate Bond Fund A (Acc) £337.078m, representing 5.7% (2022, £378.001m, 6.2%).
- LGPS Central All World Equity Climate Multi Factor Fund £314.073m, representing 5.3% (2022, £312.322m, 5.1%).

The 2021-22 position was:

	Value at 31 Mar 2021 £m	Purchases & hedging payments £m	Sales & hedging receipts £m	Profits & losses on disposal of investments & changes in value of investments £m	Value at 31 Mar 2022 £m
Investment assets					
Equities	577.325	230.566	(520.738)	83.573	370.726
Bonds	580.511	50.576	(10.995)	(0.594)	619.498
Pooled investment vehicles	3,930.149	1,168.619	(753.941)	277.281	4,622.108
Properties	252.200	11.967	(6.845)	34.878	292.200
	5,340.185	1,461.728	(1,292.519)	395.138	5,904.532
Cash deposits & short term loans	325.128			0.000	182.079
Other investment balances	5.635			0.000	5.401
	5,670.948			395.138	6,092.012
Investment liabilities					
Currency hedging contracts	(1.472)	1,062.309	(1,060.001)	(1.428)	(0.592)
Other investment balances	(2.676)			0.000	(2.388)
	(4.148)			(1.428)	(2.980)
	5,666.800			393.710	6,089.032

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Currency hedging receipts and payments represent the transactions settled during the year on currency hedging contracts relating to sovereign fixed income holdings and from 2021-22 onwards, the Fund's Infrastructure, Multi-Asset Credit and Indirect Property investment assets following a change to the Fund's Investment Strategy Statement to also currency hedge these assets. 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 two currency hedging contracts, with less than six months to expiry, with a gross contract value of £360.439m (2022, two contracts, with less than six months to expiry, with a gross contract value of £309.258m).

Pooled investment vehicles are further analysed below:

	31 Mar 2022	31 Mar 2023
	£m	£m
Pooled Investment Vehicles		
Equities	3,009.986	2,928.709
Bonds	844.350	806.664
Property	194.206	135.416
Private Equity	191.371	201.763
Infrastructure	382.195	522.604
	4,622.108	4,595.156

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 2022		31 Mar 2023	
	£m	%	£m	%
In-house	3,028.978	49.7	2,887.344	48.9
Colliers Capital Holdings Ltd	293.973	4.8	333.903	5.7
Legal and General Investment Management	1,762.703	29.0	1,775.302	30.1
LGPS Central Ltd	872.126	14.3	837.538	14.2
UBS Global Asset Management Life Ltd	30.500	0.5	0.000	0.0
Wellington Management International Ltd	100.752	1.7	63.903	1.1
	6,089.032	100.0	5,897.990	100.0

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14. Fund investments by geographical sector (at market value)

	31 Mar 2022		31 Mar 2023	
	£m	%	£m	%
UK	2,619.506	43.0	2,568.224	43.6
North America	1,687.963	27.7	1,523.189	25.8
Asia and other	925.118	15.2	940.332	15.9
Europe	856.445	14.1	866.245	14.7
	6,089.032	100.0	5,897.990	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.

15. 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.
- Unquoted 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.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

- 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 2023, 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 three 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:

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NOTES TO THE PENSION FUND ACCOUNTS

	31 Mar 2022	31 Mar 2023
	£m	£m
Financial Assets at Fair Value through Profit or Loss		
Level 1		
UK quoted equities	267.504	231.229
Overseas quoted equities	101.906	64.837
UK quoted bonds	510.758	476.558
Overseas quoted bonds	108.056	97.596
	988.224	870.220
Level 2		
Property - quoted pooled investment vehicles	32.769	13.980
Other quoted pooled investment vehicles	1,654.526	1,518.493
UK unquoted equities*	1.315	1.315
UK unquoted bonds	0.685	0.685
Currency hedging contracts	0.000	0.988
	1,689.295	1,535.461
Level 3		
Property – unquoted pooled investment vehicles	161.437	121.436
Other unquoted pooled investment vehicles	2,773.376	2,941.247
UK freehold properties (non-financial instruments)	236.650	279.275
UK leasehold properties (non-financial instruments)	55.550	52.000
	3,227.013	3,393.958
Financial Assets at Amortised Cost		
Sterling cash deposits	20.449	22.481
Money market funds	120.000	30.000
Other Sterling short term loans	40.000	40.000
Foreign currency	1.630	1.436
Other investment balances	5.401	5.953
	187.480	99.870
Financial Assets	6,092.012	5,899.509

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

	31 Mar 2022	31 Mar 2023
	£m	£m
Financial Liabilities at Fair Value through Profit or Loss		
Level 2		
Currency hedging contracts	(0.592)	0.000
	(0.592)	0.000
Financial Liabilities at Amortised Cost		
Other investment balances	(2.388)	(1.519)
	(2.388)	(1.519)
Financial Liabilities	(2.980)	(1.519)
	6,089.032	5,897.990

*The Fund had £1.315m invested in share capital and £0.685m in a loan to LGPSC at 31 March 2023 (31 March 2022: £1.315m and £0.685m, respectively). This share capital investment in LGPSC is carried at cost, which approximates to fair value at 31 March 2023.

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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

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NOTES TO THE PENSION FUND ACCOUNTS

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 & 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 impacted 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 the 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

PENSION FUND ACCOUNTS

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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 2022-23:

	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	0.000	(46.452)	0.000	279.275
UK leasehold (non-financial instruments)	55.550	0.000	0.000	(3.550)	0.000	52.000
	3,227.013	275.122	(136.445)	3.372	24.896	3,393.958

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 2021-22 position was:

	Restated Value at 31 Mar 2021*	Purchases	Sales	Unrealised gains/ (losses)	Realised gains/ (losses)	Value at 31 Mar 2022
	£m	£m	£m	£m	£m	£m
Financial Assets						
Level 3						
Pooled investment vehicles						
Property – unquoted	154.854	2.487	(18.688)	16.443	6.341	161.437
Other unquoted	2,280.640	566.858	(317.370)	212.815	30.433	2,773.376
Properties						
UK freehold (non-financial instruments)	208.500	0.855	(6.845)	35.947	(1.807)	236.650
UK leasehold (non-financial instruments)	43.700	11.112	0.000	0.738	0.000	55.550
	2,687.694	581.312	(342.903)	265.943	34.967	3,227.013

*Reanalysed in 2021-22 to remove a quoted fund following correction of its classification from Level 3 other unquoted pooled investment vehicles to Level 2 other quoted pooled investment vehicles. This fund had a value of £348.746m at 31 March 2021.

PENSION FUND ACCOUNTS

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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 2023 above are likely to be accurate to within the ranges set out in the sensitivity analysis below:

	Value at	Assessed	Value	Value
	31 Mar 2023	valuation	on increase	on decrease
	£m	range	£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

The position at 31 March 2022 was:

	Value at	Assessed	Value	Value
	31 Mar 2022	valuation	on increase	on decrease
	£m	range	£m	£m
		%		
Level 3 sensitivity				
Direct property (non-financial instruments)	292.200	10.0	321.420	262.980
Diversified multi-asset credit funds	264.752	5.0	277.990	251.514
Equity index tracking funds	1,762.703	2.0	1,797.957	1,727.449
Short dated investment grade fund	19.635	3.0	20.224	19.046
Indirect property	161.437	15.0	185.653	137.221
Infrastructure	382.195	12.5	429.969	334.421
Private debt	152.720	10.0	167.992	137.448
Private equity	191.371	15.0	220.077	162.665
	3,227.013	6.0	3,421.281	3,032.745

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NOTES TO THE PENSION FUND ACCOUNTS

16. 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 total value of funds provided by AVC contributions at 31 March 2023 was:

	31 Mar 2022	31 Mar 2023
	£m	£m
Utmost Life and Pensions		
With profits fund	0.064	0.045
Unit-linked funds	0.438	0.353
Total Utmost Life and Pensions	0.502	0.398
Standard Life		
Managed fund	0.735	0.704
Multi asset managed fund	0.113	0.089
Protection fund	0.060	0.082
Ethical fund	0.106	0.080
With profits fund	0.322	0.270
Total Standard Life	1.336	1.225

PENSION FUND ACCOUNTS
NOTES TO THE PENSION FUND ACCOUNTS

	31 Mar 2022	31 Mar 2023
	£m	£m
Prudential Assurance Company Ltd		
Deposit fund	1.983	1.534
With profits cash accumulation fund	5.057	4.877
Cash fund	0.539	0.775
Discretionary fund	0.742	0.740
Dynamic global equity passive fund	0.217	0.594
Dynamic growth funds	1.268	2.112
Fixed interest fund	0.184	0.142
Global equity fund	0.419	0.435
Index-linked fund	0.349	0.231
International equity fund	0.633	0.680
Long-term bond fund	0.027	0.053
Long-term gilt passive fund	0.237	0.179
Positive impact fund	0.219	0.182
UK equity fund	0.278	0.309
UK equity passive fund	0.197	0.093
Total Prudential Assurance	12.349	12.936
Clerical Medical		
With profits fund	0.128	0.116
Unit linked fund	0.052	0.024
Total Clerical Medical	0.180	0.140
Total AVC Investments	14.367	14.699
Death in Service Cover		
Utmost Life and Pensions	0.093	0.048

Death in Service cover is payable by the AVC provider where an employee has opted to pay an extra life insurance sum. The Local Government Pension Scheme Regulations 2013 require the death grant payable for contributors into the LGPS to be three times their “final pay” (in the case of a part-time employee it is three times their actual pensionable pay). The Inland Revenue limit for death in service cover is four times “final pay”, so the maximum extra amount insurable is, therefore, restricted to an amount equivalent to one times “final pay” and in the case of a part-time contributor, their actual pensionable pay. “Final pay” is defined in the above Regulations.

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	Utmost		Standard	Clerical	
	Life	Prudential	Life	Medical	Total
	£m	£m	£m	£m	£m
Value at 31 Mar 2022	0.502	12.349	1.336	0.180	14.367
Income					
Contributions received	0.000	2.922	0.016	0.001	2.939
Interest and bonuses and change in market value	(0.020)	(0.082)	(0.029)	(0.004)	(0.135)
Transfers in	0.000	0.011	0.000	0.000	0.011
Expenditure					
Retirement benefits	(0.079)	0.000	(0.098)	(0.037)	(0.214)
Deaths	0.000	(0.202)	0.000	0.000	(0.202)
Full encashment	0.000	(1.963)	0.000	0.000	(1.963)
Asset transfer	0.000	(0.085)	0.000	0.000	(0.085)
Transfers out and withdrawals	(0.005)	(0.014)	0.000	0.000	(0.019)
Value at 31 Mar 2023	0.398	12.936	1.225	0.140	14.699

17. Current assets

	31 Mar 2022	31 Mar 2023
	£m	£m
Employers' contributions due	8.787	8.896
Employees' contributions due	2.521	2.487
Sundry debtors	1.450	1.328
Cash balance	41.168	31.777
	53.926	44.488

Employers' and employees' contributions due at 31 March 2023 have been received since the year-end.

As at 31 March 2023, the Fund was owed rent totalling £0.667m in respect of 2022-23 (31 March 2022, the Fund was owed rent totalling £0.556m in respect of 2021-22). 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 £0.296m against these rents (2021-22, £0.195m).

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

18. Current liabilities

	31 Mar 2022	31 Mar 2023
	£m	£m
Unpaid benefits	1.925	3.027
Sundry creditors	4.495	6.673
Amounts owed to Derbyshire County Council	4.453	2.110
	10.873	11.810

19. 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 2022-23 are charges from the Council of £3.071m (2021-22: £2.853m), 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 2023 the Fund owed the Council £2.110m (31 March 2022: the Fund owed the Council £4.453m).

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 eight LGPS funds across the Midlands. It is jointly owned in equal shares by the eight 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 2023 (31 March 2022: £1.315m and £0.685m, respectively) and was owed interest of £0.047m on the loan to LGPSC on the same date (2021-22: £0.032m).

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

The Fund incurred costs of £0.164m associated with LGPSC Investment Management and Monitoring Costs in respect of 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 2022-23 (2021-22: £0.087m), of which £0.041m was payable to LGPSC at 31 March 2023 (31 March 2022: £0.023m). The charge excludes fees paid to the underlying investment managers of £1.265m in 2022-23 (2021-22: £0.990m), with the increase between 2021-22 and 2022-23 reflecting an increase in the level of investment assets managed through LGPSC products.

The Fund incurred £1.065m in respect of Governance, Operator Running and Product Development costs in connection with LGPSC in 2022-23 (2021-22: £0.947m), of which £0.332m was payable to LGPSC at 31 March 2023 (31 March 2022: £0.240m).

LGPSC leases office space from the Council. The lease commenced on 14 June 2018 and is for a duration of five years, with a break clause at 30 June 2021. The rental income received and receivable by the Council from LGPSC in 2022-23 amounted to £0.015m (2021-22: £0.015m). For the duration of the lease term, subsequent years' rentals will be subject to an annual increase of 2.8%. Subsequent to 31 March 2023, LGPSC has notified the Council that it will not be renewing the lease on expiry.

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 liability at 31 March 2023 (calculated annually at the year-end) amounts to £0.665m. Derbyshire Pension Fund's share of this LGPSC IAS19 pension liability is £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.

20. Investment commitments

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

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

	31 Mar 2022	31 Mar 2023
	£m	£m
Unquoted investments	321.277	277.517
Direct property	19.325	0.000
Other Sterling short-term loans	35.000	0.000
	375.602	277.517

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. The Direct Property commitment of £19.325m at 31 March 2022 (£nil at 31 March 2023) related to the purchase of a retail warehouse and hotel in Saffron Walden. The Fund exchanged a legally binding contract with the vendor on 7 March 2022, with completion and settlement due in June 2022, following the completion of snagging work by the vendor.

The Other Sterling short-term loans commitments are commitments to make short-term investments at the year-end. There were no such commitments at 31 March 2023 (2022, five). The 2022 commitments were secured to take advantage of higher rates available at that time. There was no provision or creditor for these amounts in the financial statements as at 31 March 2022 as the legal obligation to pay was not fulfilled at that date. The commitments at 31 March 2022 were met in 2022-23 using funds received from the maturity of earlier investments and, therefore, had no impact on the financial position reported at 31 March 2022.

21. 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.

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:

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

- **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 and ICT; 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 2023, the Fund was owed rent totalling £0.667m (31 March 2022, the Fund was owed rent totalling £0.556m). 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 £0.296m (31 March 2022, £0.195m) against these rents in Note 17, 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.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

	Rental Income Debt	General Loss	Total Loss Allowance
	31 Mar 2023	Allowance	31 Mar 2023
	£m	£m	£m
Property Rental Income	0.667	0.296	0.296

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 2023 is provided as follows:

		Change in average default risk	
	Value at	rate	Value at
	31 Mar 2022	31 Mar 2023	31 Mar 2023
	£m	£m	£m
Credit Loss Allowance	0.195	0.101	0.296

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 2022-23 was approved by the Pensions and Investments Committee on 2 March 2022.

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 £125.694m (2022, £223.247m) 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 2023 that this was likely to occur. No breaches of the Fund's counterparty criteria occurred during the reporting period. At 31 March 2023, the Fund had £31.777m in its operational account with Lloyds Bank.

PENSION FUND ACCOUNTS

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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 from 2021-22 onwards, the Fund's Infrastructure, Multi-Asset Credit and Indirect Property investment assets, following a change to the Fund's Investment Strategy Statement to also currency hedge these assets, the value of which comprise 6.1% (2022, 5.1%) of investment assets at the year end, and by selecting large banks as the counterparties. The two 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 two currency hedging contracts, with less than six months to expiry, with a gross contract value of £360.439m (2022, two contracts, with less than six months to expiry, with a gross contract value of £309.258m). 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 13 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 £0.988m (31 March 2022, £0.592m investment liability).

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.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

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 six 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 two working days. Holdings of investments which may be less easy to realise are limited. Current Pensions and Investments Committee guidelines limit investments in Property to 12%, Multi Asset Credit to 8%, Infrastructure to 13% and Private Equity to 6%.

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.

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 (2022, two).

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 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.

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

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

The position at 31 March 2022 was:

	Value at	Benchmark	Change in		
	31 Mar 2022	duration	prevailing	Effect	Effect
	£m	Years	market	-100bps	+100bps
			interest rate	£m	£m
Asset type					
Conventional gilts	271.433	11.10	± 100 bps	30.156	(30.156)
Index-linked bonds	347.380	20.40	± 100 bps	70.866	(70.866)
Non-Government investment grade bonds	378.001	7.50	± 100 bps	28.350	(28.350)
Short dated investment grade bonds	48.877	3.00	± 100 bps	1.466	(1.466)
Diversified multi-asset credit funds	264.752	1.00	± 100 bps	2.648	(2.648)
Total change in asset values	1,310.443			133.486	(133.486)

A 100 basis points increase in the prevailing market interest rate would reduce the aggregate value of the identified assets by an estimated £101.673m (2022, £133.486m), 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).

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

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.

The table below quantifies the level of price risk that the Fund's investment assets and liabilities at 31 March 2023 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 three 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.

PENSION FUND ACCOUNTS
NOTES TO THE PENSION FUND ACCOUNTS

	Value at		Value	Value
	31 Mar 2023	Change	on increase	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

The position at 31 March 2022 was:

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

	Value at 31 Mar 2022 £m	Change %	Value on increase £m	Value on decrease £m
Underlying asset type				
UK Government bonds	229.664	5.91	243.237	216.091
UK index-linked bonds	281.094	9.67	308.276	253.912
Corporate bonds	427.563	7.00	457.492	397.634
Overseas index-linked bonds	66.287	7.40	71.192	61.382
Overseas bonds	41.177	4.02	42.832	39.522
UK equities	890.573	16.02	1,033.243	747.903
Overseas equities	2,248.506	13.60	2,554.303	1,942.709
Private equity	305.449	9.30	333.856	277.042
Infrastructure	509.749	4.19	531.107	488.391
Multi asset credit	417.472	6.01	442.562	392.382
Cash	182.079	0.13	182.316	181.842
Other investment balances	3.013	0.00	3.013	3.013
Properties (non-financial instruments)	486.406	3.71	504.452	468.360
Total investment assets and liabilities	6,089.032	8.15	6,585.288	5,592.776

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 2023 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 2023 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		Value	Value
	31 Mar 2023	Change	on increase	on decrease
	£m	%	£m	£m
Underlying asset type				
Overseas index-linked bonds	54.889	0.00	54.889	54.889
Overseas bonds	43.694	0.00	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	0.00	189.097	189.097
Overseas multi asset credit	86.854	0.00	86.854	86.854
Overseas cash	1.436	8.86	1.563	1.309
Overseas properties (funds)	51.479	0.00	51.479	51.479
Overseas investment assets	2,650.395	6.02	2,809.949	2,490.841

The position at 31 March 2022 was:

	Value at		Value	Value
	31 Mar 2022	Change	on increase	on decrease
	£m	%	£m	£m
Underlying asset type				
Overseas index-linked bonds	66.287	0.00	66.287	66.287
Overseas bonds	41.177	0.00	41.177	41.177
Overseas equities	2,248.506	7.12	2,408.600	2,088.412
Overseas private equities	119.670	6.99	128.035	111.305
Overseas infrastructure	240.318	0.00	240.318	240.318
Overseas multi asset credit	77.800	0.00	77.800	77.800
Overseas cash	1.630	8.30	1.765	1.495
Overseas properties (funds)	52.630	0.00	52.630	52.630
Overseas investment assets	2,848.018	5.80	3,013.203	2,682.833

22. 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.

PENSION FUND ACCOUNTS

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“The promised retirement benefits at 31 March 2023 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.

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 2022	31 Mar 2023
	£m	£m
Active members	3,668.000	2,358.000
Deferred members	1,648.000	1,005.000
Pensioners	2,927.000	2,445.000
Present Value of Promised Retirement Benefits	8,243.000	5,808.000

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 2023 and 31 March 2022. I estimate that the impact of the change in financial assumptions to 31 March 2023 is to decrease the actuarial present value by £3,185m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £44m.

Financial assumptions

	31 Mar 2022	31 Mar 2023
Year ended (% p.a.)	%	%
Pension Increase Rate (CPI)	3.20	2.95
Salary Increase Rate	4.20	3.95
Discount Rate	2.70	4.75

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 2021 model, with a 10% 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:

PENSION FUND ACCOUNTS

NOTES TO THE PENSION FUND ACCOUNTS

	Males	Females
<i>Current Pensioners</i>	21.0 years	24.0 years
<i>Future Pensioners*</i>	21.8 years	25.5 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 as per the latest funding valuation of the Fund.

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:

	Approximate increase to promised retirement benefits %	Approximate monetary amount £m
<i>Change in assumption at 31 March 2023</i>		
<i>0.1% p.a. decrease in the Discount Rate</i>	2%	107
<i>1 year increase in member life expectancy</i>	4%	232
<i>0.1% p.a. increase in the Salary Increase Rate</i>	0%	13
<i>0.1% p.a. increase in the Pension Increase Rate (CPI)</i>	2%	96

Barry Dodds FFA

19 June 2023

For and on behalf of Hymans Robertson LLP

The actuarial present value of promised retirement benefits in the Report from the Actuary above is £5,808.000m at 31 March 2023, compared to the net assets available for benefits at that date of £5,922.701m.

23. 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:

PENSION FUND ACCOUNTS
NOTES TO THE PENSION FUND ACCOUNTS

	2021-22		2022-23	
	Benefits	Contributions	Benefits	Contributions
	£m	£m	£m	£m
Derbyshire County Council	85.909	75.052	91.040	75.686
Scheduled Bodies	92.468	112.417	97.062	121.502
Admission Bodies	7.201	6.067	7.308	5.580
	185.578	193.536	195.410	202.768

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 2023 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 the summary of significant accounting policies.

Opinion

In our opinion, the Pension Fund financial statements included within the Derbyshire Pension Fund annual report are consistent with the audited financial statements of Derbyshire County Council for the year ended 31 March 2023 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

Respective responsibilities of the Director of Finance and ICT and the auditor

As explained more fully in the Statement of the Director of Finance and ICT's Responsibilities, the Director of Finance and ICT 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.

AUDITORS OPINION

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.



Cameron Waddell (Key Audit Partner)
for and on behalf of Mazars LLP
The Corner
Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 1 DF

16 May 2024

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Appendix 1: Governance Policy and Compliance Statement - January 2023

Introduction

This is the Governance Policy and Compliance Statement (the Statement) for Derbyshire Pension Fund (the Fund) which is part of the Local Government Pension Scheme (the LGPS). The Fund is managed and administered by Derbyshire County Council (the Council) in accordance with the Local Government Pension Scheme Regulations 2013 (2013 Regulations). At a national level, the LGPS is governed by the Department of Levelling Up, Housing and Communities (DLUHC), formerly known as the Ministry of Housing, Communities and Local Government (MHCLG) and the LGPS Scheme Advisory Board.

The 2013 Regulations require an administering authority, after consultation with such persons as it considers appropriate, to prepare, publish and keep under review, a written statement setting out:

- whether it delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee or an officer of the authority;
- the terms, structure and operational procedures of any such delegations;
- the frequency of any committee or sub-committee meetings;
- whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether these representatives have voting rights;
- the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying; and
- details of the terms, structure and operational procedures relation to the local pension board.

Governance Objectives

The Pension Fund's governance objectives are to:

- Meet the highest standards of good governance through the application of the key principles of openness and transparency, accountability, integrity, clarity of purpose and effectiveness.
- Ensure robust governance arrangements are in place to facilitate informed decision making supported by appropriate advice, policies and strategies, which do not unreasonably favour one group of stakeholders over another.
- Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise.
- Comply with all appropriate legislation and statutory guidance, and to act in the spirit of other relevant guidelines and best practice guidance.

The identification and management of conflicts of interest is integral to the Fund achieving its governance objectives. A Conflicts of Interest Policy has, therefore, been developed for the Pension Fund and it was approved by the Pensions and Investments Committee on 4 November 2020.

Governance Arrangements

Under the terms of the Council's Constitution, responsibility for the functions of the Council as the administering authority of Derbyshire Pension Fund is delegated to the Pensions and Investments Committee. A Local Pension Board, set up in 2015 in accordance with the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015, assists the Council with the governance and administration of the Fund.

The day to day management of the Pension Fund is delegated to the Director of Finance & ICT who is supported by the Head of Pension Fund and in-house investment and administration teams. A proportion of the Fund's investment assets are managed by LGPS Central Limited (the Fund's pooling company) and by other external fund managers.

Pensions and Investments Committee

The Committee comprises eight voting Councillors representing the County Council and two voting Councillors representing Derby City Council. The County Council members of the Committee reflect the political balance of the Council. The Councillors representing Derby City Council were reappointed to the Committee at the Annual General Meeting of Derby City Council on 25 May 2022.

Two trade union representatives are also entitled to attend meetings of the Pensions and Investments Committee as non-voting members.

Officers of the Council and an independent investment adviser also attend meetings to provide advice and support to members of the Committee. Other experts attend Committee to provide advice as required.

Members of Derbyshire Pension Board are invited to attend the Committee's meetings as observers.

The Committee meets eight times a year (six formal committee meetings and two training sessions) and its responsibilities include reviewing and approving the Fund's:

- Governance Policy and Compliance Statement
- Investment Strategy Statement
- Funding Strategy Statement
- Treasury Management Strategy
- Quarterly tactical asset allocation
- Other statutory policies required by the Local Government Pension Scheme Regulations and strategy/policy statements in line with best practice

The Committee also receives and considers the Fund's:

- Triennial actuarial valuation report and annual funding reports
- Annual Report
- Administration and investment performance reports
- Risk Register

The Committee ensures arrangements are in place for:

- Communicating with the Fund's stakeholders
- Considering admission body applications
- The adjudication of applications under the Application for Adjudication of Disagreements Procedure (AADP) (including the appointment of adjudicators)

The Committee is responsible for appointing the Fund's:

- Actuary
- Independent investment adviser
- External fund managers for segregated mandates in advance of the management of the investment assets transitioning to the investment pool
- AVC providers

To oversee the Fund's involvement in investment pooling, the Committee:

- Ensures that the Fund is effectively represented in the Pool's governance structure.
- Determines what is required from the Pool to enable the Fund to deliver its Investment Strategy.
- Is responsible for the selection, appointment and dismissal of an investment pooling operator (the Operator) to manage the Fund's assets.
- Monitors the performance and effectiveness of the Operator both as a shareholder in the Operator and as an investor in the Operator's products.
- Ensures that appropriate measures are in place to monitor and report on the ongoing costs and cost savings of investment pooling.
- Ensures that the responsible investment, corporate governance and voting policies of the Fund are delivered effectively.
- Receives and considers reports and recommendations from the Pool's Joint Committee, Shareholders' Forum and Practitioners' Advisory Forum.

Derbyshire Pension Board

The Public Service Pensions Act 2013 introduced a framework for regulatory oversight by the Pensions Regulator and introduced a new governance structure for the LGPS which came into effect in April 2015 and included the requirement for administering authorities to establish Local Pension Boards.

Derbyshire Pension Board (the Board) consists of two Scheme Member representatives and two Scheme Employer representatives together with a non-voting Independent Chair.

Officers of the Council attend Pension Board meetings to provide advice and support to members of the Board.

The role of the Pension Board is to assist the administering authority to ensure the effective and efficient governance and administration of the LGPS, including:

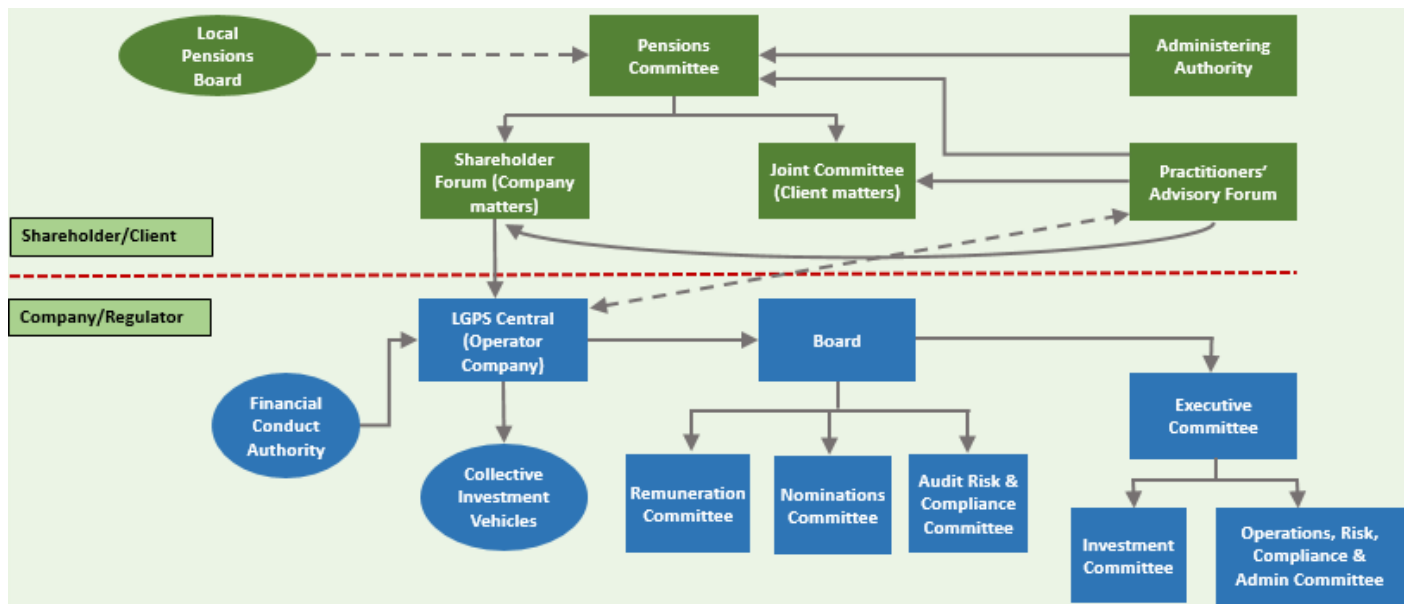
- Securing compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme
- Securing compliance with any requirements imposed by the Pensions Regulator in relation to the Scheme

Members of the Pension Board are invited to attend meetings of the Pensions and Investments Committee as observers and receive all papers ahead of each meeting.

LGPS Central Pool

Derbyshire Pension 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 (the Pool), in accordance with Government requirements for the pooling of LGPS investment assets.

LGPSC Governance Arrangements



The governance arrangements of the 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 LGPS Central 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 Derbyshire County Council on the LGPS Central Joint Committee.

Shareholders' Forum: to oversee the operation and performance of LGPS Central Ltd 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. Shareholder Forum meetings are distinct from LGPS Central Ltd 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 & ICT, or his/her nominee, represents Derbyshire County Council at the Shareholders' Forum and at LGPS Central Ltd company meetings, with delegated authority to make decisions on any matter which requires a decision by the shareholders of LGPSC.

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 and ICT, the Head of Pension Fund and the Investments Manager represent Derbyshire on the Practitioners' Advisory Forum as required. PAF is supported by four individual working groups: Finance Working Group; Governance Working Group; Investment Working Group; and Responsible Investment Working Group.

Review and Compliance with Best Practice

This Governance Policy and Compliance Statement will be reviewed annually and will be revised following any material change in the governance arrangements of the Pension Fund.

The 2013 Regulations require Administering Authorities to prepare and publish a statement which sets out the extent to which the governance arrangements of the Fund comply with statutory guidance issued by the Secretary of State which is based on best practice principles. The Fund's statement is set out below:

Structure

Principle	Compliance
The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	Compliant The Pensions and Investments Committee is responsible for these functions under the Terms of Reference included in the Council's constitution.
The representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee.	Partially Compliant Membership of the Pensions and Investments Committee includes two representatives from Derby City Council and two non-voting Trade Union representatives as well as eight representatives from the administering authority (also the largest employing body). In practice the Trade Union representatives tend to represent the interests of all scheme members. Membership and employer representation will be kept under review.
That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Not applicable
That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	Not applicable

Representation

Principle	Compliance
That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include: Employing authorities (including non-scheme employers e.g. admitted bodies) Scheme members (including deferred and pensioner scheme members) Where appropriate, independent professional observers Expert advisors (on an ad-hoc basis)	Partially Compliant Membership of the Pensions and Investments Committee includes two representatives from Derby City Council and two non-voting Trade Union representatives, as well as eight representatives from the administering authority (also the largest employing body). In practice the Trade Union representatives tend to represent the interests of all scheme members. Membership and employer representation will be kept under review. The Fund's Independent Investment Advisor attends investment related Pensions and Investments Committee meetings. Other independent experts attend meetings of the Committee as required e.g. the Fund's Actuary attends to discuss the triennial valuation. Derbyshire Pension Board (the Board) includes two employer representatives (currently from Bolsover District Council and the University of Derby) and two member representatives. The Board has an independent Chair.
That where lay members sit on a main or secondary committee, they are treated equally in terms of access to reports, meetings and training and are given full opportunity to contribute to the decision making process, with or without voting rights.	Compliant All members of the Pensions and Investments Committee, the Pension Board and trade union representatives receive the same Committee meeting reports and have access to the same training. All voting and non-voting members of the Committee are given full opportunity to contribute to the decision making process.

Selection and Role of Lay Members

Principle	Compliance
That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	Compliant All members of the Pensions and Investments Committee receive training on the status, role and function they are required to perform when they join the Committee.
That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.	Compliant Declarations of interest are required at each Pensions and Investments Committee meeting and recorded in the minutes of the meeting.

Voting

Principle	Compliance
The policy on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Compliant The policy on voting rights is clear and transparent. All elected members on the Pensions and Investments Committee have voting rights. The elected members represent employers, local taxpayers and scheme beneficiaries.

Training / Facility Time / Expenses

Principle	Compliance
That in relation to the way in which statutory and related decisions are taken by the administering authority, there is clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision making process.	Compliant The Fund has a training policy which applies to all members of the Pensions and Investments Committee and the Pension Board. A training plan has been developed based on self-assessment forms completed by the members of both bodies and a log of all training is maintained. The reimbursement of member expenses is in line with the County Council's and City Council's policy of member reimbursement.
That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	See above.
That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.	See above.

Meetings

Principle	Compliance
That an administering authority's main committee or committees meets at least quarterly.	Compliant The Pensions and Investments Committee meets eight times a year (six formal meetings and two training sessions).
That an administering authority's secondary committee or panel meets at least twice a year and is synchronised with the dates when the main committee sits.	Not applicable
That an administering authority who does not include lay members in their formal governance arrangements, must provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	Not applicable

Access

Principle	Compliance
That subject to any rules in the Council's constitution, all members of the main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	Compliant All members of the Pensions and Investments Committee (and the Pension Board) have the same access to committee papers, documents and advice to be considered at the Pensions and Investments Committee.

Scope

Principle	Compliance
That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Compliant The Pensions Committee and the Investments Committee have been combined into the Pensions and Investments Committee which covers all aspects of investment, administration and governance. The Committee is now also supported by the Pension Board which assists with governance and administration matters.

Publicity

Principle	Compliance
That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed can express an interest in wanting to be part of those arrangements.	Compliant The Governance Policy and Compliance Statement is published on the Pension Fund's website. Vacancies for Derbyshire Pension Board are advertised on the website.

Appendix 2: Communications Policy - April 2021

Introduction

This is the Communications Policy (the Policy) of Derbyshire Pension Fund (the Fund), administered by Derbyshire County Council, which sets out how the Fund communicates and engages with its stakeholders. The Policy has been developed in accordance with Regulation 61 of the Local Government Pension Scheme Regulations 2013 (Regulation 61) and takes into account guidance from The Pensions Regulator.

Regulation 61 requires that the Policy covers:

- the provision of information and publicity about the Local Government Pension Scheme (LGPS) to scheme members, representatives of scheme members and scheme employers
- the format, frequency, and method of distributing such information or publicity
- the promotion of the LGPS to prospective scheme members and scheme employers

This Policy also incorporates the Fund's plan for developing its communications over the 3-year period 2021 to 2024.

Derbyshire County Council's Pensions and Investments Committee, in its role as the Administering Authority of Derbyshire Pension Fund approved the policy at its meeting on 28 April 2021.

The Policy will be reviewed annually and revised when there is a material change to the Fund's methods of communication or engagement with its stakeholders.

1. The Fund's stakeholders and audience

Derbyshire Pension Fund currently has over 89,000 individual scheme members with approximately 106,000 separate pension records which are split by active and deferred membership, and pensioner membership where benefits are being paid.

The active membership (currently approximately 38,000) incorporates employees from over 330 participating employers. These employers range from Councils, Academies and Colleges to private companies who have been contracted to deliver public services.

The Fund's stakeholders and other organisations with which it regularly communicates include:

- Active members - who are paying into the LGPS
- Deferred members - whose LGPS benefits are 'on hold'
- Pensioner members - whose LGPS benefits are being paid
- Representatives of scheme members
- Prospective scheme members - employees who can join the LGPS, but who are not currently paying in
- Scheme employers
- Pension Fund team
- Elected Councillors on the administering authority's Pensions and Investments Committee
- Members of the Local Pension Board
- Other external bodies, including:
 - Ministry of Housing, Communities and Local Government (MHCLG)
 - Her Majesty's Revenue & Customs (HMRC)
 - Department of Work and Pensions (DWP)
 - Pension Fund's Actuary, Hymans Robertson LLP
 - Other LGPS Funds

- Public service pension schemes (for example the Teachers' Pension Scheme and NHS Pension Scheme)
- Other pension schemes
- Trades Unions
- Pension Fund Investment Managers, Advisers and Actuaries
- The Pensions Regulator (TPR)
- The Pensions Ombudsman
- The Scheme Advisory Board (SAB)
- The Local Government Association (LGA)
- Pension Officers' Groups
- AVC providers

The Fund recognises that a variety of methods of communication are required to engage effectively with different groups of stakeholders.

2. Objectives

The Fund's overriding objective is to ensure that it delivers clear, timely and accessible communications to its stakeholders. The Fund aims to achieve this by delivering communications to its stakeholders which are:

- **Targeted** - with the aim of delivering clear, accurate and effective communications to each different audience group, in terms of the style of content and the method of delivery.
- **Easy to understand** – providing clear and easy to follow explanations of pension issues, particularly where pension related decisions are being made.
- **Accessible** - ensuring that all scheme members and other stakeholders can access the Fund's services, online content, and communications equally.
- **Cost effective** – providing value for money by utilising technology to its fullest potential.

By communicating in this way, the Fund aims to:

- Communicate information about the Scheme's rules and regulations in an effective, jargon-free, and timely manner to the different groups of customers and stakeholders to enable them to make fully informed pensions decisions
- Keep members, employers and other stakeholders informed about the management and administration of the Fund
- Keep members, employers and other stakeholders informed about the Fund's investment portfolio
- Consult with key stakeholders on changes to policies and procedures that affect the Fund and its stakeholders
- Seek to continually improve the Fund's communication methods by requesting and analysing feedback
- Promote the LGPS as an attractive benefit to Scheme members and an important tool in recruitment to employers

- Work with employers to enable them to fulfil their responsibility to communicate and share information with members in relation to the Scheme
- Maintain the Fund's commitment to regional and national initiatives, taking advantage of partnership working and innovative communication methods developed and tested elsewhere, and sharing the Fund's own experience in return
- Enable equality of access to Pension Fund communications
- Manage information securely to the standards required by the Data Protection Act 2018

3. Accessibility

The Fund aims to ensure that all members can equally access its services, online content and communications, and is committed to increasing digital access and delivery of services making the best use of technology.

The Fund's website is designed to ensure that new content meets the World Wide Web Consortium Accessibility Guidelines (version 2.1 AA standard), which is currently the recommended minimum standard for all council hosted websites. Alternative methods of communications will continue to be offered as required.

The Fund offers a Pensions Helpline (phone contact number 01629 538704), which is available for anyone having trouble accessing or understanding any of the Fund's documents.

4. Communication methods

The Fund has developed a variety of communication methods to ensure that all stakeholders are informed and up to date with LGPS and Fund developments. A number of these communication methods are targeted at specific stakeholder groups and are set out later in this policy.

The following methods are used to communicate with all stakeholders:

Derbyshire Pension Fund website

The Fund's website derbyshirepensionfund.org.uk is its primary source of generic LGPS and Fund specific material, with sections providing an extensive information resource for all existing and prospective members and Fund employers. Resources include:

- easy to understand content
- videos on specific LGPS matters
- forms and guides
- links to other official websites
- an online pension calculator

The website also has sections dedicated to the Fund's governance arrangements including its policies, strategies and other statements.

The website has been designed to be easily browsed, accessible and user friendly from desktop, laptop, tablet and smartphone devices.

As well as an information resource on the LGPS, the website contains downloadable forms and factsheets for members on a range of topics, including the Scheme guide, Additional Voluntary Contributions (AVCs), transfers etc.

It also includes several online forms available at derbyshirepensionfund.org.uk/contact-us which enable members to engage quickly and easily with the Fund.

These include forms for:

- member enquiries
- member feedback in respect of their experience in engaging with the Fund
- complaints from members in respect of their LGPS membership and / or the Fund's service delivery
- representatives of recently deceased members to notify the Fund of the member's death

Online forms have also been developed to enable employers to:

- inform the Fund of outsourcing arrangements which impact on individual's LGPS eligibility and membership (derbyshirepensionfund.org.uk/admissionbodies)
- Microsoft Office 365 forms to respond to consultations
- Microsoft Office 365 forms to provide feedback on training delivered by the Fund

All forms embedded on the website are securely transferred upon submission to the appropriate Fund email inbox.

The website will also allow members to easily access the Fund's online member self-service portal 'My Pension Online', which is planned to be rolled out on a phased basis from May 2021.

The Fund will continue to maintain and develop its website and ensure it remains its primary source of Fund and LGPS information for members and employers.

Google Analytics is used to collect information about how visitors use the Fund's website. This information is not used to identify visitors to the website but is used to analyse traffic and engagement with a view to improving the user experience.

Email communications

The Fund maintains several secure email inboxes used by members and employers for the submission of general and individual enquiries, the provision of information and other directed information. The details of each inbox and their purpose is explained in the following table:

Email inbox address	Purpose
pensions@derbyshire.gov.uk	A general inbox for enquiries from members, including those submitted online via the Fund's website on the enquiry form and death notification form.
dpfemployers@derbyshire.gov.uk	For employers to submit notification forms and other information relating to individual members.
pensions.tech@derbyshire.gov.uk	For employers to submit multi-member data returns, contribution payment reports and other payment and data based enquiries
pensions.regs@derbyshire.gov.uk	For queries relating to LGPS regulations, communications, employer training, all Fund events, appeals, and enquiries submitted online via the Fund's website on the feedback form and the complaints form
pensions.iconnect@derbyshire.gov.uk	For employer queries about the Fund's secure data transmission service, i-Connect
pensions.mss@derbyshire.gov.uk	For enquiries about the "My Pension Online" service

Telephone enquiries

The Fund has a dedicated Pensions Helpline number (01629 538900).

The Helpline is currently available Monday to Friday 10.00am to 3.00pm.

Policy and strategy documents

The Fund's policy and strategy documents are published on the Fund's website and printed copies are available on request. News items are posted on the Fund's landing page when new or updated policy/strategy documents are published. Key documents include:

- **Annual Report** for the Fund which is prepared and published each year. The report sets out for the relevant financial year, the Fund's:
 - governance arrangements
 - financial performance
 - investment management arrangements and performance
 - funding position
 - and scheme administration arrangements and performance

It also includes a copy of the most up to date actuarial valuation of the Fund, together with the Fund's main policy statements and the Fund's Statement of Accounts for the financial year. All participating employers are notified when the Annual Report has been published.

- **Funding Strategy Statement** which focuses on how employer liabilities are measured, the pace at which the liabilities are funded and how employers, or pools of employers, pay for their own liabilities. It is prepared by the County Council as the administering authority of the Pension Fund in collaboration with the Fund's actuary and following consultation with the Fund's employers and other stakeholders.
- **Investment Strategy Statement** which sets out the long-term investment strategy of the Pension Fund. It is prepared by the County Council, as the administering authority of the Pension Fund in collaboration with the Fund's independent investment adviser and following consultation with the Fund's stakeholders.
- **Responsible Investment Framework** which sets out the Fund's approach to responsible investment including the integration of environmental, social and governance considerations into the investment process and Fund stewardship and governance activities.
- **Climate Strategy** which sets out the Fund's approach to addressing the risks and opportunities related to climate change.

Communications to members

There are 3 categories of Scheme member:

- **Active members** who are contributing to the Scheme
- **Deferred members** who have left the Scheme, but have not yet accessed their pension benefits
- **Pensioner members** who are in receipt of their pension

When the Fund's member self-service portal has been rolled out, scheme members will be able to access their pension information by registering for '**My Pension Online**':

derbyshirepensionfund.org.uk/mypensiononline

The online portal will be a secure area, allowing members to view and update some of their personal details held by the Fund. Active and deferred members will also be able to view their latest, and previous, Annual Benefit Statements.

It is expected that member registration will take time to build, however, the Fund will promote the benefits of registration to all members and will work closely with employers to encourage active members to register.

The Fund also uses a variety of other methods to communicate with scheme members and differentiates between the categories of membership when delivering messages to each specific audience group.

- **Communication with active members**

On joining the Scheme, new active members are provided with:

- confirmation of their LGPS membership
- a link to the Scheme information on the website
- forms and information to enable them to request a transfer-in of any previous eligible pensionable service

Each year, the Fund provides annual benefit statements to active members. These statements summarise a member's pension account balance to the previous 31 March. These statements are currently posted to members' home addresses. The provision of these statements is subject to scheme employers providing timely year end information to the Fund.

Following the implementation of the 'My Pension Online' portal, annual benefit statements will be available to view on individual member accounts as standard practice. The exception to this will be if a member has notified the Fund that they wish to continue to receive paper copies.

The Fund also produces an active member newsletter each year in collaboration with a regional Joint Communications Group, which is published on the Fund website. Active members are directed to the newsletter by a link provided in their annual benefit statement. The content comprises current pension topics within the LGPS and the pensions industry in general, plus important repeated messages.

Face-to-face meetings with active members are arranged when it is appropriate to do so. These are delivered by the Fund's Regulations and Communications Team in the form of 'Understanding your LGPS pension' presentations and drop-in sessions at various venues around the County hosted by scheme employers. The presentations help to explain the significant changes in the LGPS regulations over time, and to assist where an employer is going through a restructuring or outsourcing exercise that will have pension-related implications. Drop-in sessions are targeted to coincide with events, such as the issue of the annual benefit statements. The nature of the drop-in sessions means that members can meet the team informally and ask questions they may have about their pension at a convenient time for them.

Opportunities for members to meet with members of the Fund's team or join virtual group sessions on Microsoft Teams, are being developed as an alternative to face-to-face meetings.

- **Communication with deferred members**

Each year the Fund provides annual benefit statements to deferred members. These statements summarise a member's pension account balance to the previous 31 March. These statements are currently posted to members' home addresses.

Following the implementation of the 'My Pension Online' portal, annual benefit statements will be available to view on the individual member's account, however, they will continue to be printed and posted to members who notify the Fund that they wish to continue to receive a paper copy.

The Fund also produces a deferred member newsletter each year in collaboration with a regional Joint Communications Group and publishes it on the Fund website. Deferred members are directed to the newsletter by a link provided in their annual benefit statement. The content comprises current pension topics within the LGPS and the pensions industry in general, plus important repeated messages.

- **Communication with pensioner members**

The Fund issues pay advice slips to pensioners each March, April and May notifying them of the percentage rate of annual pension increase and explaining how it is applied. Pensioners will also be sent further payslips to alert them to any further variations in their net monthly amount of 1% or more. The Fund issues P60s annually in respect of the pension received in the previous financial year.

The Fund participates in the National Fraud Initiative and may share information with other bodies responsible for auditing or administering public funds for the purpose of preventing and detecting fraud. The Fund includes brief details about the National Fraud Initiative on payslips for pensioner members at least once per year. The details provided include a link to the Derbyshire County Council website for more information:

derbyshire.gov.uk/nationalfraudinitiativeprivacynotice

Life certificates, or an alternative secure electronic solution, are delivered each year by the Fund, or by a specialist tracing service working on behalf of the Fund, to pensioners living abroad to ensure that they maintain eligibility for their pension benefits (derbyshirepensionfund.org.uk/lifecertificate).

The aim of the Life Certificate is to reduce the liabilities which result from pension overpayments following the death of pensioner members living overseas.

The Fund's arrangements for the issue and delivery of Life Certificates or a secure electronic alternative are reviewed regularly.

- **Communication with prospective members**

Prospective scheme members are provided with basic information on the LGPS by their employer. Employers are supported in promoting the scheme to all their employees and information is provided to employers to signpost their employees to the Fund's website and to highlight the benefits of LGPS membership.

Communications with scheme employers

The Fund's latest **Pension Administration Strategy** became operational on 1 April 2021 and aims to promote good working relationships between the Fund and its participating employers in order to support the delivery of a high-quality service to members. It sets out clearly 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.

Face to face large-scale employer events are provided at various venues when it is appropriate to do so; some are aimed at all employers and others targeted at specific groups, such as academies. Site visits and workshops are also undertaken, when appropriate, to assist individual employers with specific issues and / or provide direct training to their staff. The visits are often requested by employers, but the Fund is also proactive in identifying opportunities to assist employers.

Individual meetings with employers also take place via Microsoft Teams and opportunities for virtual group employer events are being developed.

Employers are kept up to date with developments which impact on their application of the LGPS regulations by employer newsletters, which are emailed to nominated employer contacts through gov delivery. At least one employer newsletter is produced each quarter, however, at times when several important messages need to be delivered to employers, more frequent newsletters will be issued.

The Fund monitors engagement with the employer newsletters by interpreting the delivery data (delivered, pending and bounced percentages) and performance data (opened and unsubscribes percentages) provided on gov delivery reports. A further in-depth report can also be run to assist the Fund in maintaining an up to date circulation list of employer contacts where emails have bounced or failed.

Communications with Pension Fund team

It is important to ensure that all members of the pension fund team have access to the relevant information and technical knowledge to enable them to perform their duties, to understand their role in the delivery of the Fund's services, and to be aware of the wider context of the Local Government Pension Scheme. This is achieved via use of email, internal meetings, team briefings as well as internal and external training events on specific topics.

Pensions and Investments Committee

The Pensions and Investments Committee meets six times a year. It is responsible for the management and administration of the Fund on behalf of the County Council. Members of the Fund's team work closely with the Chair, Deputy Chair and Members of the Committee to ensure that they are fully informed about Fund matters and that they are fully supported in fulfilling their duties and responsibilities.

Members of the Committee receive reports from Fund officers on matters to be determined or reviewed.

These reports include:

- quarterly investments reports
- other investment related updates
- half-year administration reports
- reviews of new LGPS related legislation
- determination of local policies
- reviews of the Fund's Risk Register
- Annual Report and Annual Service Plan
- the adjudication of appeals and disagreements at Stage 2 of the adjudication process.

Two trade union representatives are entitled to attend meetings of the Committee as non-voting members and to receive all the Committee papers.

Minutes of meetings (except for restricted items) are available from the Derbyshire County Council website: democracy.derbyshire.gov.uk/mgCommitteeDetails.aspx?ID=145

Derbyshire Pension Board

Derbyshire Pension Board assists Derbyshire County Council in its role as the administering authority of the Fund in complying with Scheme governance and administration responsibilities and complying with the relevant requirements of the Pensions Regulator. Members of the Pension Fund team work closely with the Pension Board, attending meetings which are held at least twice per year, and ensuring that they have the information necessary to fulfil their duties and responsibilities.

Information about the Pension Board and summaries of Pension Board meetings are published on the Fund's website: derbyshirepensionfund.org.uk/pensionboard

5. Plan for the development of communications 2021 – 2024

Communication is a fundamental part of all Pension Fund activity.

Meeting the Fund's objective of delivering clear, timely and relevant communication to all stakeholders as the Local Government Pension Scheme becomes more complex, with increasing governance obligations requires the Fund to continually improve and develop its communications.

With assistance and support from Derbyshire Pension Board, the following medium term communication-related objectives have been identified:

- The member self-service portal "My Pension Online" becoming operational
- Improved member feedback, including a Member Forum
- Continued development of the Fund's website
- Development of a Fund Style Guide
- Further development of employer engagement

Implementation of My Pension Online

This is the member self-service portal to enable scheme members to view certain parts of their pension information, including their annual benefit statement, securely online at any time; members will also be able to submit a number of changes to personal details via the portal, and carry out benefit projections online.

Management and development of the portal is undertaken by the Fund in liaison with Aquila Heywood, the supplier of the Fund's pension administration system, who will host the portal.

Members will be encouraged to register for 'My Pension Online' through communications from the Fund and from employers. Initially, the Fund will concentrate on the registration of active and deferred members.

The Fund is aiming for 15% registration of active and deferred members in year 1, based on the experience of other pension funds offering this service, however, planning will encourage and cater for the possibility of a higher take up. The Fund will continually review and re-evaluate registrations targets.

Other Member Engagement

The Fund will set up a Member Forum once the member self-service system has been established. Ensuring that this forum has a broad range of fund member representation will be vital to its success.

Continued development of the Fund's website

Members will access 'My Pension Online' via the Fund's website, so there will be a natural increase in the awareness of, and visitors to, the website.

This provides an opportunity for the website to reach the notice of a higher proportion of the member population. Ensuring the site remains up to date with easy to understand, user-friendly content, and with increasing interactivity, will be vital. This will be aided by digital technology such as Google Analytics, which will help the Fund to further analyse traffic and engagement and support the ongoing improvement of the user experience.

Additionally, as a public service website, the Fund will be required to ensure that it reaches and maintains full compliance with accessibility law and guidance (WCAG 2.1 – Web Content Accessibility Guidelines). This will include ensuring that all content is accessible, including the publication of future Fund documents in accessible formats or as webpages.

Fund style guide

As the Fund writes to different audiences, and produces different types of media, a bespoke style guide will help multiple authors to write in a clear and unified way that reflects the Fund's style.

Writing simple, readable and understandable text on complex and difficult topics across a range of communications from letters and emails to forms, guides and website content, is a significant challenge for the Fund's team.

Preparing a style guide will provide benefits including:

- Consistency
- Clear messages
- Time saving
- Improved communications between teams
- Increased efficiency
- Prevention of complaints
- Clarity on a consistent voice
- Setting a tone for the Fund
- An increased professional look and feel
- Increased user confidence
- Easily accessible information
- Brand recognition

Letters Project

Aided by a style guide, a project to review approximately 500 standard letters, and provide accurate and easy to understand content, will provide a significant benefit for the Fund's members.

Subjects to cover in improved member engagement

Increased engagement will focus on providing information which will enhance member' understanding of the Fund and its activities and should contribute to a reduction in the number of queries received through the Helpline, the online enquiry form, emails and written correspondence

- The benefits of the scheme (to prospective and existing members)
- Increased information on how the Fund's assets are invested
- Increased information about the governance of the scheme
- The need to keep contact details up to date
- Pension scams
- Annual allowance

Continued implementation of i-Connect

i-Connect is the Fund's secure data transmission service which is enabling employers to automate the submission and validation of their data resulting in more efficient and timely data submissions and the more effective resolution of queries. By April 2021, approximately 50% of the Fund's employers had implemented i-Connect covering approximately 60% of the total of active members.

The Fund's target is for all employers to be working towards implementing i-Connect by the end of 2021.

Employer engagement

The Fund will continue to develop its engagement with employers:

- during the admissions process
- during onboarding to i-Connect
- via its regular communications to fund employers throughout an employer's participation in the Fund
- in the run up to employer exits from the Fund

Communications will support:

- Employers to understand their responsibilities
- The continued development of employer covenant reviews
- Employers to improve their engagement with their outsourced providers and to improve understanding of risk-sharing arrangements
- Closer Fund relationships with resolution bodies (Town and Parish Councils)
- Engagement with employers on new employer flexibilities following the development of an employer flexibilities policy

6. Communications Policy review

This Communications Policy will be reviewed annually and revised if the communications arrangements merit reconsideration, including if there are any changes to the LGPS or other relevant regulations or guidance which need to be taken into account. Progress against the communication-related objectives will be reported to the Pensions and Investments Committee.

Appendix 3: High Risk Items

Key Risk	Comments and mitigation
Systems failure/Lack of disaster recovery plan/Cybercrime attack & Insufficient cyber-liability insurance relating to the pensions administration system	The National Cyber Security Centre warned of a heightened cyber threat following Russia's attack on Ukraine and advised organisations to bolster their online defences. 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. 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). 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. These procedures have been rolled out to the Pension Fund team in a number of briefing sessions providing the opportunity for discussion and feedback. The Fund's data mapping project is ongoing 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. 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, while the Council's cyber liability cover is being reviewed.
Fund assets insufficient to meet liabilities	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 three 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. The 31 March 2022 actuarial valuation has now been completed. The whole fund results reported an improvement in the funding level of the Pension Fund from 97% at 31 March 2019 to 100% at 31 March 2022, with the 2019 deficit of £163m moving to a small positive surplus of £1m. 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. Whilst the Fund has a significant proportion of its assets in growth assets, the last two reviews of the Strategic Asset Allocation Benchmark 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. As part of the valuation exercise, the Pension Fund's Funding Strategy Statement (FSS) was reviewed, to ensure that an appropriate funding strategy is 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 was agreed and confirmed following a consultation on the FSS; the final FSS was approved by Committee in March 2023.
LGPS Central Pool	The Fund is expected to transition the management of a large proportion of its investment assets to LGPS Central Limited (LGPSC), the operating company of the LGPS Central Pool (the Pool), over the next few years. The Fund has so far transitioned around 10% of its assets into LGPSC active products and a further 5% into an LGPSC enhanced passive product. By March 2025, the Fund is forecast to have transitioned around 45% of its assets into LGPSC products, increasing to 75% after including collaboratively procured pooled arrangements. 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. 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. 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. 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.
McCloud Judgement	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 Department for Levelling Up, Housing and Communities (DLUHC, formerly MHCLG) published its proposed remedy related to the McCloud judgement in July 2020. The proposed remedy involves the extension of the current underpin protection given to certain older members of the Scheme when the LGPS benefit structure was reformed in 2014. The underpin will give eligible members the better of the 2014 Scheme CARE or 2008 final salary benefits for the eligible period of service.

The changes will be 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. This will have a significant impact on the administration of the Scheme. Analysis by Hymans Robertson (the Fund's actuary) suggested that around 1.2m members of the LGPS, roughly equivalent to a quarter of all members, may be affected by the revised underpin. Locally it has been estimated that around 26,000 members of the Fund would likely fall into the scope of the proposed changes to the underpin.

An amendment included in the Public Service Pensions and Judicial Offices Act 2022 (received Royal Assent in March 2022), the enabling legislation for the implementation of the McCloud remedy, has subsequently increased the number of records that will need to be reviewed. It brought the LGPS into line with the other public service pension schemes by extending the scope of the McCloud remedy to include members who were not active on 31 March 2012 but who have LGPS membership before that date and returned within five years and meet all other qualifying criteria. The criteria for a disqualifying break in service was also relaxed.

In early April 2023, DLUHC issued a response to the 2020 consultation on its proposed changes to the LGPS to address the discrimination found in the McCloud judgement. The response highlighted that the government intends to consult further on issues where it has not yet made final decisions on how the underpin will work and on a number of issues that have arisen in the course of developing the government's response to the McCloud case. Updated draft regulations are expected to be included in the further consultation which is due to be undertaken 'in the coming months'. LGPS regulations to implement the remedy are expected to come into force in October 2023.

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

The risk score for the impact of the McCloud judgement on funding was reduced to 9 in October 2022 following confirmation that for the March 2022 triennial valuation the benefits of members likely to be affected by the McCloud ruling would be valued in line with the expected remedy regulations. The administration risk relates to the enormous challenge that will be 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 DLUHC 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.

The Fund has tested the McCloud related tools provided by Aquila Heywood on the Altair pension administration system which will be used to identify, and subsequently bulk load, any required additional service history. Aquila

	Heywood has also completed and released a number of further McCloud related developments, although the delay in the release of full statutory guidance from DLUHC has caused a knock-on delay to the completion of all the required development work.
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	A McCloud Project Board has been set up to formalise the governance of this major project. The Fund will continue to collect any missing data and continue to keep up to date with news related to the McCloud remedy from DLUHC, the Scheme Advisory Board, the Local Government Association, the Government Actuary's Department and the Fund's actuary and with the development of relevant tools by Aquila Heywood.
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Appendix 4: Investment Strategy Statement - November 2020

1. Introduction

This is the Investment Strategy Statement (the ISS) of Derbyshire Pension Fund (the Fund), which is administered by Derbyshire County Council. The ISS is drawn up in compliance with Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the Regulations) and has been prepared following consultation with such persons as Derbyshire County Council considered appropriate.

The ISS will be reviewed following any material change in the factors which are judged to have a bearing on the stated investment policy and at least every three years as required by the Regulations.

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. The funding and investment strategies are, therefore, inextricably linked; the Funding Strategy Statement can be found on the Fund's website: www.derbyshirepensionfund.org.uk/fss

2. Fund Governance

Derbyshire County Council is an administering authority for the Local Government Pension Scheme in accordance with Local Government Pension Scheme Regulations 2013. The Pensions and Investments Committee (the Committee) is responsible for discharging Derbyshire County Council's statutory function as the administering authority for the Fund.

The Committee is responsible for determining the Fund's investment policy, monitoring performance and overall stewardship of the Fund. Members of the Committee act in a similar manner to trustees and take advice from Anthony Fletcher, the Fund's Independent Adviser and from the Director of Finance & ICT and the Fund's in-house investment managers.

A proportion of the Fund's investments are managed on an active basis by the Fund's in-house Investment Team, and by LGPS Central Limited, a company established to manage investments on behalf of eight LGPS pension funds across the Midlands. Where the appropriate skills are not available internally, or through LGPS Central Limited, external managers are used.

In 2015, Derbyshire Pension Board was established to assist the administering authority to ensure the effective and efficient governance and administration of the Local Government Pension Scheme.

Full details of the Fund's governance arrangements, including the governance arrangements for the LGPS Central Pool, are contained in the Governance Policy and Compliance Statement which is published on the Fund's website: www.derbyshirepensionfund.org.uk/governanceandcompliance

3. Investment Objectives

The Committee has agreed a long term investment strategy that aims to maximise the returns from investments within acceptable levels of risk, contributes to the Fund having sufficient assets to cover the accrued benefits, and enables employer contributions to be kept as stable as possible.

The investment strategy takes into account the following beliefs:

- A long term approach to investment will deliver better returns
- The long term nature of LGPS liabilities allows for a long term investment horizon
- Asset allocation is the most important factor in driving long term investment returns

- Liabilities influence the asset structure; funds exist to meet their obligations
- Risk premiums exist for certain investments; taking advantage of these can help to improve investment returns
- Markets can be inefficient, and mispriced for long periods of time; therefore, there is a place for active and passive investment management
- Diversification across investments with low correlation improves the risk/return profile
- Secure and growing income streams underpin the ability to meet future liabilities
- Responsible investment can enhance long term investment performance
- Investment management costs should be minimised where possible but net investment returns after costs are the most important factor

4. Strategic Asset Allocation Benchmark

The Committee aims to balance risk and reward by apportioning the Fund's assets over a range of asset classes to achieve the Fund's goals, to manage risk and to match the investment horizons. The objective is to generate a return that is at least equal to the

investment return assumed by the actuary in the actuarial valuation. The assumed investment return is used by the actuary to 'discount' the Fund's liabilities to a present day value. The actuarial valuation at 31 March 2019 was prepared on the basis of an investment return of **3.6%** over the next 20 years.

For the longer term, the assumed investment return beyond 20 years is expressed as a margin above long term 'risk free' interest rates. The margin represents the excess return that should be available to the Fund from investing in riskier assets (e.g. equities) and is known as the asset outperformance assumption (AOA).

At the 31 March 2019 valuation, the AOA was 1.8% over a long term UK bond yield of 1.5% giving a longer term investment assumption of **3.3%**. The 31 March 2016 valuation was prepared on the basis of a single discount rate of 4% (1.8% AOA & long term UK bond yield of 2.2%). The lower discount rates used for the March 2019 valuation reflects lower expected investment returns going forward.

The Strategic Asset Allocation Benchmark (the Benchmark) for the Fund has been formulated in consultation with Anthony Fletcher, following the completion of the 2019 triannual valuation conducted by Hymans Robertson, the Fund's actuary. The Benchmark takes into account the required level of return and an appropriate balance between generating long term investment returns and exposure to investment risk. The Benchmark includes a wide variety of asset classes, in order to diversify sources of risk and return, and equity allocations spread by geographic regions. It takes into account the future expected returns from the different asset classes, the historic levels of volatility of each asset class and the level of correlation between the asset classes.

The Fund's asset classes are allocated into three 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 asset allocation of the Fund is reviewed on a quarterly basis, and tactical positions around the Benchmark are agreed by the Committee following advice from the Fund's in-house investment managers and the Fund's Independent Adviser.

The Fund's Final Benchmark, together with an Intermediate Benchmark designed to allow the Fund to manage the transition risk towards the Final Benchmark, is set out in the following table:

Asset Category	Intermediate Asset Allocation	Intermediate Permitted Range	Final Asset Allocation	Final Permitted Range	Performance Benchmark
Growth Assets	56.0%	+/- 8%	55.0%	+/- 8%	
<i>Total Quoted Equities</i>	<i>52.0%</i>	<i>+/- 8%</i>	<i>51.0%</i>	<i>+/- 8%</i>	
-UK Equities	14.0%	+/- 6%	12.0%	+/- 4%	FTSE All Share
-North America	6.0%	+/- 6%	-	-	FTSE World N America
-Europe	4.0%	+/- 4%	-	-	FTSE AW Developed Europe Ex-UK Net
-Japan	5.0%	+/- 2%	5.0%	+/- 2%	FTSE World Japan
-Pacific ex-Japan	2.0%	+/- 2%	-	-	FTSE All World Asia-Pacific ex Japan
-Emerging Markets	5.0%	+/- 2%	5.0%	+/- 2%	FTSE Emerging Markets
-Global Sustainable	16.0%	+/- 16%	29.0%	+/- 8%	FTSE All World
Private Equity	4.0%	+/- 2%	4.0%	+/- 2%	FTSE All Share + 1%
Income Assets	24.0%	+/- 6%	25.0%	+/- 6%	
Property	9.0%	+/- 3%	9.0%	+/- 3%	IPD UK Quarterly Property Index
Infrastructure	9.0%	+/- 3%	10.0%	+/- 3%	LIBOR 3m + 2%
Multi-Asset Credit	6.0%	+/- 2%	6.0%	+/- 2%	40% Libor 3m + 3% / 30% ICE BofA Global High Yield Index, GBP / 30% S&P & LSTA Leveraged Loan Index, GBP
Protection Assets	20.0%	+/- 5%	20.0%	+/- 5%	
Fixed Income	6.0%	+/- 2%	6.0%	+/- 2%	FTSE UK Gov Fixed All Stocks
Index Linked Bonds	6.0%	+/- 2%	6.0%	+/- 2%	FTSE UK I-L All Stocks
Global Non-Government Bonds	6.0%	+/- 2%	6.0%	+/- 2%	50% ICE GBP Non-Gilt Index (ex EM) / 50% ICE Global Corporate Index (ex GBP and EM), hedged to GBP Base
Cash	2.0%	0 - 8%	2.0%	0 - 8%	Sterling 7 Day LIBID
Total	100.0%		100.0%		

The Intermediate Benchmark is expected to come into effect on 1 January 2021, with the Final Benchmark expected to come into effect on 1 January 2022 at the latest.

5. Asset Classes

All financial instruments are open to consideration by the Committee. The Fund currently invests in quoted and unquoted securities of UK and overseas markets, including equities, government and non-government bonds, multi-asset credit, property, infrastructure and cash, either directly or via pooled vehicles. Derivatives are used to hedge the currency exposure of the overseas government bond holdings. The use of derivatives may be extended further in the future for the purpose of efficient portfolio management or to hedge other specific risks. The introduction of any new financial instrument / asset class or any extended use of derivatives will only be considered by the Committee following the receipt of appropriate training and advice from suitably qualified persons.

5.1 Growth assets

- **Equities**

Equities are classed as growth assets with the potential to provide returns in excess of inflation from growth in both capital values and income. Reinvested income accounts for a large proportion of long term equity returns. As equity returns are linked to company revenues and profits, investing in equities increases exposure to volatility. Investors expect to be compensated for that volatility by higher returns.

Over the last 50 years, in the UK, equities have provided a real return (after inflation) of 5.3% pa, compared with a real return of 3.4% pa from long dated government bonds and 1.0% pa from cash. Over the last 20 years, the respective real returns were 1.8% pa, 3.1% pa and -0.3% pa. In the US, the real returns over the last 50 years were 6.1% pa from equities, 4.1% pa from 20 year government bonds and 0.7% pa from cash. US respective real returns over 20 years were 3.8% pa, 4.8% pa and -0.5% pa.⁸ Despite the increasing correlation between the majority of developed equity markets, investing in selected different geographic regions still provides portfolio diversification and investing in emerging markets generally provides access to higher economic growth rates and exposure to different economic drivers of return.

- **Private equity**

Private equity investment refers to investment in unquoted, privately owned companies. Investors expect to receive an illiquidity premium for investing in this asset class and target returns above those expected from publicly quoted equities. Returns from private equity primarily come from capital growth, rather than income when investments are exited (realised) following a period of business growth/transformation. Private equity offers access to a broader universe of companies than the publicly quoted space.

5.2 Income assets

- **Property**

Property investments have traditionally been split between three different sectors: office; retail and industrial. Increasingly within the asset management industry, exposure to niche sectors such as student accommodation and exposure to debt secured against property assets is also included within the property asset class. Returns from this asset class come from rental income and the change in market values. Rental income has accounted for a large proportion of total returns over the long term. Given the relative stability of rental income, which gives property bond like characteristics, the returns from property are generally expected to fall between the returns from equities and those from bonds.

Property investment can be carried out directly via the purchase of physical properties or indirectly via the purchase of pooled vehicles or property company shares. The majority of the Fund's property exposure is gained via direct investment; pooled vehicles are used to

⁸ Source: Barclays Equity Gilt Study 2020

gain exposure to niche sectors and overseas assets. The Fund's exposure to property debt is currently contained within the allocation to corporate bonds.

- **Infrastructure**

Infrastructure offers access to long term predictable cash flows, which are often linked to inflation. A low correlation to the business cycle and the other major asset classes provides diversification benefits and long investment horizons. The majority of the Fund's infrastructure investments are in developed European core assets (long term assets with regulated returns) and social PFI concessions (typically schools, hospitals and military accommodation).

- **Multi Asset Credit**

Multi-asset credit typically relates to sub-investment grade corporate bonds and includes private debt, high yield debt and asset-backed securities. Multi-Asset Credit offers a predictable income stream and a yield pick-up relative to sovereign bonds and investment grade corporate bonds reflecting the increased risk of default.

5.3 Protection Assets

- **Sovereign and Corporate Bonds**

Bonds offer predictable streams of income and predictable returns if held to maturity. They are held as stabilising assets to reduce volatility and to provide diversification. As pension funds mature they can be used to provide liquidity and to match liabilities as they fall due.

The Fund holds conventional fixed income, index-linked and investment grade corporate bonds. Index linked bonds are regarded as a particularly good match for pension fund liabilities. The majority of the Fund's government bond holdings are issued by the government of the United Kingdom; the currency exposure of any overseas sovereign bonds holdings is hedged to sterling.

- **Cash**

Cash management for the Fund comprises cash held in the Fund's cash accounts (i.e. bank and money market funds) and cash held in the custodian's bank account in respect of segregated mandates.

The Fund holds cash to fulfil its daily liquidity requirements, and depending on market conditions, also as a protection asset. The Fund's cash balances are managed by Derbyshire County Council's Treasury Management Team in line with the Fund's annual Treasury Management Strategy.

Each of the Fund's segregated mandates has a cash account with the Fund's custodian. Cash in these accounts is held primarily for the investment managers' day to day liquidity requirements and fluctuates depending on trading activity and dividend income. Each segregated mandate includes a maximum cash limit.

6. Risk

The overall risk for the Fund is that its assets will be insufficient to meet its liabilities. The Funding Strategy Statement, which is drawn up following the triennial actuarial valuation of the Fund, sets out how any deficit in assets compared with liabilities is to be addressed.

Underlying the overall risk, the Fund is exposed to demographic risks, regulatory risks, governance risks and financial risks (including investment risk). The measures taken by the Fund to control these risks are included in the Funding Strategy Statement and are reviewed periodically by the Committee via the Fund's risk register. The primary investment risk is that the Fund fails to deliver the returns anticipated in the actuarial valuation over the long term. The Committee anticipates expected market returns on a prudent basis to reduce the risk of underperforming expectations.

It is important to note that the Fund is exposed to external, market driven, fluctuations in asset prices which affect the liabilities (liabilities are partially estimated with reference to government bond yields) as well as the valuation of the Fund's assets. Holding a proportion of the assets in government bonds helps to mitigate the effect of falling bond yields on the liabilities to a certain extent. Further measures taken to control/mitigate investment risks are set out in more detail below:

6.1 Concentration

The Committee manages the risk of exposure to a single asset class by holding different categories of investments (e.g. equities, bonds, property, alternatives and cash) and by holding a diversified equity portfolio, spread by both geography and market sectors. Each asset class is managed within an agreed permitted range to ensure that the Fund does not deviate too far away from the Benchmark, which has been designed to meet the required level of return with an appropriate level of exposure to risk, taking into consideration the level of correlation between the asset classes.

6.2 Volatility

The Benchmark contains a high proportion of equities with a commensurate high degree of volatility. The strong covenant of the major employing bodies enables the Committee to take a long term perspective and to access the forecast inflation plus returns from equities.

6.3 Performance

Investment managers are expected to outperform the individual asset class benchmarks detailed in the overall Strategic Asset Allocation Benchmark. The Fund's performance is measured by an independent provider and reported to the Committee on a quarterly basis. The Committee takes a long term approach to the evaluation of investment performance but will take steps to address persistent underperformance.

6.4 Liquidity

Close attention is paid to the Fund's projected cash flows; the Fund is currently cash flow positive, in that annually there is an excess of cash paid into the Fund from contributions and investment income after pension benefits are paid out. The Fund expects to be cash flow positive for the short to medium term. Despite the growing proportion of illiquid investments in the Fund, a large proportion of the assets are held in liquid assets and can be realised quickly, in normal circumstances, in order for the Fund to pay its immediate liabilities.

6.5 Currency

The Fund's liabilities are denominated in sterling which means that investing in overseas assets exposes the Fund to a degree of currency risk. The Committee regards the currency exposure associated with investing in overseas equities as part of the return on the overseas equities; the currency exposure in respect of the Fund's Income Assets and Protection Assets is hedged back to sterling.

6.6 Stock Lending

The Fund does not currently participate in any standalone stock-lending arrangements. As part of the LGPS Central pool, the funds managed by LGPS Central Limited do participate in stock-lending arrangements, and LGPS Central Limited has put controls in place to protect the security of the Fund's assets.

6.7 Custody

The risk of losing economic rights to the Fund's assets is managed by the use of a global custodian for custody of the assets, regular scrutiny of the Fund's providers, and the maintenance of independent investment accounting records.

7. LGPS Central Pool

Derbyshire Pension Fund is part of the LGPS Central Pool (the Pool) with the LGPS funds of Cheshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, West Midlands and Worcestershire. The Pool has been established in accordance with Government requirements for the pooling of LGPS investment 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.

The eight administering authorities of the pension funds within the LGPS Central Pool are equal shareholders in LGPS Central Limited. LGPS Central Limited (the Company) has been established to manage investments on behalf of the Pool and received authorisation from the Financial Conduct Authority in January 2018. The Company launched its first sub-funds within an Authorised Contractual Scheme collective investment vehicle in April 2018 and has launched several additional sub-funds since that date.

The transition of the Fund's assets into products offered by the Company is likely to take several years. In February 2019, the Fund transitioned its Non-Government Bond portfolio into the LGPS Central Global Active Investment Grade Corporate Bond Multi Manager Fund. LGPS Central Limited also provides the Fund with general advisory services in respect of the Fund's Japanese and Asia-Pacific Ex-Japan Equity portfolios. Responsibility for determining the Strategic Asset Allocation Benchmark and the tactical quarterly asset allocation positions remains with the Fund.

Robust governance arrangements have been established both within the Company and within the wider Pool to ensure that the Company operates effectively and meets the objectives of the pension funds within the LGPS Central Pool.

A Joint Committee, set up in accordance with provisions of the Local Government Act 1972, provides oversight of the delivery of the objectives of the Pool, the delivery of client service, the delivery against the LGPS Central Pool business case and deals with common investor issues.

A Shareholders' Forum, comprising one shareholder representative from each of the participating administering authorities, oversees the operation and performance of LGPS Central Limited and

represents the ownership rights and interests of the shareholding councils within the LGPS Central Pool.

To support the Joint Committee and the Shareholders' Forum, a Practitioners' Advisory Forum has been created, consisting of Officers from each of the shareholding councils within the Pool. This forum provides day-to-day oversight of the Operator, scrutinising the delivery of products, investment performance and investment costs, monitoring customer service and the delivery of wider investor services, such as voting and responsible investment.

8. Responsible Investment

The Fund's approach to responsible investment, together with the management of climate-related risks and opportunities, are set out in the Fund's Responsible Investment Framework and Climate Strategy. Copies of the Fund's Responsible Investment Framework and Climate Strategy can be found on the Fund's website:

Responsible Investment Framework: www.derbyshirepensionfund.org.uk/responsibleinvestments

Climate Strategy: www.derbyshirepensionfund.org.uk/climatestrategy

Appendix 5: Myners Principles

Principle	Evidence of compliance
Effective Decision Making - 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.	- 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 six 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 & ICT 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.
Clear Objectives 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 tax payers, 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.	- 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 at 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.

Risk and Liabilities • 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.	• 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 & ICT, 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 2022-23) reported that the fund had a funding level of 100% on 31 March 2022.
Performance Assessment • 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.	• 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.
Responsible Owner • 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.	• 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.
Transparency & Reporting • Act in a transparent manner, communicating with stakeholders on issues relating to their management of investment, its governance and risks, including performance against stated objectives.	• 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: ○ Actuarial Valuation Report ○ Pension Administration Strategy ○ Admission, Cessation and Bulk Transfer Policy ○ Climate Strategy

• Provide regular communication to Scheme members in the form they consider most appropriate.	○ 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 6: Funding Strategy Statement - March 2023

1 Welcome to our Funding Strategy Statement

This document sets out the Funding Strategy Statement (FSS) for Derbyshire Pension Fund.

Derbyshire Pension Fund is administered by Derbyshire County Council, known as the administering authority. Derbyshire County Council worked with the fund's actuary, Hymans Robertson, to prepare this FSS which is effective from 8 March 2023.

There's a regulatory requirement for Derbyshire County Council to prepare an FSS. You can find out more about the regulatory framework in Appendix A. If you have any queries about the FSS, contact Derbyshire Pension Fund at pensions.regs@derbyshire.gov.uk.

1.1 What is Derbyshire Pension Fund?

Derbyshire Pension Fund is part of the Local Government Pension Scheme (LGPS). You can find more information about the LGPS at lgpsmember.org or at derbyshirepensionfund.org.uk. The administering authority runs the Fund on behalf of participating employers, their employees, and current and future pensioners. You can find out more about roles and responsibilities in Appendix B.

1.2 What are the funding strategy objectives?

The funding strategy objectives are to:

- 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 minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency
- 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.

1.3 Who is the FSS for?

The FSS is mainly for employers participating in the Fund because it sets out how money will be collected from them to meet the Fund's obligations to pay members' benefits.

Different types of employers participate in the Fund:

Scheduled bodies

Employers who are specified in a schedule to the LGPS regulations, including councils and employers like academies and further education establishments. Scheduled bodies must give employees access to the LGPS if they can't accrue benefits in another pension scheme, such as another public service pension scheme.

Designating employers

Employers like town and parish councils can join the LGPS through a resolution. If a resolution is passed, the Fund can't refuse entry. The employer then decides which employees can join the scheme.

Admission bodies

Other employers can join through an admission agreement. The Fund can set participation criteria for them and can refuse entry if the requirements aren't met. This type of employer includes contractors providing outsourced services like cleaning or catering to a scheduled body.

Some existing employers may be referred to as community admission bodies (CABs). CABs are employers with a community of interest with another scheme employer. Others may be called transferee admission bodies (TABs), that provide services for scheme employers. These terms aren't defined under current regulations but remain in common use from previous regulations.

1.4 How does the funding strategy link to the investment strategy?

The funding strategy sets out how money will be collected from employers to meet the Fund's obligations. Contributions, assets, and other income are then invested according to an investment strategy set by the administering authority. You can find the investment strategy at: derbyshirepensionfund.org.uk/iss

The funding and investment strategies are closely linked. The Fund must be able to pay benefits when they are due – those payments are met from a combination of contributions (through the funding strategy) and asset returns and income (through the investment strategy). If investment returns or income fall short the Fund won't be able to pay benefits, so higher contributions would be required from employers.

1.5 Does the funding strategy reflect the investment strategy?

The funding policy is consistent with the investment strategy. Future investment return expectations are set with reference to the investment strategy, including a margin for prudence which is consistent with the regulatory requirement that funds take a 'prudent longer-term view' of funding liabilities (Go to Appendix A)

1.6 How is the funding strategy specific to Derbyshire Pension Fund?

The funding strategy reflects the specific characteristics of the Fund employers and its own investment strategy.

2 How does the Fund calculate employer contributions?

2.1 Calculating contribution rates

Employee contribution rates are set by the LGPS regulations.

Employer contributions are made up of three elements:

- a) **the primary contribution rate** – contributions payable towards future benefits
- b) **the secondary contribution rate** – the difference between the primary rate and the total employer contribution
- c) **an allowance for the Fund's expenses** – usually added into the primary contribution rate.

The Fund actuary uses a model to project each employer's asset share over a range of future economic scenarios. More information on this model can be found in Appendix D. The contribution rate takes each employer's assets into account as well as the projected benefits due to their members. The value of the projected benefits is worked out using employer membership data and the assumptions in Appendix D.

The total contribution rate for each employer is then based on:

- **the funding target** – how much money the Fund aims to hold for each employer
- **the time horizon** – the time over which the employer aims to achieve the funding target
- **the likelihood of success** – the proportion of modelled scenarios where the funding target is met

This approach takes into account the maturing profile of the membership when setting employer contribution rates.

2.2 The contribution rate calculation

Table 2: Contribution rate calculation for individual or pooled employers

Type of employer	Scheduled bodies				Designating employers	CABs		TABs
Sub-type	Local authorities, police, fire	Arm's Length Management Organisations, Peak District National Park and Chesterfield Crematorium	Academies	Colleges & universities	Town and Parish Councils (pooled)	Open to new entrants	Closed to new entrants	(all)
Funding target*			Ongoing, assumes long-term Fund participation			Ongoing, but may move to low risk exit basis where no guarantor in place		Ongoing, assuming fixed-term contract in the fund
Minimum likelihood of success	70%	70%	70%	75%	70%	85% if ongoing (a lower likelihood may be applied where a guarantor is in place), 50% if low risk exit basis	85% if ongoing (a lower likelihood may be applied where a guarantor is in place), 50% if low risk exit basis	75%
Maximum time horizon	18 years	18 years	18 years	15 years	18 years	12 years	12 years	Lower of 12 years and outstanding contract term
Primary rate approach	The contributions must be sufficient to meet the cost of benefits earned in the future with the required likelihood of success at the end of the time horizon							
Secondary rate	% of payroll or monetary amount	% of payroll or monetary amount	% of payroll	% of payroll or monetary amount	% of payroll	% of payroll or monetary amount	% of payroll or monetary amount	% of payroll or monetary amount

Type of employer	Scheduled bodies				Designating employers	CABs		TABs
Sub-type	Local authorities, police, fire	Arm's Length Management Organisations, Peak District National Park and Chesterfield Crematorium	Academies	Colleges & universities	Town and Parish Councils (pooled)	Open to new entrants	Closed to new entrants	(all)
Stabilised contribution rate?	Yes	Yes	Yes	No	No	No	No	No
Treatment of surplus	Covered by stabilisation arrangement	Covered by stabilisation arrangement	Covered by stabilisation arrangement	Reduce contributions by spreading the surplus over 15 years	Reduce contributions by spreading the surplus over 18 years	Preferred approach: contributions kept at primary rate. Reductions may be permitted by the administering authority		Reduce contributions by spreading the surplus over the lower of 12 years and remaining contract term
Phasing of contribution changes	Covered by stabilisation arrangement	Covered by stabilisation arrangement	Covered by stabilisation arrangement	3 years	3 years	3 years	3 years	None

Where the Administering Authority recognises a fixed contribution rate agreement between a letting employer and a contractor, the certified employer contribution rate will be derived in line with the methodology specified in the risk sharing agreement. Additionally, in these cases, upon cessation the contractor's assets and liabilities will transfer back to the letting employer ordinarily with no crystallisation of any deficit or surplus.

The Fund reserves the right to use a different likelihood of success for these bodies than stated in the table above if there are concerns in relation to their individual circumstances. In addition, a deterministic approach may be used for employers with a relatively short time horizon.

Go to Appendix D for further information on funding targets

2.3 Making contribution rates stable

Making employer contribution rates reasonably stable is an important funding objective. Where appropriate, contributions are set with this objective in mind. The Fund adopts a stabilised approach to setting contributions for the employers noted in Table 1, which keeps contribution variations within a pre-determined range from year-to-year. These employers are large, secure, long-term employers who can better absorb the short-term funding level volatility over the longer term.

After taking advice from the Fund actuary, the administering authority believes a stabilised approach can still be viewed as a prudent longer-term strategy for these employers. For other employers, contribution increases, or decreases may be phased.

Table 1: current stabilisation approach

Type of employer	Local authorities, Police and Fire	Arm's Length Management Organisations, Peak District National Park and Chesterfield Crematorium	Academies
Maximum contribution increase per year	+1% of pay	+1% of pay	+1% of pay
Maximum contribution decrease per year	-1% of pay	-1% of pay	-1% of pay

Stabilisation criteria and limits are reviewed during the valuation process. The administering authority may review them between valuations to respond to membership or employer changes.

2.4 Reviewing contributions between valuations

The Fund may review and subsequently amend contribution rates between formal valuations where there has been 'significant change' to the liabilities or covenant of an employer. The purpose of any review is to establish the most appropriate contributions. A review may be instigated by the Fund or at the request of a participating employer and may lead to an increase or decrease in contributions.

The Fund would consider the following circumstances as a potential trigger for a review:

- in the opinion of the Administering Authority there are circumstances which make it likely that an employer (including an admission body) will become an exiting employer sooner than anticipated at the last valuation
- an employer is approaching exit from the Fund within the next two years and before completion of the next triennial valuation
- there are changes to the benefit structure set out in the LGPS Regulations which have not been allowed for at the last valuation
- it appears likely to the Administering Authority that there has been a significant change in the ability of an employer or employers to meet their obligations, such as a material change in employer covenant
- it appears to the Administering Authority that the membership of the employer has changed materially due to events such as bulk transfers, significant reductions to payroll or large-scale restructuring

- where an employer has failed to pay contributions or has not arranged appropriate security as required by the Administering Authority

The costs of any review of an employer's funding position and contribution rate will be met by the employer.

Requests for an interim review of an employer's contribution rate will normally be limited to one per employer over a rolling twelve-month period and the proximity to the next formal valuation will be considered. Except in circumstances such as an employer nearing cessation, market volatility or changes to asset values will not be considered as a basis for an interim review of contributions.

The administering authority will require additional information to support a contribution rate review, which is likely to include:

- a copy of the employer's latest accounts and financial forecasting information
- sources of funding/details of any additional security being offered

The decision on whether to amend an employer's contribution rate rests with the Administering Authority following consultation with the Fund's actuary. The Administering Authority may need to consult with other fund employers as part of any review.

2.5 What is pooling?

The administering authority operates contribution rate pools for similar types of employers. Contribution rates can be volatile for smaller employers that are more sensitive to individual membership changes – pooling across a group of employers minimises this. In a contribution rate pool, contributions are set to target full funding for the pool as a whole, rather than for individual employers.

With the exception of the Town and Parish Councils pool, employers in a pool maintain their individual funding positions, tracked by the Fund actuary. That means some employers may be better funded or more poorly funded than the pool average. If pooled employers used stand-alone funding rather than pooling, their contribution rates could be higher or lower than the pool rate. Setting contributions in this way means that while the Fund receives the contributions required, the risk that employers develop a surplus or deficit increases.

Pooled employers are identified in the Rates and Adjustments certificate and only have their pooled contributions certified. Individual contribution rates aren't disclosed to pooled employers, unless agreed by the administering authority.

CABs that are closed to new entrants aren't usually allowed to enter a pool.

If an employer leaves the Fund, except in the case of an employer in a full funding pool (such as the Town and Parish Council pool), the required contributions are based on their own funding position rather than the pool average. Cessation terms also apply, which means higher contributions may be required at that point.

2.6 What are the current contribution pools?

- **Town and Parish Councils** – sharing experience and smoothing the effects of costly but rare events like ill-health retirement or deaths in service. The Town and Parish Council pool operates a full funding pool, for example, there is one pool of assets covering all of the Town and Parish Councils, with experience shared across the entire pool.
- **Schools** – generally pool with their funding council, although there may be exceptions for specialist or independent schools or academies (for example, the academies within a Multi Academy Trust may operate as a contribution pool or a full funding pool).
- **Smaller TABs** – may be pooled with the letting employer.

2.7 Administering authority discretion

Individual employers may be affected by circumstances not easily managed within the FSS rules and policies. If this happens, the administering authority may adopt alternative funding approaches on a case-by-case basis.

Additionally, the administering authority may allow greater flexibility to the employer's contributions if added security is provided. Flexibility could include things like a reduced contribution rate, extended time horizon, or permission to join a pool. Added security may include a suitable bond, a legally binding guarantee from an appropriate third party, or security over an asset.

2.8 Prepayment of employer contributions

The Fund will consider requests from large, secure employers, with stable active memberships, to pre-pay certified primary and secondary contributions for a discounted sum calculated by the Fund's actuary. The discount will reflect the investment return that is assumed to be generated by the Fund over the period of the prepayment.

Employers considering making a prepayment should be aware that future investment returns are not guaranteed, and it is possible that the investment returns generated on prepayment amounts may be lower than the return that could be generated by the employer.

Where contributions expressed as a percentage of pay have been prepaid, the Fund will carry out an annual check to make sure that the actual amounts paid are sufficient to meet the contribution requirements set out in the Rates & Adjustments certificate. If the actual experienced payroll is higher than estimated when calculating the prepayment amount, additional contributions may be required from the employer.

If the actual experienced payroll is lower than estimated when calculating the prepayment amount, no refund would be payable to the employer, the 'excess' would instead remain allocated to the employer's assets within the Fund.

The accounting treatment of any prepayment agreement should be agreed in advance between the employer and its auditor.

3 What additional contributions may be payable?

3.1 Pension costs – awarding additional pension and early retirement on non ill-health grounds

If an employer awards additional pension as an annual benefit amount, they pay an additional contribution to the Fund as a single lump sum. The amount is set by guidance issued by the Government Actuary's Department and updated from time to time.

If an employee retires before their normal retirement age on unreduced benefits, employers may be asked to pay additional contributions called strain payments.

Employers typically make strain payments as a single lump sum in the year in which the strain is incurred.

3.2 Pension costs – early retirement on ill-health grounds

If a member retires early because of ill-health, their employer must pay a funding strain, which may be a large sum.

To mitigate this, employers may choose to use external insurance made available by the Fund.

4 How does the Fund calculate assets and liabilities?

4.1 How are employer asset shares calculated?

The Fund adopts a cashflow approach to track individual employer assets.

Each Fund employer has a notional share of the Fund's assets, which is assessed yearly by the actuary. The actuary starts with assets from the previous year-end, adding cashflows paid in/out and investment returns to give a new year-end asset value. The Fund actuary makes a simplifying assumption, that all cashflow and investment returns have been paid uniformly over the year. This assumption means that the sum of all employers' asset values is slightly different from the whole Fund asset total over time. This minimal difference is split between employers in proportion to their asset shares at each valuation.

If an employee moves one from one employer to another within the Fund, assets equal to the cash equivalent transfer value (CETV) will move from the original employer to the receiving employer's asset share.

Alternatively, if employees move when a new academy is formed or an outsourced contract begins, the Fund actuary will calculate assets linked to the value of the liabilities transferring (Section 4.2).

4.2 How are employer liabilities calculated?

The Fund holds membership data for all active, deferred and pensioner members. Based on this data and the assumptions in Appendix D, the Fund actuary projects the expected benefits for all members into the future. This is expressed as a single value – the liabilities – by allowing for expected future investment returns.

Benefits are valued in line with the regulations in force at the time of the valuation, with an exception relating to the McCloud ruling. The benefits of members likely to be affected by the McCloud ruling have instead been valued in line with the expected regulations, reflecting an underpin as directed by DLUHC.

Each employer's liabilities reflect the experience of their own employees and ex-employees.

4.3 What is a funding level?

An employer's funding level is the ratio of the market value of asset share against liabilities. If this is less than 100%, the employer has a shortfall: the employer's deficit. If it is more than 100%, the employer is in surplus. The amount of deficit or surplus is the difference between the asset value and the liabilities value.

Funding levels and deficit/surplus values measure a particular point in time, based on a particular set of future assumptions. While this measure is of interest, for most employers the main issue is the level of contributions payable. The funding level does not directly drive contribution rates. Go to section 2 for further information on contribution rates.

5 What happens when an employer joins the Fund?

5.1 When can an employer join the Fund

Employers can join the Fund if they are a new scheduled body or a new admission body. New designated employers may also join the Fund if they pass a designation to do so.

On joining, the Fund will determine the assets and liabilities for that employer within the Fund. The calculation will depend on the type of employer and the circumstances of joining.

A contribution rate will also be set. This will be set in accordance with the calculation set out in Section 2, unless alternative arrangements apply (for example, the employer has agreed a pass-through arrangement). More details on this are in Section 5.3.

5.2 New academies

New academies (including free schools) join the Fund as separate scheduled employers. Only active members of former council schools transfer to new academies. Free schools do not transfer active members from a converting school but must allow new active members to transfer in any eligible service.

Liabilities for transferring active members will be calculated (on the ongoing basis) by the Fund actuary on the day before conversion to an academy. Liabilities relating to the converting school's former employees (for example, members with deferred or pensioner status) remain with the ceding council.

New academies will be allocated an asset share based on the estimated funding level of the ceding council's active members, having first allocated the council's assets to fully fund their deferred and pensioner members. This funding level will then be applied to the transferring liabilities to calculate the academy's initial asset share, capped at a maximum of 100%.

The council's estimated funding level will be based on market conditions on the day before conversion. The Fund treats new academies as separate employers in their own right, who are responsible for their allocated assets and liabilities. The new academy will pay contributions initially linked to council contribution rates. If they are part of a MAT, the new academy may be combined with the other MAT academies to set contribution rates at the subsequent triennial valuation. Alternatively, they may be fully pooled with the other MAT academies to share risks and costs.

If an academy leaves one MAT and joins another, all active, deferred and pensioner members transfer to the new MAT.

The Fund's policies on academies may change based on updates to guidance from the Department for Levelling Up, Housing and Communities or the Department for Education. Any changes will be communicated and reflected in future funding strategy statements.

5.3 New admission bodies as a result of outsourcing services

New admission bodies usually join the Fund because an existing employer (usually a scheduled body like a council or academy) outsources a service to another organisation (a contractor). This involves TUPE transfers of staff from the letting employer to the contractor. The contractor becomes a new participating Fund employer for the duration of the contract and transferring employees remain eligible for LGPS membership. At the end of the contract, employees typically revert to the letting employer or a replacement contractor.

Liabilities for transferring active members will be calculated by the Fund actuary on the day before the outsourcing occurs.

New contractors will be allocated an asset share equal to the value of the transferring liabilities. The admission agreement may set a different initial asset allocation, depending on contract-specific circumstances.

There is flexibility for outsourcing employers when it comes to pension risk potentially taken on by the contractor. You can find more details on outsourcing options from the administering authority or in the contract admission agreement.

5.4 Other new employers

There may be other circumstances that lead to a new admission body entering the Fund, for example, set up of a wholly owned subsidiary company by a Local Authority. Calculation of assets and liabilities on joining and a contribution rate will be carried out allowing for the circumstances of the new employer.

New designated employers may also join the Fund. These are usually Town and Parish councils. Contribution rates will be set using the same approach as other designated employers in the Fund.

5.5 Risk assessment for new admission bodies

Under the LGPS regulations, a new admission body must assess the risks it poses to the Fund if the admission agreement ends early, for example if the admission body becomes insolvent or goes out of business. In practice, the Fund actuary assesses this because the assessment must be carried out to the administering authority's satisfaction.

After considering the assessment, the administering authority may decide the admission body must provide security, such as a guarantee from the letting employer, an indemnity, or a bond.

This must cover some or all of the:

- strain costs of any early retirements if employees are made redundant when a contract ends prematurely
- allowance for the risk of assets performing less well than expected
- allowance for the risk of liabilities being greater than expected
- allowance for the possible non-payment of employer and member contributions
- admission body's existing deficit

Community Admission Bodies: The Administering Authority will only consider requests from CABs (or other similar bodies, such as section 75 NHS partnerships) to join the Fund if they are sponsored by a Scheduled Body with tax raising powers, which also guarantees their liabilities.

The Fund's Admission, Cessation and Bulk Transfer policy is available at:

derbyshirepensionfund.org.uk/publications/policies-strategies-and-statements/admissions-cessations-and-bulk-transfer-policy.aspx

6 What happens if an employer has a bulk transfer of staff?

Bulk transfer cases will be looked at individually, but generally:

- the Fund won't pay bulk transfers greater in value than either the asset share of the transferring employer in the Fund, or the value of the liabilities of the transferring members, whichever is lower
- the Fund won't grant added benefits to members bringing in entitlements from another Fund, unless the asset transfer is enough to meet the added liabilities
- a bulk transfer in may result in a shortfall when assessed using the Fund's ongoing funding basis. This may require the receiving employer's Fund contributions to increase between valuations.

Where members transfer between employers within Derbyshire Pension Fund, the assets that will be transferred from the transferring employer's asset share to the receiving employer's asset share will depend on the circumstances of the member(s)' transfer. In particular:

- Section 5.2 explains how assets will be allocated to new academy schools when members transfer from the ceding employer at the academy conversion date.
- Section 5.3 explains how assets will be allocated to new transferee admission bodies when services are outsourced from a scheduled body.
- If an individual member changes his/her employment from one employer in the Fund to another employer in the Fund, assets equal to the individual's cash equivalent transfer value (using standard Club factors) will be transferred from the transferring employer to the receiving employer.
- For all other cases, the Fund's default approach will be to transfer assets equal to the transferring liabilities (assessed on the Fund's ongoing funding basis) from the transferring employer's asset share to the receiving employer's asset share, unless there are specific circumstances which would merit an alternative approach.

The Fund's Admission, Cessation and Bulk Transfer policy is available at

derbyshirepensionfund.org.uk/publications/policies-strategies-and-statements/admissions-cessations-and-bulk-transfer-policy.aspx

7 What happens when an employer leaves the Fund?

7.1 What is a cessation event?

Triggers for considering cessation from the Fund are:

- the last active member stops participation in the Fund. The administering authority, at their discretion, can defer acting for up to three years by issuing a suspension notice. That means cessation won't be triggered if the employer takes on one or more active members during the agreed time
- insolvency, winding up or liquidation of the admission body
- a breach of the agreement obligations that isn't remedied to the Fund's satisfaction
- failure to pay any sums due within the period required
- failure to renew or adjust the level of a bond or indemnity, or to confirm an appropriate alternative guarantor
- termination of a deferred debt arrangement (DDA).

If no DDA exists, the administering authority will instruct the Fund actuary to carry out a cessation valuation to calculate if there is a surplus or a deficit when the Fund leaves the scheme.

7.2 What happens on cessation?

The administering authority must protect the interests of the remaining Fund employers when an employer leaves the scheme. The actuary aims to protect remaining employers from the risk of future loss. The funding target adopted for the cessation calculation are:

- (a) Where there is no guarantor, cessation liabilities and a final surplus/deficit will usually be calculated using a low-risk basis, which is more prudent than the ongoing participation basis. The low-risk exit basis is defined in Appendix D.
- (b) Where there is a guarantor, the guarantee will be considered before the cessation valuation. Where the guarantor is a guarantor of last resort, this will have no effect on the cessation valuation. If this isn't the case, cessation may be calculated using the same basis that was used to calculate liabilities (and the corresponding asset share) on joining the Fund.
- (c) Depending on the guarantee, it may be possible to transfer the employer's liabilities and assets to the guarantor without crystallising deficits or surplus. This may happen if an employer can't pay the contributions due and the approach is within guarantee terms.

These are defined in Appendix D.

However, when carrying out the cessation valuation on the low-risk basis, the administering authority recognises the balance between protecting the Fund and the potential for being overly prudent. In addition, the Fund acknowledges the long-term and uncertain nature of pension funding. Therefore, if appropriate, when considering the amount of assets, a ceasing employer must leave behind in the Fund to pay for its members' benefits, the Fund will consider an upper and lower amount (or "corridor"). In other words, an employer will be deemed to have a deficit if the assets are below the lower amount and a surplus if the assets are above the higher amount (for example, there will be no deficit or surplus if a ceasing employer's assets fall within the "corridor").

If the Fund can't recover the required payment in full, unpaid amounts will be paid by the related letting authority (in the case of a ceased admission body) or shared between the other Fund employers. This may require an immediate revision to the Rates and Adjustments certificate or be reflected in the contribution rates set at the next formal valuation.

The Fund actuary charges a fee for cessation valuations and there may be other cessation expenses. Fees and expenses are at the employer's expense and are recharged to employers via an invoice by the Fund. In exceptional cases, depending on an employer's circumstances, the Fund reserves the right to collect these costs using alternative means, for example, via adjustment to an employer's cessation surplus or cessation deficit, as appropriate.

The cessation policy is contained within the Admission, Cessation and Bulk Transfer policy which is available at:

derbyshirepensionfund.org.uk/publications/policies-strategies-and-statements/admissions-cessations-and-bulk-transfer-policy.aspx

7.3 What happens if there is a surplus?

If the cessation valuation shows the exiting employer has more assets than liabilities (after allowing for the 'corridor' approach in section 7.2 if appropriate) – an exit credit – the administering authority can decide how much will be paid back to the employer based on:

- the surplus amount
- the proportion of the surplus due to the employer's contributions
- any representations (like risk sharing agreements or guarantees) made by the exiting employer and any employer providing a guarantee or some other form of employer assistance/support
- any other relevant factors.

The exit credit policy is contained within the Admission, Cessation and Bulk Transfer policy which is available at:

derbyshirepensionfund.org.uk/publications/policies-strategies-and-statements/admissions-cessations-and-bulk-transfer-policy.aspx

7.4 How do employers repay cessation debts?

If there is a deficit, and again after allowing for the 'corridor' approach in section 7.2 if appropriate, full payment will usually be expected in a single lump sum or:

- spread over an agreed period if the employer enters into a Debt Spreading Agreement (DSA)
- if an exiting employer enters into a deferred debt agreement, it stays in the Fund and pays contributions until the cessation debt is repaid. Payments are reassessed at each formal valuation.

The employer flexibility on exit policy is contained within the Admission, Cessation and Bulk Transfer policy which is available at:

derbyshirepensionfund.org.uk/publications/policies-strategies-and-statements/admissions-cessations-and-bulk-transfer-policy.aspx

7.5 What if an employer has no active members?

When employers leave the Fund because their last active member has left, they may pay a cessation debt, receive an exit credit, or enter a DDA or DSA at the discretion of the Fund. Beyond this they have no further obligation to the Fund and either:

- a) their asset share runs out before all ex-employees' benefits have been paid. In the event that an employer is not absorbed into another Fund employer's funding pool, the other Fund employers will be required to contribute to the remaining benefits. The Fund actuary will apportion the liabilities as set out in the Fund's Admission, cessation and bulk transfer policy.
- b) the last ex-employee or dependant dies before the employer's asset share is fully run down. The Fund actuary will apportion the remaining assets to the other Fund employers.

8 What are the statutory reporting requirements?

8.1 Reporting regulations

The Public Service Pensions Act 2013 requires the Government Actuary's Department to report on LGPS funds in England and Wales after every three-year valuation, in what's usually called a section 13 report. The report should include confirmation that employer contributions are set at the right level to ensure the Fund's solvency and long-term cost efficiency.

8.2 Solvency

Employer contributions are set at an appropriate solvency level if the rate of contribution targets a funding level of 100% over an appropriate time, using appropriate assumptions compared to other funds. Either:

- (a) employers collectively can increase their contributions, or the Fund can realise contingencies to target a 100% funding level
- or
- (b) there is an appropriate plan in place if there is, or is expected to be, a reduction in employers' ability to increase contributions as needed.

8.3 Long-term cost efficiency

Employer contributions are set at an appropriate long-term cost efficiency level if the contribution rate makes provision for the cost of current benefit accrual, with an appropriate adjustment for any surplus or deficit.

To assess this, the administering authority may consider absolute and relative factors.

Relative factors include:

1. comparing LGPS funds with each other
2. the implied deficit recovery period
3. the investment return required to achieve full funding after 20 years.

Absolute factors include:

1. comparing funds with an objective benchmark
2. the extent to which contributions will cover the cost of current benefit accrual and interest on any deficit
3. how the required investment return under relative considerations compares to the estimated future return targeted by the investment strategy
4. the extent to which contributions paid are in line with expected contributions, based on the rates and adjustment certificate
5. how any new deficit recovery plan reconciles with, and can be a continuation of, any previous deficit recovery plan, allowing for fund experience.

These metrics may be assessed by GAD on a standardised market-related basis where the funds' actuarial bases don't offer straightforward comparisons.

Appendix A – The regulatory framework

A1 Why do funds need a funding strategy statement?

The Local Government Pension Scheme (LGPS) regulations require funds to maintain and publish a funding strategy statement (FSS). According to the Department for Levelling Up, Housing and Communities (DLUHC) the purpose of the FSS is to document the processes the administering authority uses to:

- establish a **clear and transparent fund-specific strategy** identifying how employers' pension liabilities are best met going forward
- support the regulatory framework to maintain **as nearly constant employer contribution rates as possible**
- ensure the fund meets its **solvency and long-term cost efficiency** objectives
- take a **prudent longer-term view** of funding those liabilities.

To prepare this FSS, the Administering Authority has used guidance by the Chartered Institute of Public Finance and Accountancy (CIPFA).

A2 Consultation

Both the LGPS regulations and most recent CIPFA guidance state the FSS should be prepared in consultation with *“persons the authority considers appropriate”*. This should include *“meaningful dialogue... with council tax raising authorities and representatives of other participating employers”*.

In practice, for the Fund, the consultation process for this FSS was as follows:

- a) A draft version of the FSS was published on Derbyshire Pension Fund's website on 21 December 2022, with comments invited from all of the Fund's stakeholders; a link to the website was issued to all participating employers and to members of Derbyshire Pension Board. Further notifications were included in the Fund's December 2022 and January 2023 Employer Newsletters and a reminder email was sent to employers on 18 January 2023.
- b) Comments were requested by 31 January 2023.
- c) Following the end of the consultation period, the FSS was updated where required and then published on the Derbyshire Pension Fund website in March 2023.

A3 How is the FSS published?

The FSS is made available via the following routes:

- It is published on the Fund's website.
- A copy is sent by email to each participating employer in the Fund.
- A copy is sent by email to the members of Derbyshire Pension Board.
- The FSS is included in the Fund's Annual Report.
- A copy is sent by email to the Fund's independent investment adviser.
- Copies are available on request.

A4 How often is the FSS reviewed?

The FSS is reviewed in detail at least every three years as part of the valuation. Amendments may be made before then if there are regulatory or operational changes. Any material amendments will be consulted on, agreed by the Pensions and Investment Committee, and included in the Committee meeting minutes.

A5 How does the FSS fit into the overall Fund documentation?

The FSS is a summary of the Fund's approach to funding liabilities. It isn't exhaustive – the Fund publishes other statements like the:

- Investment Strategy Statement
- Admission, Cessation and Bulk Transfer Policy
- Governance Policy and Compliance Statement
- Communications Policy

The Fund's Annual Report also includes up-to-date Fund information.

You can find all Fund documentation at: derbyshirepensionfund.org.uk

Appendix B – Roles and responsibilities

B1 The administering authority:

operates the Fund and follows all Local Government Pension Scheme (LGPS) regulations
manages any conflicts of interest from its dual role as administering authority and a Fund employer
collects employer and employee contributions, investment income and other amounts due
ensures cash is available to meet benefit payments when due
pays all benefits and entitlements
invests surplus money like contributions and income which isn't needed to pay immediate benefits,
in line with regulation and the investment strategy
communicates with employers so they understand their obligations
safeguards the Fund against employer default
works with the Fund actuary to manage the valuation process
provides information to the Government Actuary's Department so they can carry out their statutory obligations
consults on, prepares, and maintains the funding and investment strategy statements
tells the actuary about changes which could affect funding
monitors the Fund's performance and funding, amending the strategy statements as necessary
enables the local pension board to review the valuation process

B2 Individual employers:

- 1 deduct the correct contributions from employees' pay
- 2 pay all contributions by the due date
- 3 have appropriate policies in place to work within the regulatory framework
- 4 make additional contributions as agreed, for example to augment scheme benefits or early retirement strain
- 5 tell the administering authority promptly about any changes to circumstances, prospects or membership which could affect future funding.
- 6 make any required exit payments when leaving the Fund

B3 The Fund actuary:

- 1 prepares valuations, including setting employers' contribution rates, agreeing assumptions, working within FSS and LGPS regulations and appropriately targeting fund solvency and long-term cost efficiency
- 2 provides information to the Government Actuary's Department so they can carry out their statutory obligations
- 3 advises on Fund employers, including giving advice about and monitoring bonds or other security

- 4 prepares advice and calculations around bulk transfers and individual benefits
- 5 assists the administering authority to consider changes to employer contributions between formal valuations
- 6 advises on terminating employers' participation in the Fund
- 7 fully reflects actuarial professional guidance and requirements in all advice

B4 Other parties:

- 1 internal and external investment advisers ensure the Investment Strategy Statement (ISS) is consistent with the Funding Strategy Statement
- 2 investment managers, custodians and bankers play their part in the effective investment and dis-investment of Fund assets in line with the ISS
- 3 auditors comply with standards, ensure Fund compliance with requirements, monitor, and advise on fraud detection, and sign-off annual reports and financial statements
- 4 governance advisers may be asked to advise the administering authority on processes and working methods
- 5 internal and external legal advisers ensure the Fund complies with all regulations and broader local government requirements, including the Administering Authority's own procedures
- 6 the Department for Levelling Up, Housing and Communities, assisted by the Government Actuary's Department and the Scheme Advisory Board, work with LGPS funds to meet Section 13 requirements

Appendix C – Risks and controls

C1 Managing risks

The administering authority has a risk management programme to identify and control financial, demographic, regulatory and governance risks.

Details of the key fund-specific risks and controls are set out in the Fund's Risk Register which is available from pensions.regs@derbyshire.gov.uk.

The role of the local pension board is set out in the Board's terms of reference available at: derbyshirepensionfund.org.uk/pensionboard

C2 Employer covenant assessment and monitoring

Many of the employers participating in the Fund, such as admitted bodies (including TABs and CABs), have no local tax-raising powers. The Fund has put in place an Employer Risk Management Framework to identify, manage and monitor the risks associated with employers with the aim of reducing the exposure of all Fund employers to risk of the failure, wind-up, or cessation of a scheme employer with an unpaid funding deficit.

C3 Climate risk and TCFD reporting

The Fund has considered climate-related risks when setting the funding strategy. To consider the resilience of the strategy, the Fund has included climate scenario stress testing in the contribution modelling exercise for the local authority employers at the 2022 valuation. The modelling results under the stress tests were slightly worse than the core results but were still within risk tolerance levels, particularly given the severity of the stresses applied. The results provide assurance that the modelling approach does not significantly underestimate the potential impact of climate change and that the funding strategy is resilient to climate risks. The results of these stress tests may be used in future to assist with disclosures prepared in line with Task Force on Climate-Related Financial Disclosures (TCFD) principles.

The same stress tests were not applied to the funding strategy modelling for smaller employers. However, given that the same underlying model is used for all employers and that the local authority employers make up the vast majority of the Fund's assets and liabilities, applying the stress tests to all employers was not deemed proportionate at this stage and would not be expected to result in any changes to the agreed contribution plans.

The Fund has a Responsible Investment Framework and a separate Climate Strategy, both of which were agreed by the Pensions and Investments Committee in November 2020.

Appendix D – Actuarial assumptions

The Fund's actuary uses a set of assumptions to determine the strategy, and so assumptions are a fundamental part of the Funding Strategy Statement.

D1 What are assumptions?

Assumptions are used to estimate the benefits due to be paid to members. Financial assumptions determine the amount of benefit to be paid to each member, and the expected investment return on the assets held to meet those benefits. Demographic assumptions are used to work out when benefit payments are made and for how long.

The funding target is the money the Fund aims to hold to meet the benefits earned to date.

Any change in the assumptions will affect the funding target and contribution rate, but different assumptions don't affect the actual benefits the Fund will pay in future.

D2 What assumptions are used to set the contribution rate?

The Fund doesn't rely on a single set of assumptions when setting contribution rates, instead using Hymans Robertson's Economic Scenario Service (ESS) to project each employer's assets, benefits and cashflows to the end of the funding time horizon.

ESS projects future benefit payments, contributions and investment returns under 5,000 possible economic scenarios, using variables for future inflation and investment returns for each asset class, rather than a single fixed value.

For any projection, the Fund actuary can assess if the funding target is satisfied at the end of the time horizon.

Table: Summary of assumptions underlying the ESS, 31 March 2022

	Annualised total returns																
		Cash	Index Linked Gilts (medium)	Fixed Interest Gilts (medium)	UK Equity	Private Equity	Property	Emerging Markets Equity	Listed Infrastructure Equity	Unlisted Infrastructure Equity	Developed World Equity	Multi Asset Credit (sub inv grade)	Corp short BBB	Corp Medium BBB	Inflation (CPI)	17 year real yield (CPI)	17 year yield
10 years	16 th %'ile	0.8%	-1.9%	-0.3%	-0.4%	-1.2%	-0.6%	-2.5%	-1.1%	0.7%	-0.6%	1.7%	1.3 %	0.0%	1.6%	-1.7%	1.1%
	50 th %'ile	1.8%	0.2%	1.1%	5.7%	9.4%	4.4%	5.8%	4.9%	5.9%	5.6%	3.5%	2.7 %	1.9%	3.3%	-0.5%	2.5%
	84 th %'ile	2.9%	2.4%	2.4%	11.6%	20.1%	9.5%	14.4%	10.9%	11.2%	11.6%	5.2%	3.9 %	3.6%	4.9%	0.7%	4.3%
20 years	16 th %'ile	1.0%	-1.5%	0.7%	1.7%	2.4%	1.4%	0.1%	1.2%	2.6%	1.6%	2.8%	2.2 %	1.3%	1.2%	-0.7%	1.3%
	50 th %'ile	2.4%	0.1%	1.5%	6.2%	10.0%	5.0%	6.3%	5.6%	6.55	6.1%	4.4%	3.5 %	2.5%	2.7%	1.1%	3.2%
	84 th %'ile	4.0%	1.9%	2.2%	10.6%	17.6%	8.9%	12.8%	10.1%	10.6%	10.8%	6.0%	5.0 %	3.6%	4.3%	2.7%	5.7%
40 years	16 th %'ile	1.2%	-0.3%	1.5%	3.2%	4.7%	2.6%	2.1%	2.6%	3.9%	3.2%	3.6%	2.6 %	2.3%	0.9%	-0.6%	1.1%
	50 th %'ile	2.9%	1.2%	2.3%	6.7%	10.3%	5.5%	6.8%	6.1%	7.0%	6.6%	5.3%	4.2 %	3.4%	2.2%	1.3%	3.3%
	84 th %'ile	4.9%	3.1%	3.5%	10.2%	16.1%	8.8%	11.7%	9.8%	10.3%	10.2%	7.1%	6.2 %	4.9%	3.7%	3.2%	6.1%
	Volatility (Disp) (5 yr)	2%	7%	6%	18%	30%	15%	26%	18%	15%	18%	6%	4%	7%	3%		

D3 What financial assumptions were used?

Future investment returns and discount rate

The Fund uses a risk-based approach to generate assumptions about future investment returns over the funding time horizon, based on the investment strategy.

The discount rate is the annual rate of future investment return assumed to be earned on assets after the end of the funding time horizon. The discount rate assumption is set as a margin above the risk-free rate.

Assumptions for future investment returns depend on the funding objective.

	Employer type	Margin above risk-free rate
Ongoing basis	All employers except closed community admission bodies	1.8% (or margin consistent with treatment on joining the Fund for transferee admission bodies)
Low-risk exit basis	Community admission bodies closed to new entrants (D5)	A margin consistent with the investment return achievable with a 90% likelihood over the next 20 years

Discount rate (for funding level calculation as at 31 March 2022 only)

For the purpose of calculating a whole fund funding level at the 2022 valuation, a discount rate of 3.8% pa applies. This is based on a prudent estimate of investment returns, specifically, that there is an 77% likelihood that the Fund's assets will achieve future investment returns of 3.8% pa over the 20 years following the 2022 valuation date.

For certain employers that will cease based on a different discount rate from above, the funding levels have been calculated with reference to the relevant discount rate approach.

Pension increases and CARE revaluation

Deferment and payment increases to pensions and revaluation of CARE benefits are in line with the Consumer Price Index (CPI) and determined by the regulations.

The CPI assumption is based on Hymans Robertson's ESS model. The median value of CPI inflation from the ESS was 2.7% pa on 31 March 2022.

Salary growth

The salary increase assumption at the latest valuation has been set to 1.0% above CPI pa plus a promotional salary scale.

D4 What demographic assumptions were used?

Demographic assumptions are best estimates of future experience. The Fund uses advice from Club Vita to set demographic assumptions, as well as analysis and judgement based on the Fund's experience.

Demographic assumptions vary by type of member, so each employer's own membership profile is reflected in their results.

Life expectancy

The longevity assumptions are produced by detailed analysis and tailored to fit the Fund's membership profile.

Allowance has been made for future improvements to mortality, in line with the 2021 version of the continuous mortality investigation (CMI) published by the actuarial profession. The starting point has been adjusted by +0.25% to reflect the difference between the population-wide data used in the CMI and LGPS membership. A long-term rate of mortality improvements of 1.5% pa applies.

The smoothing parameter used in the CMI model is 7.0. There is little evidence currently available on the long-term effect of Covid-19 on life expectancies. To avoid an undue impact from recently mortality experience on long-term assumptions, no weighting has been placed on data from 2020 and 2021 in the CMI.

Other demographic assumptions

Retirement in normal health	Members are assumed to retire at the earliest age possible with no pension reduction.
Promotional salary increases	Sample increases below
Death in service	Sample rates below
Withdrawals	Sample rates below
Retirement in ill health	Sample rates below
Family details	A varying proportion of members are assumed to have a dependant partner at retirement or on earlier death. For example, at age 60 this is assumed to be 90% for males and 80% for females. Beyond retirement the proportion is adjusted for assumed dependant mortality. Males are assumed to be 3 years older than females, and partner dependants are assumed to be opposite sex to members.
Commutation	60% of maximum tax-free cash
50:50 option	0.5% of members will choose the 50:50 option.

Males

Incidence per 1000 active members per year								
Age	Salary scale	Death before retirement	Withdrawals		III-health tier 1		III-health tier 2	
		FT &PT	FT	PT	FT	PT	FT	PT
20	105	0.17	343.66	731.71	0.00	0.00	0.00	0.00
25	117	0.17	227.00	483.32	0.00	0.00	0.00	0.00
30	131	0.20	161.06	342.88	0.00	0.00	0.00	0.00
35	144	0.24	125.84	267.86	0.10	0.07	0.02	0.01
40	150	0.41	101.32	215.59	0.16	0.12	0.03	0.02
45	157	0.68	95.17	202.46	0.35	0.27	0.07	0.05
50	162	1.09	78.45	166.70	0.90	0.68	0.23	0.17
55	162	1.70	61.78	131.34	3.54	2.65	0.51	0.38
60	162	3.86	55.06	117.02	6.23	4.67	0.44	0.33

Females

Incidence per 1000 active members per year								
Age	Salary scale	Death before retirement	Withdrawals		Ill-health tier 1		Ill-health tier 2	
		FT & PT	FT	PT	FT	PT	FT	PT
20	105	0.10	264.32	373.90	0.00	0.00	0.00	0.00
25	117	0.10	177.85	251.55	0.10	0.07	0.02	0.01
30	131	0.14	149.09	210.83	0.13	0.10	0.03	0.02
35	144	0.24	128.67	181.90	0.26	0.19	0.05	0.04
40	150	0.38	107.09	151.34	0.39	0.29	0.08	0.06
45	157	0.62	99.94	141.21	0.52	0.39	0.10	0.08
50	162	0.90	84.26	118.92	0.97	0.73	0.24	0.18
55	162	1.19	62.87	88.83	3.59	2.69	0.52	0.39
60	162	1.52	50.67	71.50	5.71	4.28	0.54	0.40

D5 What assumptions apply in a cessation valuation following an employer's exit from the Fund?

Low-risk exit basis

Where there is no guarantor, the low-risk exit basis will apply.

The financial and demographic assumptions underlying the low-risk exit basis are:

The discount rate used for calculating the exit position will be on a lower-risk basis than the ongoing funding basis, specifically additional prudence will be applied to the assumption. This will be determined via a higher likelihood that the Fund's assets will achieve the required future investment returns over the 20 years following the date of the calculation.

The CPI assumption is based on Hymans Robertson's ESS model. The median value of CPI inflation from the ESS was 2.7% pa on 31 March 2022.

Life expectancy assumptions are those used to set contribution rates, with one adjustment. A higher long-term rate of mortality improvements of 1.75% pa is assumed.

When the 'corridor' approach (as described in Section 7.2) is being used to determine the final cessation valuation, an upper and lower amount is required. The actuary will calculate these amounts by changing the discount rate to reflect the Fund's views of the maximum and minimum amount of assets required to pay for the benefits of the ceasing employer's members and will represent the bounds of the corridor. These two values will be based on the likelihood of the Fund's assets achieving certain future investment returns over the 20 years. The likelihoods used for the lower and upper bounds of the 'corridor' are 85% and 95% respectively.

Ongoing basis

Where there is a guarantor (for example, in the case of contractors where the local authority guarantees the contractor's admission in the Fund), the ongoing basis will apply.

The financial and demographic assumptions underlying the ongoing basis are equal to those set for calculating contribution rates. Specifically, the discount rate is set equal to the risk-free rate at the cessation date, plus a margin equal to that set to allocate assets to the employer on joining the Fund.

Appendix 7: Actuarial Valuation Report 2022



Executive Summary

We have been commissioned by Derbyshire County Council (the Administering Authority) to carry out a valuation of the Derbyshire Pension Fund (the Fund) as at 31 March 2022. This fulfils Regulation 62 of the Local Government Pension Scheme Regulations 2013. This report is a summary of the valuation.

Contribution rates

The contribution rates for individual employers set at this valuation can be found in the [Rates & Adjustments certificate](#). Table 1 shows the combined individual employer rates set at this valuation and the last valuation (31 March 2019).

Table 1: Whole fund contribution rates compared with the previous valuation

	This valuation 31 March 2022		Last valuation 31 March 2019	
Primary Rate	21.1% of pay		18.5% of pay	
Secondary Rate	2023/2024	£1,578,000	2020/2021	£20,805,000
	2024/2025	£2,774,000	2021/2022	£17,675,000
	2025/2026	£4,055,000	2022/2023	£17,834,000

- The Primary rate has increased mainly due to higher inflation expectations
- The Secondary rate has decreased due to strong investment performance since the last valuation

Funding position

At 31 March 2022, the past service funding position has improved from that last valuation at 31 March 2019. Table 2 shows the single reported funding position at the current and previous valuation.

Table 2: Single reported funding position at 31 March 2022 compared with 31 March 2019

Valuation Date	31 March 2022	31 March 2019
Past Service Liabilities	(£m)	(£m)
Employees	2,470	2,019
Deferred Pensioners	1,116	923
Pensioners	2,545	2,150
Total Liabilities	6,131	5,092
Assets	6,132	4,929
Surplus/(Deficit)	1	(163)
Funding Level	100%	97%

The required investment return to be 100% funded is 3.8% pa (no change from 2019). However, the likelihood of the Fund's investment strategy achieving the required return is now higher at 77% (compared to 75% at 2019).

Approach to valuation

Valuation Purpose

The triennial actuarial valuation is an important part of the Fund's risk management framework. Its main purpose is to ensure the Fund continues to have a contribution plan and investment strategy that will achieve the objectives set out in the Funding Strategy Statement.

We have been commissioned by Derbyshire County Council (the Administering Authority) to carry out a valuation of the Derbyshire Pension Fund (the Fund) as at 31 March 2022. This fulfils Regulation 62 of the Local Government Pension Scheme Regulations 2013. This report marks the culmination of the valuation process and contains its two key outcomes:

-  1 Employer contribution rates for the period 1 April 2023 to 31 March 2026.
-  2 The funding level of the Fund at 31 March 2022.

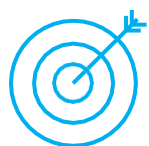
Further information on the valuation process, methodology and strategy is set out in the publicly available Funding Strategy Statement, Investment Strategy Statement and published papers and minutes of the Fund's Pensions Committee. Additional material is also contained in [Hymans Robertson's LGPS 2022 valuation toolkit](#).

Setting employer contribution rates

Employer contributions need to be set at a level which ensures the Fund has a reasonable likelihood of having enough money to pay members' benefits. Identifying the amount of benefits that may be paid is complex as those earned today might only start being paid in 50 years' time. Over that time period, there is significant uncertainty over factors which affect the cost of benefits, e.g. inflation, investment returns. These uncertainties are allowed for by taking a risk-based approach to setting employer contribution rates. This approach is built around three key funding decisions set by the Fund and asset-liability modelling.

Key funding decisions

For each employer, the Fund determines the most appropriate choice for the following three funding decisions. Further detail is set out in the Funding Strategy Statement.



What is the funding target for each employer?

Will the employer remain in the Fund for the long-term or exit at some point



What is the funding time horizon?

How long will the employer participate in the Fund



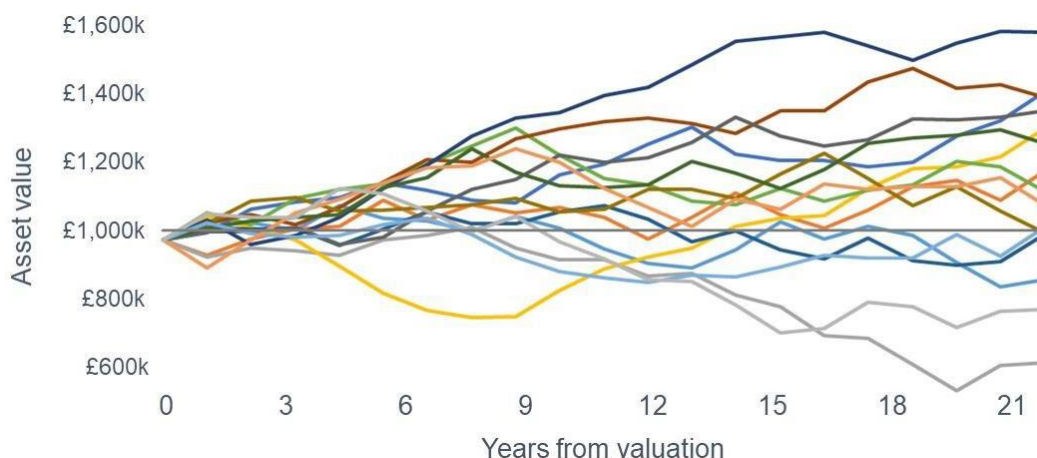
What is the required likelihood?

How much funding risk can the employer's covenant support

Modelling approach

Asset-liability modelling is used to project each employer's assets and benefit payments into the future using 5,000 different economic scenarios. The economic scenarios are generated using Hymans Robertson's Economic Scenario Service (ESS) (further information in [Appendix 2](#)).

Picture 1: sample progression of employer asset values under different economic scenarios



Measuring the funding level

The past service funding level is measured at the valuation. Whilst it is limited in providing insight into a funding plan, it is a useful high-level summary statistic. To measure the funding level, a market-related approach is taken to calculating both the assets and the liabilities (so they are consistent with each other).

- The market value of the Fund's assets at the valuation date have been used.
- The liabilities have been valued using assumptions based on market indicators at the valuation date (these assumptions are detailed in [Appendix 2](#)).

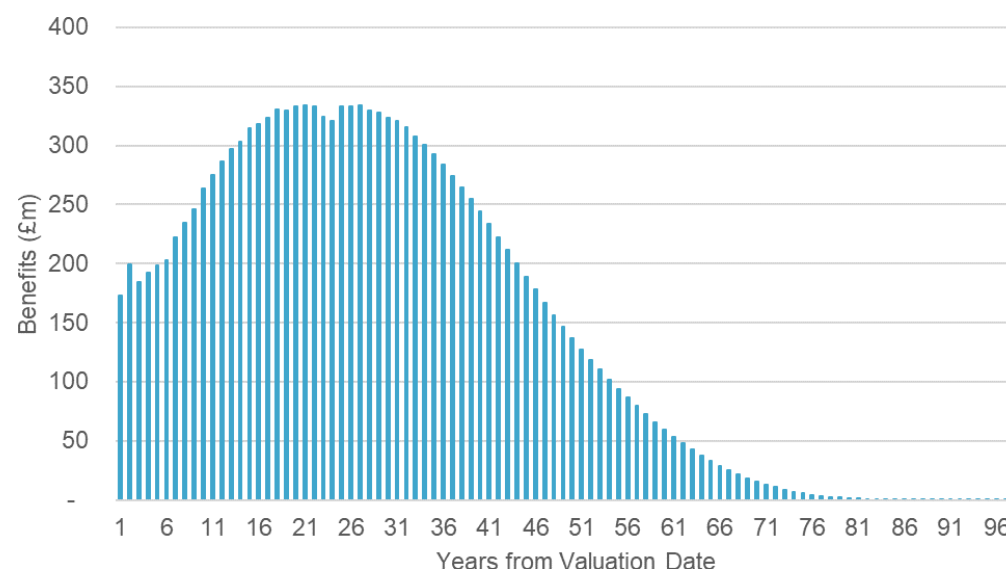
Further detail on the liabilities

The past service liabilities are the value of all future payments to members based on all benefits earned up to the valuation date, expressed in today's money.

Chart 1 shows the projected payments for all members in the Fund at the valuation date. The projections are based on the membership data provided for the valuation ([Appendix 1](#)), the assumptions ([Appendix 2](#)) and our understanding of the LGPS benefit structure as at 31 March 2022 (details at www.lgpsregs.org).

To express the future payments in today's money, the projections are discounted with an assumed future investment return on the Fund's assets (the discount rate).

Chart 1: projected benefit payments for all service earned up to 31 March 2022



Valuation results

Employer contribution rates

The primary objective of the Fund is to set employer contribution rates that will adequately cover the cost of benefits which will accrue in the future and any costs related to benefits already earned. A secondary objective is to ensure the rates are as stable as possible. The risk-based approach detailed earlier is used to meet both these objectives.

The employer contribution rate is made up of two components.

1. A primary rate: the level sufficient to cover all new benefits.
2. A secondary rate: the costs associated with sufficiently funding benefits accrued up to the valuation date.

Each employer has a contribution rate which is appropriate to their circumstances and these can be found in the [Rates & Adjustments Certificate](#). Broadly speaking:

- Primary rates have increased since the last valuation due to rising inflation expectations.
- Secondary rates have decreased due to strong investment performance since the previous valuation.

However all employers will be different and the contribution rate will reflect the membership and experiences of each employer.

Table 3 shows the total of all employer contribution rates to be paid into the Fund over the period 1 April 2023 to 31 March 2026.

Table 3: Whole-fund contribution rate, compared with the previous valuation

		This valuation 31 March 2022		Last valuation 31 March 2019	
Primary Rate		21.1% of pay		18.5% of pay	
Secondary Rate	2023/2024	£1,578,000	2020/2021	£20,805,000	
	2024/2025	£2,774,000	2021/2022	£17,675,000	
	2025/2026	£4,055,000	2022/2023	£17,834,000	

The primary rate includes an allowance of 0.6% of pensionable pay for the Fund's expenses.

Employees pay a contribution to the Fund in addition to these rates. These rates are set by the LGPS Regulations. The average employee contribution rate at 31 March 2022 is 6.3% of pay (also 6.3% at 31 March 2019).

Funding level

The funding level is the ratio of assets to liabilities. The market value of the assets at the valuation date are known. The value of the liabilities is uncertain given that the level of future investment returns are unknown.

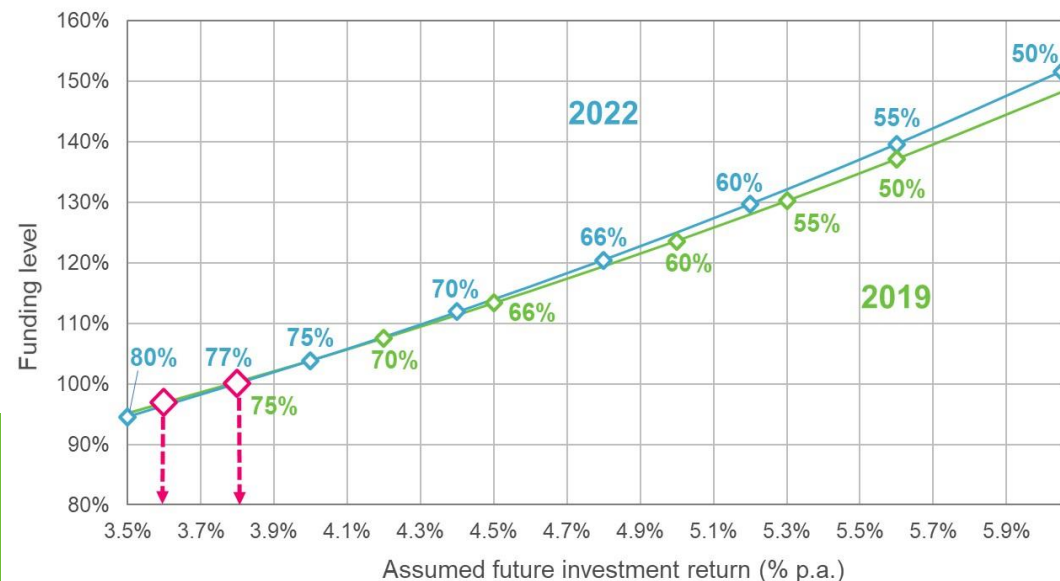
Therefore, the liabilities and funding level have been calculated across a range of different investment returns (the discount rate).

To help better understand funding risk, the likelihood of the Fund's investment strategy (detailed in [Appendix 1](#)) achieving certain levels of return has also been calculated.

Chart 2 shows how the funding level varies with future investment return assumptions at 31 March 2022 (blue line). The green line shows the same analysis at 31 March 2019.

- The funding position at 2022 is stronger than 2019.
- The funding level is 100% if future investment returns are c.3.8% pa.
- The likelihood of the Fund's assets yielding at least this return is around 77%.
- The comparator at 2019 was also a return of 3.8% pa however this had a lower likelihood of 75%.
- There is a 50% likelihood of an investment return of 6.1% pa. So the best-estimate funding level is 152% at 31 March 2022 (137% at 2019).

Chart 2: funding level across a range of future



Figures on each line show the likelihood of the Fund's assets exceeding that level of return over the next 20 years

Single funding level as at 31 March 2022

Whilst the chart on the previous page provides a better understanding of the past service funding position, there is still a requirement to report a single funding level at 31 March 2022.

To report a single funding level and funding surplus/deficit for the 2022 valuation, a discount rate of 3.8% pa has been used. There is a 77% likelihood associated with a future investment return of 3.8% pa.

Table 4 details the liabilities, split by member status and the market value of assets at the valuation date. The results at the 2019 formal valuation are shown for comparison.

The funding level and surplus/deficit figures provide a high-level snapshot of the funding position of the Fund as at 31 March 2022, however there are limitations:

- The past service liabilities are calculated using a single set of assumptions about the future and so are very sensitive to the choice of assumptions.
- The market value of assets held by the Fund will change on a daily basis.

The future progression of the funding position is uncertain. If the financial and demographic assumptions made at this valuation actually occur, employers pay contributions in line with the R&A certificate and there are no other changes in the financial or demographic environment, we project that the funding level at the next valuation (31 March 2025) will be approximately 104%.

Table 4: single reported funding level

Valuation Date	31 March 2022	31 March 2019
Past Service Liabilities	(£m)	(£m)
Employees	2,470	2,019
Deferred Pensioners	1,116	923
Pensioners	2,545	2,150
Total Liabilities	6,131	5,092
Assets	6,132	4,929
Surplus/(Deficit)	1	(163)
Funding Level	100%	97%

Important: the reported funding level does not directly drive the contribution rates for employers. The contribution rates consider how assets and liabilities will evolve over time in different economic scenarios and also reflect each employer's funding profile and covenant.

Changes since the last valuation

Events between 2019 and 2022

The most significant external event to occur since the last valuation has been the Covid-19 pandemic. The experience analysis below shows that there has sadly been a slightly higher than expected number of deaths over the period. However, the impact on the funding position has been small. This is likely due to the age profile of the excess deaths and the level of pension.

Other significant factors occurring which affect the funding strategy of the Fund have been the better than expected investment returns. This has had a material positive impact on the funding position and employers' secondary contribution rates.

Financial

Table 5: analysis of financial experience between 2019 and 2022 valuations

	Expected	Actual	Difference	Impact on surplus
3 year period	11.2%	24.3%	13.1%	+£655m
Annual	3.6% pa	7.5% pa	3.9% pa	

Membership

Table 6: analysis of membership experience between 2019 and 2022 valuations

	Expected	Actual	Difference	Impact on surplus
Early leavers	11,630	11,243	-387	-£2m
Ill-health retirements	190	224	34	<£1m
Salary increases	3.7% pa	4.4% pa	0.7% pa	-£27m
Benefit increases	2.3% pa	1.8% pa	-0.5% pa	+£71m
Pension ceasing	£10.6m	£10.9m	£0.3m	+£1m

Changes since the last valuation

Future outlook

Expectations about the future, which inform the assumptions used to value the liabilities, have changed since the last valuation. The most significant changes are:

- Future inflation: this is expected to be on average higher than at 2019 due to the current level of high inflation.
- Investment returns: future investment returns are now expected to be higher than at the last valuation.

Table 7: summary of change in future

Factor	What does it	What's changed?	Impact on liabilities
Future investment returns	The rate at which future benefit payments are discounted back, ie the discount rate assumption	Future investment returns are assumed to be slightly higher at 2022 than at 2019. The assumed return is now 3.8% pa vs. 3.6% pa at 2019. This is due to slightly higher return expectations.	Decrease of £235m
Inflation	The rate at which pensions in payment and deferment and CARE pots increase	Significant increase in short-term future inflation expectations.	Increase of £446m
Salary increases	The rate at which future salaries increase. This affects benefits that are still linked to final salary, ie accrued before 1 April 2014	Increase in assumption from CPI + 0.7% to CPI + 1.0%, reflecting strong job market, higher inflation and pressure from National Living Wage increases.	Increase of £26m
Current life expectancy	How long we expect people to live for based on today's current observed mortality rates.	Slight reduction in life expectancy based on current observed data (not allowing for Covid-related excess deaths)	Decrease of £5m
Future improvements in life expectancy	How we expect life expectancies to change (increase) in the future.	Uncertainty about effectiveness of mitigations against life expectancy increases in the LGPS i.e. State Pension Age increases and Cost Cap. Need to better reflect wider pension and insurance industry long-term expectations.	Increase of £38m

Reconciling the overall change in funding position

The tables below provide insight into the funding position change between 31 March 2019 and 31 March 2022. Firstly, the changes we expect to happen (Table 8), which relate mostly to items on the asset side. Then the impact of actual experience (Table 9), which mainly affects the liabilities.

Expected development

Table 8: expected development of funding position between 2019 and 2022 valuations

Change in the surplus/deficit position	Surplus / Deficit
	£m
Last valuation at 31 March 2019	(163)
Cashflows	
Employer contributions paid in	415
Employee contributions paid in	130
Other cashflows (e.g. expenses, transfers)	(20)
Expected changes	
Expected investment returns	557
Interest on benefits already accrued	(576)
Accrual of new benefits	(646)
Expected position at 31 March 2022	(303)

Numbers may not sum due to rounding

Impact of actual events

Table 9: impact of actual events on the funding position at 31 March 2022

Change in the surplus/deficit position	Surplus / Deficit
	£m
Expected position at 31 March 2022	(303)
Events between 2019 and 2022	
Salary increases greater than expected	(27)
Benefit increases lower than expected	71
Early retirement strain (and contributions)	(8)
Ill health retirement strain	0
Early leavers less than expected	(2)
Commutation less than expected	(8)
Pensions ceasing greater than expected	1
McCloud remedy	(27)
Other membership experience	(101)
Higher than expected investment returns	655
Changes in future expectations	
Investment returns	235
Inflation	(446)
Salary increases	(26)
Longevity	(33)
Other demographic assumptions	18
Actual position at 31 March 2022	1

Sensitivity & risk analysis

Sensitivity and risk analysis: assumptions

There is risk and uncertainty inherent with funding benefit payments that will be paid out many years in the future. The Fund is aware of these and has in place a risk register which is regularly reviewed. Additionally, as part of the valuation, the Fund reviews sources of risk that may impact its funding position and the contribution rates payable by employers.

This section discusses some of the most significant sources of funding risk (assumptions, regulatory, administration and governance and climate change). Further information of the Fund's approach to funding risk management, including monitoring, mitigation and management, is set out in the Funding Strategy Statement.

The valuation results depend on the actuarial assumptions made about the future. By their nature, these assumptions are uncertain which means it's important to understand their sensitivity and risk levels.

Contribution rates

The risk-based approach to setting employer contribution rates mitigates the limitation of relying on one set of assumptions.

Therefore, there is no need to carry out additional analysis of the sensitivity of contribution rates to changes in financial assumptions. The contribution rates are sensitive to changes in demographic assumptions. The results in this section in relation to the funding position can be broadly applied to the contribution rates.

Funding level Financial assumptions

On page 10, we have already set out how the results vary with the assumed future investment return. The table below considers inflation.

Table 10: sensitivity of funding position to inflation assumption

CPI Assumption	Surplus/ (Deficit)	Funding Level
% pa	(£m)	%
2.5%	189	103%
2.7%	1	100%
2.9%	(193)	97%

Demographic assumptions

The main area of demographic risk is if people live longer than expected. The table below shows the impact of longer term longevity rates improving at a faster rate (1.75% pa vs 1.5% pa used in the results)

Table 11: sensitivity of funding position to longevity assumption

Long term rate of improvement	Surplus/ (Deficit)	Funding Level
% pa	(£m)	%
1.5%	1	100%
1.75%	(54)	99%

Sensitivity and risk analysis: other risks

Regulatory, Administration and Governance risks

Potential risks in this area include change in central government legislation which changes the future cost of the LGPS and failures in administration processes leading to incorrect data and inaccuracies in actuarial calculations. At this valuation, specific risks include:

- **McCloud:** the remedy to resolve the McCloud case is yet to be formalised in regulations. However, an allowance has been included for this expected benefit change at the 2022 valuation as directed by the Department of Levelling Up, Housing and Communities [in their letter dated March 2022](#).
- **Goodwin:** the remedy to this issue is still uncertain, it is difficult to identify who it would apply to and its impact is estimated to be very small for a LGPS fund (0.1-0.2% of liabilities). Therefore, no allowance has been made for this case at the 2022 valuation.
- **Cost Cap:** a legal challenge is ongoing in relation to the 2016 cost cap valuation and no information is known about the outcome of the 2020 cost cap valuation. At this valuation, no allowance has been made for any changes to the benefit structure that may occur as a result of a cost cap valuation.
- **GMP indexation:** it is assumed that all increases on GMPs for members reaching State Pension Age after 6 April 2016 will be paid for by LGPS employers. This is the same approach that was taken for the 2019 valuation.

Post valuation events

Since 31 March 2022, there has been significant volatility in the financial markets, short-term inflation expectations and rises in interest rates by central banks. These events affect the value of the Fund's assets and liabilities.

- The Fund's investment return between 31 March 2022 and 28 February 2023 is estimated to be somewhere between -2% and -5%.
- Liability valuations at 28 February 2023 are likely to be lower now than at 31 March 2022 due to rises in expected future investment returns more than offsetting the higher than expected (10.1%) pension increase at April 2023.

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.

Sensitivity and risk analysis: climate change

Background

Climate change is a major source of uncertainty which could affect future investment returns, inflation and life expectancies. Therefore, the Fund has explicitly explored the resilience of its funding and investment strategy to future potential climate change outcomes.

It is impossible to confidently quantify the effect of climate risk given the significant uncertainty over the impact of different possible climate outcomes. Instead, three different climate change scenarios have been considered as a stress-test (instead of trying to predict how climate change affects the funding level in the future).

All the scenarios assume that there will be a period of disruption linked either to the response to climate risk (transition risks) or the effect of it (physical risks). This disruption will lead to high volatility in financial markets, and the later the disruption, the more pronounced it will be.

Further detail on the scenarios is shown on the next page and in our guide 10 of [Hymans Robertson's LGPS 2022 valuation toolkit](#)

Outcome of analysis

The Fund has set its funding and investment strategy using asset-liability modelling and considering two main risk metrics:

- Likelihood of success – the chance of being fully funded in 19 years' time
- Downside risk – the average worst 5% of funding levels in 6 years' time

When exploring the potential impact of climate change, the Fund has compared how these risk metrics change under each climate change scenario (against the 'Core' model used when setting the funding and investment strategy). The stress test results for the Fund are shown in Table 12 below.

Table 12: stress test results of climate change scenarios

Scenario	Likelihood of success	Downside risk
Core	76%	50%
Green Revolution	71%	47%
Delayed Transition	73%	47%
Head in the Sand	76%	51%

The results are worse in the climate scenarios. This is to be expected given that they are purposefully stress-tests and all the scenarios are bad outcomes. The stress tests illustrated that across a broad range of scenarios the funding strategy was shown to be robust. This analysis does not represent the worst impacts that the Fund may suffer as a result of climate risk. The Fund will continue to monitor this risk as more information emerges and climate change modelling techniques evolve.



Final comments

Final comments

The Fund's valuation operates within a broader framework, and this document should be considered alongside the following:

- The Funding Strategy Statement, which in particular highlights how different types of employer in different circumstances have their contributions calculated
- The Investment Strategy Statement, which sets out the investment strategy for the Fund
- The general governance of the Fund, such as meetings of the Pensions Committee and Local Pensions Board, decisions delegated to officers, the Fund's business plan etc
- The Fund's risk register

New employers joining the Fund

Any new employers or admission bodies joining the Fund should be referred to the Fund Actuary to assess the required level of contribution. Depending on the number of transferring members the ceding employer's rate may also need to be reviewed.

Cessations and bulk transfers

Any employer who ceases to participate in the Fund should be referred to the Fund Actuary in accordance with Regulation 64 of the LGPS regulations.

Any bulk movement of scheme members:

- involving 10 or more scheme members being transferred from or to another LGPS fund, or
- involving 2 or more scheme members being transferred from or to a non-LGPS pension arrangement

should be referred to the Fund Actuary to consider the impact on the Fund.

Valuation frequency

Under the LGPS regulations, the next formal valuation of the Fund is due to be carried out as at 31 March 2025 where contribution rates payable from 1 April 2026 will be set.



Barry Dodds FFA
29 March 2023
For and on behalf of Hymans Robertson LLP



Richard Warden
FFA

Appendices

APPENDIX 1

Data

Membership data

A summary of the membership data provided by the Fund for the 2022 valuation is set out in Table 13. The corresponding membership data from the previous valuation is also shown for reference.

The results of the valuation are dependent on the quality of the data used. We have carried out a series of validation checks on the data supplied to us by the Administering Authority to ensure that it is fit for purpose.

Asset data

To check the membership data and derive employer asset values, we have used asset and accounting data and employer level cashflow data provided by the Fund.

Table 13: Whole fund membership data as at 31 March 2022 and 31 March 2019

Whole Fund Membership Data	This Valuation 31 March 2022	Last Valuation 31 March 2019
Employee members		
Number	37,959	37,033
Total actual pay (£000)	702,661	626,894
Total accrued pension (£000)	133,307	114,858
Average age (liability weighted)	52.1	51.7
Future working lifetime (years)	7.6	8.2
Deferred pensioners (including undecideds)		
Number	36,950	36,160
Total accrued pension (£000)	58,263	50,035
Average age (liability weighted)	51.5	50.9
Pensioners and dependants		
Number	33,366	29,860
Total pensions in payment (£000)	152,881	131,207
Average age (liability weighted)	68.7	68.3

APPENDIX 1

Data

Investment strategy

A summary of the investment strategy allocation used for the calculation of employer contribution rates and to derive the future assumed investment return is set out in Table 14.

This information was provided by Fund Officers.

Table 14: Investment strategy used for the 2022 valuation

Asset class	Allocation
UK Equities	12%
Global Equities (unhedged)	34%
EM equities (unhedged)	5%
Infrastructure equity (listed)	2%
Infrastructure equity (unlisted)	8%
Private Equity	4%
Total growth assets	65%
BBB Credit (14 yr)	2%
BBB Credit (4 yr)	4%
Cash	2%
Fixed interest gilt (14 yr)	6%
Index linked gilt (14 yr)	6%
Total protection assets	20%
Multi Asset Credit	6%
Property	9%
Total income generating assets	15%
Total	100%

Assumptions

To set and agree assumptions for the valuation, the Fund carried out an in-depth review in July 2022 with the final set agreed by Fund Officers on

Financial assumptions – setting employer contribution rates

An asset-liability model is used to set employer contributions at the 2022 valuation. This model relies on Hymans Robertson's proprietary economic model, the Economic Scenario Service (ESS). The ESS reflects the uncertainty associated with future levels of inflation and asset returns and the interactions and correlations between different asset classes and wider economic variables. In the short term (first few years), the models are fitted with current financial market expectations. Over the longer term, models are built around views of fundamental economic parameters, for example equity risk premium, credit spreads and long term inflation. The table below shows the calibration of the ESS at 31 March 2022. Further information on the assumptions used for contribution rate setting is included in the Funding Strategy Statement.

Table 15: ESS individual asset class return distributions at 31 March 2022

Time period	Percentile	Asset class annualised total returns													Inflation/Yields		
		Cash	Index Linked Gilts (Medium)	Fixed Interest Gilts (Medium)	UK Equity	Private Equity	Property	Emerging Market Equity	Listed Infrastructure Equity	Unlisted Infrastructure Equity	Developed World Equity	Multi Asset Credit	Corp Short BBB	Corp Medium BBB	Inflation (CPI)	17 year real yield (CPI)	17 year yield
10 years	16 th	0.8%	-1.9%	-0.3%	-0.4%	-1.2%	-0.6%	-2.5%	-1.1%	0.7%	-0.6%	1.7%	1.3%	0.0%	1.6%	-1.7%	1.1%
	50 th	1.8%	0.2%	1.1%	5.7%	9.4%	4.4%	5.8%	4.9%	5.9%	5.6%	3.5%	2.7%	1.9%	3.3%	-0.5%	2.5%
	84 th	2.9%	2.4%	2.4%	11.6%	20.1%	9.5%	14.4%	10.9%	11.2%	11.6%	5.2%	3.9%	3.6%	4.9%	0.7%	4.3%
20 years	16 th	1.0%	-1.5%	0.7%	1.7%	2.4%	1.4%	0.1%	1.2%	2.6%	1.6%	2.8%	2.2%	1.3%	1.2%	-0.7%	1.3%
	50 th	2.4%	0.1%	1.5%	6.2%	10.0%	5.0%	6.3%	5.6%	6.5%	6.1%	4.4%	3.5%	2.5%	2.7%	1.1%	3.2%
	84 th	4.0%	1.9%	2.2%	10.6%	17.6%	8.9%	12.8%	10.1%	10.6%	10.8%	6.0%	5.0%	3.6%	4.3%	2.7%	5.7%
40 years	16 th	1.2%	-0.3%	1.5%	3.2%	4.7%	2.6%	2.1%	2.6%	3.9%	3.2%	3.6%	2.6%	2.3%	0.9%	-0.6%	1.1%
	50 th	2.9%	1.2%	2.3%	6.7%	10.3%	5.5%	6.8%	6.1%	7.0%	6.6%	5.3%	4.2%	3.4%	2.2%	1.3%	3.3%
	84 th	4.9%	3.1%	3.5%	10.2%	16.1%	8.8%	11.7%	9.8%	10.3%	10.2%	7.1%	6.2%	4.9%	3.7%	3.2%	6.1%
Volatility (5yr)		2%	7%	6%	18%	30%	15%	26%	18%	15%	18%	6%	4%	7%	3%		

Assumptions

Financial assumptions – calculating the funding level

The table below summarises the assumptions used to calculate the funding level at 31 March 2022, along with a comparison at the last valuation.

Table 16: Summary of assumptions used for measuring the funding level, compared to last valuation on 31 March 2019

Assumption	31 March 2022	Required for	31 March 2019
Discount rate	3.8% pa	To place a present value on all the benefits promised to scheme members at the valuation date. The Fund's assets are estimated to have a 77% likelihood of returning above the discount rate.	3.6% pa
Benefit increases/CARE revaluation	2.7% pa	To determine the size of future benefit payments.	2.3% pa
Salary increases	3.7% pa*	To determine the size of future final-salary linked benefit payments.	3.0% pa*

*plus a promotional salary scale

Allowing for the McCloud remedy

Allowance has been included for this expected benefit change at the 2022 valuation as directed by the Department of Levelling Up, Housing and Communities [in their letter dated March 2022](#). Further technical detail about this assumption is set out in guide 13 of [Hymans Robertson's LGPS 2022 valuation toolkit](#)

Assumptions

Demographic assumptions

The same demographic assumptions are used in setting contribution rates and assessing the current funding level.

Longevity

Table 17: Summary of longevity assumptions

	This valuation 31 March 2022	Last valuation 31 March 2019
Baseline assumption	VitaCurves based on member-level lifestyle factors	VitaCurves based on member-level lifestyle factors
Future improvements	CMI 2021 model Initial addition = 0.25% (both Female and Male) Smoothing factor = 7.0 1.5% pa long-term rate of improvement	CMI 2018 model Initial addition = 0.25% (Female), 0.5% (Male) Smoothing factor = 7.0 1.25% pa long-term rate of improvement

Further information on these assumptions can be provided upon request. Sample rates are included on the next page.

Other demographic assumptions

Table 18: Summary of other demographic assumptions

Death in service	See sample rates in Tables 19 & 20
Retirements in ill health	See sample rates in Tables 19 & 20
Withdrawals	See sample rates in Tables 19 & 20
Promotional salary increases	See sample rates in Tables 19 & 20
Commutation	60% of future retirements elect to exchange pension for additional tax free cash up to HMRC limits
50:50 option	0.5% of members (uniformly distributed across the age, service and salary range) will choose the 50:50 option
Retirement age	their benefits unreduced
Family details	A varying proportion of members are assumed to have a dependant at retirement or on earlier death. For example, at age 60 this is assumed to be 90% for males and 85% for females. The dependant of a male member is assumed to be 3 years younger than him and the dependent of a female member is assumed to be 3 years older than her.

Assumptions

Sample rates for demographic assumptions

Males

Table 19: Sample rates of male demographic assumptions

Age	Salary Scale	Death Before Retirement	Withdrawals		III Health Tier 1		III Health Tier 2	
		FT & PT	FT	PT	FT	PT	FT	PT
2	10	0.1	343.	731.	0.0	0.0	0.0	0.0
2	11	0.1	227.	483.	0.0	0.0	0.0	0.0
3	13	0.2	161.	342.	0.0	0.0	0.0	0.0
3	14	0.2	125.	267.	0.1	0.0	0.0	0.0
4	15	0.4	101.	215.	0.1	0.1	0.0	0.0
4	15	0.6	95.1	202.	0.3	0.2	0.0	0.0
5	16	1.0	78.4	166.	0.9	0.6	0.2	0.1
5	16	1.7	61.7	131.	3.5	2.6	0.5	0.3
6	16	3.0	55.0	117.	6.2	4.6	0.4	0.3
6	16	5.1	0.0	0.0	11.8	8.8	0.0	0.0

Figures are incidence rates per 1,000 members except salary scale. FT and PT denoted full-time and part-time members respectively.

Females

Table 20: Sample rates of female demographic

Age	Salary Scale	Death Before Retirement	Withdrawals		III Health Tier 1		III Health Tier 2	
		FT & PT	FT	PT	FT	PT	FT	PT
2	10	0.1	264.	373.	0.0	0.0	0.0	0.0
2	11	0.1	177.	251.	0.1	0.0	0.0	0.0
3	13	0.1	149.	210.	0.1	0.1	0.0	0.0
3	14	0.2	128.	181.	0.2	0.1	0.0	0.0
4	15	0.3	107.	151.	0.3	0.2	0.0	0.0
4	15	0.6	99.9	141.	0.5	0.3	0.1	0.0
5	16	0.9	84.2	118.	0.9	0.7	0.2	0.1
5	16	1.1	62.8	88.8	3.5	2.6	0.5	0.3
6	16	1.5	50.6	71.5	5.7	4.2	0.5	0.4
6	16	1.9	0.0	0.0	10.2	7.6	0.0	0.0

Reliances and limitations

We have been commissioned by Derbyshire County Council (“the Administering Authority”) to carry out a full actuarial valuation of the Derbyshire Pension Fund (“the Fund”) as at 31 March 2022 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (“the Regulations”).

This report is addressed to the Administering Authority. It has been prepared by us as actuaries to the Fund and is solely for the purpose of summarising the main outcomes of the 2022 actuarial valuation. It has not been prepared for any other third party or for any other purpose. We make no representation or warranties to any third party as to the accuracy or completeness of this report, no reliance should be placed on this report by any third party and we accept no responsibility or liability to any third party in respect of it.

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This summary report is the culmination of other communications in relation to the valuation, in particular:

- Our [2022 valuation toolkit](#) which sets out the methodology used when reviewing funding plans
- Our paper to Fund Officers dated 24 October 2022 which discusses the funding strategy for the Fund’s stabilised employers
- Our paper to Fund Officers dated 5 July 2022 which discusses the valuation assumptions

- Our data report, dated March 2023 which summarises the data used for the valuation, the approach to ensuring it is fit for purpose and any adjustments made to it during the course of the valuation
- The Funding Strategy Statement which details the approach taken to adequately fund the current and future benefits due to members

The totality of our advice complies with the Regulations as they relate to actuarial valuations.

The following Technical Actuarial Standards apply to this advice, and have been complied with where material and to a proportionate degree. They are:

- TAS100 – Principles for technical actuarial work
- TAS300 – Pensions

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Glossary

Term	Explanation
50:50 option	An option for LGPS members to pay half contributions and earn half the retirement benefit (pre-retirement protection benefits are unreduced).
Asset-liability modelling	An approach to modelling and understanding risk for a pension fund. The assets and liabilities are projected forward into the future under many different future scenarios of inflation, investment returns and interest rates. The future scenarios are then analysed to understand the risk associated with a particular combination of contribution rates and investment strategy. Different combinations of contribution rates and/or investment strategies may be tested.
Baseline longevity	The rates of death (by age and sex) in a given group of people based on current observed data.
Club Vita	A firm of longevity experts we partner with for longevity analysis. They combine data from thousands of pension schemes and use it to create detailed baseline longevity assumptions at member-level, as well as insight on general longevity trends and future improvements.
Commutation	The option for members to exchange part of their annual pension for a one-off lump sum at retirement. In the LGPS, every £1 of pension exchanged gives the member £12 of lump sum. The amounts that members commute is heavily influenced by tax rules which set an upper limit on how much lump sum can be taken tax-free.
CPI inflation	The annual rate of change of the Consumer Prices Index (CPI). The CPI is the UK government's preferred measure of inflation and is the measure used to increase LGPS (and all other public sector pension scheme) benefits each year.
Deferred pensioners	A former employee who has left employment (or opted out of the pension fund) but is not yet in receipt of their benefits from the fund.
Demographic assumptions	Assumptions concerned with member and employer choices rather than macroeconomic or financial factors. For example, retirement age or promotional salary scales. Demographic assumptions typically determine the timing of benefit payments.

Glossary

Term	Explanation
Discount rate	A number used to place a single value on a stream of future payments, allowing for expected future investment returns.
Employee members	Members who are currently employed by employers who participate in the fund and paying contributions into the fund.
ESS	Economic Scenario Service - Hymans Robertson's proprietary economic scenario generator used to create thousands of simulations of future inflation, asset class returns and interest rates.
Funding position	The extent to which the assets held by the fund at 31 March 2022 cover the accrued benefits ie the liabilities. The two measures of the funding position are: • the funding level - the ratio of assets to liabilities; and • the funding surplus/deficit - the difference between the asset and liabilities values.
Inflation	Prices tend to increase over time, which is called inflation. Inflation is measured in different ways, using a different 'basket' of goods and mathematical formulas.
Liabilities	An employer's liability value is the single value at a given point in time of all the benefit payments expected to be made in future to all members. Benefit payments are projected using demographic and financial assumptions and the liability is calculated using a discount rate.
Longevity improvements	An assumption about how rates of death will change in future. Typically we assume that death rates will fall and life expectancies will improve over time, continuing the long-running trend.
Pensioners	A former employee who is in receipt of their benefits from the fund. This category includes eligible dependants of the former employee.

Glossary

Term	Explanation
Primary rate	The estimated cost of future benefits, expressed in percentage of pay terms. The primary rate will include an allowance to cover the fund's expenses.
Prudence	To be prudent means to err on the side of caution in the overall set of assumptions. We build prudence into the choice of discount rate by choosing an assumption with a prudence Level of more than 50%. All other assumptions aim to be best estimate.
Prudence Level	A percentage indicating the likelihood that a discount rate assumption will be achieved in practice, based on the ESS model. The higher the prudence level, the more prudent the discount rate is.
Secondary rate	An adjustment to the primary rate, generally to reflect costs associated with benefits that have already been earned up to the valuation date. This may be expressed as a percentage of pay and/or monetary amount.
Withdrawal	Refers to members leaving the scheme before retirement. These members retain an entitlement to an LGPS pension when they retire, but are no longer earning new benefits.

Rates & Adjustments certificate

Rates and Adjustments Certificate

In accordance with Regulation 62 of the LGPS regulations, we have assessed the contributions that should be paid into the Derbyshire Pension Fund (the Fund) by participating employers for the period 1 April 2023 to 31 March 2026 in order to maintain the solvency of the Fund.

The method and assumptions used to calculate the contributions set out in this Rates and Adjustments certificate are detailed in the Funding Strategy Statement dated 8 March 2023 and in Appendix 2 of the report on the actuarial valuation dated 29 March 2023. These assumptions underpin our estimate of the number of members who will become entitled to a payment of pensions under the provisions of the LGPS and the amount of liabilities arising in respect of such members.

The table below summarises the whole fund primary and secondary contribution rates for the period 1 April 2023 to 31 March 2026. The primary rate is the payroll weighted average of the underlying individual employer primary rates and the secondary rate is the total of the underlying individual employer secondary rates, calculated in accordance with the LGPS regulations and CIPFA guidance. The secondary rate has been shown both as a monetary amount and an equivalent percentage of the projected pensionable pay.

This valuation 31 March 2022		
Primary rate	21.1% of pay	
Secondary rate	Monetary amount	Equivalent to % of payroll
	2023/24	£1,578,000 0.2%
	2024/25	£2,774,000 0.4%
	2025/26	£4,055,000 0.5%

The required minimum contribution rates for each employer in the Fund are set out in the remainder of this certificate.

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Councils									
1	Derbyshire County Council	20.8%	£582,000	£582,000	£582,000	20.8% plus £582,000	20.8% plus £582,000	20.8% plus £582,000	
133	Derby City Council	20.3%	£883,000	£883,000	£883,000	20.3% plus £883,000	20.3% plus £883,000	20.3% plus £883,000	
130	Amber Valley Borough Council	21.1%	£631,000	£566,000	£501,000	21.1% plus £631,000	21.1% plus £566,000	21.1% plus £501,000	
131	Bolsover District Council	20.8%	£262,000	£262,000	£262,000	20.8% plus £262,000	20.8% plus £262,000	20.8% plus £262,000	
132	Chesterfield Borough Council	20.4%	£726,000	£726,000	£726,000	20.4% plus £726,000	20.4% plus £726,000	20.4% plus £726,000	
134	Erewash Borough Council	20.7%	£502,000	£502,000	£502,000	20.7% plus £502,000	20.7% plus £502,000	20.7% plus £502,000	
135	High Peak Borough Council	20.9%	£1,227,000	£1,147,000	£1,068,000	20.9% plus £1,227,000	20.9% plus £1,147,000	20.9% plus £1,068,000	
136	North East Derbyshire District Council	20.6%	£901,000	£901,000	£901,000	20.6% plus £901,000	20.6% plus £901,000	20.6% plus £901,000	
137	South Derbyshire District Council	20.3%	£174,000	£174,000	£174,000	20.3% plus £174,000	20.3% plus £174,000	20.3% plus £174,000	
138	Derbyshire Dales District Council	20.5%	£192,000	£192,000	£192,000	20.5% plus £192,000	20.5% plus £192,000	20.5% plus £192,000	
Other Scheduled Bodies									
40	Peak District National Park Authority	20.8%	-2.0%	-2.0%	-2.0%	18.8%	18.8%	18.8%	
123	Derby Homes Ltd	20.1%	-3.9%	-3.9%	-3.9%	16.2%	16.2%	16.2%	
139	Chesterfield Crematorium	20.7%	£24,000	£24,000	£24,000	20.7% plus £24,000	20.7% plus £24,000	20.7% plus £24,000	
126	Rykneld Homes	20.3%	-2.9%	-2.9%	-2.9%	17.4%	17.4%	17.4%	
401	Police & Crime Commissioner for Derbyshire	19.9%	-2.0%	-2.0%	-2.0%	17.9%	17.9%	17.9%	
403	Derbyshire Fire & Rescue	20.2%	-2.5%	-1.5%	-0.5%	17.7%	18.7%	19.7%	
Further Education Establishments									
192	Chesterfield College	24.7%	-5.8% plus £181,000	-4.5% plus £186,000	-3.2% plus £191,000	18.9% plus £181,000	20.2% plus £186,000	21.5% plus £191,000	
198	Derby College Group	25.0%	-5.5% plus £382,000	-4.5% plus £392,000	-3.4% plus £402,000	19.5% plus £382,000	20.5% plus £392,000	21.6% plus £402,000	
169	University of Derby	24.2%	-3.5%	-1.2%	1.1%	20.7%	23.0%	25.3%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Town and Parish Councils (Pre-2001)									
144	Shirebrook Town Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
145	New Mills Town Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
147	Clay Cross Parish Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
148	Eckington Parish Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
150	Pinxton Parish Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
151	Wirksworth Town Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
152	Old Bolsover Town Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
157	Belper Town Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
160	Killamarsh Parish Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
171	Ashbourne Town Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
172	Dronfield Town Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
173	Whitwell Parish Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
175	Staveley Town Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
178	Matlock Town Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
179	Whaley Bridge Town Council	21.2%	-2.0%	-1.0%	-1.0%	19.2%	20.2%	20.2%	
Town and Parish Councils (Post-2001)									
161	Bumaston Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
165	North Wingfield Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
186	Alfreton Town Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Town and Parish Councils (Post-2001) (Continued)									
187	Wingerworth Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
188	Heanor & Loscoe Town Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
234	Tibshelf Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
235	Kilburn Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
236	Codnor Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
239	Stenson Fields Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
240	Heath & Holmewood Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
241	Bretby Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
242	Breaston Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
243	Woodville Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
245	Hatton Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
248	Clowne Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
249	South Normanton Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
250	Draycott Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
251	Blackwell Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
252	Repton Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
253	Somercotes Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	
254	Chapel-en-le-Frith Parish Council	21.3%	-1.5%	-0.5%	-0.5%	19.8%	20.8%	20.8%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Community Admission Bodies									
120	Futures Housing	33.4%	£95,000	£95,000	£95,000	33.4% plus £95,000	33.4% plus £95,000	33.4% plus £95,000	
124	East Midlands Housing and Regeneration Ltd	41.0%	-16.7%	-13.5%	-10.4%	24.3%	27.5%	30.6%	
128	Platform Housing Limited	42.8%	0.7%	0.7%	0.7%	43.5%	43.5%	43.5%	
170	Crich Tramway Museum	40.7%	-4.2%	-4.2%	-4.2%	36.5%	36.5%	36.5%	
185	Belper Leisure Centre Ltd	36.6%	-29.4%	-29.4%	-29.4%	7.2%	7.2%	7.2%	
404	Derbyshire Student Residences Ltd	28.7%	-4.6%	-4.6%	-4.6%	24.1%	24.1%	24.1%	
457	Derby Museums & Art Trust	35.5%	£66,000	£66,000	£66,000	35.5% plus £66,000	35.5% plus £66,000	35.5% plus £66,000	
Transferee Admission Bodies									
184	Chesterfield Care Group	33.9%	-30.6%	-30.6%	-30.6%	3.3%	3.3%	3.3%	
414	Veolia (Chesterfield Refuse)	34.5%	-29.5%	-29.5%	-29.5%	5.0%	5.0%	5.0%	
416	VINCI (ex Norwest Holst)	35.4%	-25.9%	-25.9%	-25.9%	9.5%	9.5%	9.5%	
418	Mitie Integrated Services Limited	36.3%	-15.5%	-15.5%	-15.5%	20.8%	20.8%	20.8%	
419	Mitie Catering Services Limited	35.5%	-11.1%	-11.1%	-11.1%	24.4%	24.4%	24.4%	
424	Balfour Beatty Living Places (Balfour Beatty)	36.1%	-31.1%	-31.1%	-31.1%	5.0%	5.0%	5.0%	
425	MacIntyre Care	33.0%	-33.0%	-33.0%	-33.0%	0.0%	0.0%	0.0%	
443	Mitie Facilities Services Ltd	35.4%	-19.1%	-19.1%	-19.1%	16.3%	16.3%	16.3%	
446	Active Nation	35.6%	-30.6%	-30.6%	-30.6%	5.0%	5.0%	5.0%	
451	Compass Services (City)	31.6%	-14.6%	-14.6%	-14.6%	17.0%	17.0%	17.0%	
453	Clean Slate (Pottery)	36.1%	3.1%	3.1%	3.1%	39.2%	39.2%	39.2%	
468	Aspens Services Ltd	33.5%	-7.7%	-7.7%	-7.7%	25.8%	25.8%	25.8%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Transferee Admission Bodies (Continued)									
471	NSL Limited	33.4%	-14.7%	-14.7%	-14.7%	18.7%	18.7%	18.7%	
482	Derbyshire Building Control Partnership Ltd	28.5%	-0.5%	1.4%	3.3%	28.0%	29.9%	31.8%	
483	Amber Valley School Sports Partnership	27.5%	-5.2%	-5.2%	-5.2%	22.3%	22.3%	22.3%	
502	Caterlink Ltd (Cavendish Learning Trust)	34.2%	-19.4%	-19.4%	-19.4%	14.8%	14.8%	14.8%	
503	Parkwood Leisure (HPBC - Buxton Pavillion)	30.5%	-23.2%	-23.2%	-23.2%	7.3%	7.3%	7.3%	
504	LEX Leisure	33.1%	-17.2%	-17.2%	-17.2%	15.9%	15.9%	15.9%	
506	Churchill Contract Services (Hilton SA Trust)	30.0%	14.6%	14.6%	14.6%	44.6%	44.6%	44.6%	
507	Aspens Services (Kirk Hallam Nova Trust)	34.2%	-10.8%	-10.8%	-10.8%	23.4%	23.4%	23.4%	
508	Mellors Catering (Two Counties Trust)	34.4%	6.3%	6.3%	6.3%	40.7%	40.7%	40.7%	
510	Churchill Contract Services (SA Trust)	30.0%	14.6%	14.6%	14.6%	44.6%	44.6%	44.6%	
511	Caterlink Ltd (Parkview & Redwood Schools)	35.0%	0.0%	0.0%	0.0%	35.0%	35.0%	35.0%	
513	Churchill Contract Services Ltd (Kirk Hallam)	32.0%	0.2%	0.2%	0.2%	32.2%	32.2%	32.2%	
514	Mellors Catering (Shirebrook & Stubbin Wood)	33.9%	-6.8%	-6.8%	-6.8%	27.1%	27.1%	27.1%	
521	Vertas Derbyshire (Odyssey Collaborative Trust)	27.8%	0.0%	0.0%	0.0%	27.8%	27.8%	27.8%	
522	Caterlink (Derby Cathedral School)	30.2%	11.8%	11.8%	11.8%	42.0%	42.0%	42.0%	
545	NIC Services Ltd (Hady Primary School)	30.5%	0.0%	0.0%	0.0%	30.5%	30.5%	30.5%	
Multi-Academy Trusts									
Djanogly Learning Trust									
638	Langley Mill Academy	21.6%	-3.7%	-3.7%	-3.7%	17.9%	17.9%	17.9%	
683	Laceyfields Academy	21.6%	-3.7%	-3.7%	-3.7%	17.9%	17.9%	17.9%	
718	Kensington Junior Academy	21.6%	-3.7%	-3.7%	-3.7%	17.9%	17.9%	17.9%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Multi-Academy Trusts (Continued)									
Cavendish Learning Trust									
350	Netherthorpe School	21.5%	0.6%	1.6%	2.6%	22.1%	23.1%	24.1%	
399	Barrow Hill Primary Academy	21.5%	0.6%	1.6%	2.6%	22.1%	23.1%	24.1%	
640	Whittington Moor Nursery & Infant Academy	21.5%	0.6%	1.6%	2.6%	22.1%	23.1%	24.1%	
643	Dunston Primary & Nursery Academy	21.5%	0.6%	1.6%	2.6%	22.1%	23.1%	24.1%	
Esteem Multi-Academy Trust									
651	Esteem Multi-Academy Trust (Central Staff)	20.6%	-4.0%	-4.0%	-4.0%	16.6%	16.6%	16.6%	
652	Holbrook School for Autism	20.6%	-4.0%	-4.0%	-4.0%	16.6%	16.6%	16.6%	
653	Peak School	20.6%	-4.0%	-4.0%	-4.0%	16.6%	16.6%	16.6%	
654	Bennerley Fields School	20.6%	-4.0%	-4.0%	-4.0%	16.6%	16.6%	16.6%	
655	Stanton Vale School	20.6%	-4.0%	-4.0%	-4.0%	16.6%	16.6%	16.6%	
656	South Derbyshire Support Centre	20.6%	-4.0%	-4.0%	-4.0%	16.6%	16.6%	16.6%	
680	Amber Valley & Erewash Support Centre	20.6%	-4.0%	-4.0%	-4.0%	16.6%	16.6%	16.6%	
720	North East Derbyshire Support Centre	20.6%	-4.0%	-4.0%	-4.0%	16.6%	16.6%	16.6%	
721	St Clare's School	20.6%	-4.0%	-4.0%	-4.0%	16.6%	16.6%	16.6%	
738	Elmsleigh Infant and Nursery School	20.6%	-4.0%	-4.0%	-4.0%	16.6%	16.6%	16.6%	
QEGSMAT									
335	Chellaston Academy	20.7%	2.7%	2.7%	2.7%	23.4%	23.4%	23.4%	
343	Queen Elizabeth's Grammar School	20.7%	2.7%	2.7%	2.7%	23.4%	23.4%	23.4%	
369	City of Derby Academy	20.7%	2.7%	2.7%	2.7%	23.4%	23.4%	23.4%	
620	Springfield Junior School	20.7%	2.7%	2.7%	2.7%	23.4%	23.4%	23.4%	
642	Castle View Primary School	20.7%	2.7%	2.7%	2.7%	23.4%	23.4%	23.4%	

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			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Multi-Academy Trusts (Continued)									
Odyssey Collaborative Trust									
694	Springfield Primary School	20.5%	-0.8%	-0.8%	-0.8%	19.7%	19.7%	19.7%	
695	Borrow Wood Primary School	20.5%	-0.8%	-0.8%	-0.8%	19.7%	19.7%	19.7%	
696	Asterdale Primary School	20.5%	-0.8%	-0.8%	-0.8%	19.7%	19.7%	19.7%	
701	Portway Junior School	20.5%	-0.8%	-0.8%	-0.8%	19.7%	19.7%	19.7%	
702	Cherry Tree Hill Primary	20.5%	-0.8%	-0.8%	-0.8%	19.7%	19.7%	19.7%	
703	Beaufort Community Primary School	20.5%	-0.8%	-0.8%	-0.8%	19.7%	19.7%	19.7%	
757	Oakwood Junior School	20.5%	-0.8%	-0.8%	-0.8%	19.7%	19.7%	19.7%	
Ormiston Ilkeston Enterprise Academy									
370	Ormiston Ilkeston Enterprise Academy	21.4%	6.3%	7.3%	8.3%	27.7%	28.7%	29.7%	
Academies									
199	UTC Derby Pride Park	22.2%	-5.1%	-6.1%	-7.1%	17.1%	16.1%	15.1%	
336	The Ecclesbourne School	21.0%	3.6%	2.6%	1.6%	24.6%	23.6%	22.6%	
337	Kirk Hallam Community Academy	20.3%	1.1%	1.1%	1.1%	21.4%	21.4%	21.4%	
338	John Port Spencer Academy	20.8%	2.6%	2.6%	2.6%	23.4%	23.4%	23.4%	
340	Brookfield Academy	20.8%	2.2%	2.2%	2.2%	23.0%	23.0%	23.0%	
341	The Long Eaton School	20.4%	2.5%	2.5%	2.5%	22.9%	22.9%	22.9%	
342	West Park School	20.8%	3.4%	3.4%	3.4%	24.2%	24.2%	24.2%	
345	Hope Valley College	20.9%	5.4%	5.4%	5.4%	26.3%	26.3%	26.3%	
347	Pennine Way Junior Academy	21.0%	1.7%	1.7%	1.7%	22.7%	22.7%	22.7%	
348	Heanor Gate Science College	20.9%	2.6%	2.6%	2.6%	23.5%	23.5%	23.5%	
349	Lees Brook Community School	20.6%	3.1%	4.1%	5.1%	23.7%	24.7%	25.7%	
351	Redhill Primary School	21.8%	2.9%	3.9%	4.9%	24.7%	25.7%	26.7%	

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Academies (Continued)									
352	St John Houghton Catholic VA	19.6%	4.0%	4.0%	4.0%	23.6%	23.6%	23.6%	
353	Allestree Woodlands School	20.9%	3.0%	4.0%	5.0%	23.9%	24.9%	25.9%	
354	Grampian Primary Academy	20.7%	1.5%	1.5%	1.5%	22.2%	22.2%	22.2%	
360	Saint Benedict Catholic VA	20.9%	5.1%	6.1%	7.1%	26.0%	27.0%	28.0%	
361	St Mary's Catholic VA (Newbold Chesterfield)	21.0%	2.4%	1.4%	0.4%	23.4%	22.4%	21.4%	
362	St John Fisher Catholic Voluntary Academy	21.4%	3.3%	3.3%	3.3%	24.7%	24.7%	24.7%	
363	St Georges Voluntary Catholic Academy	20.8%	2.3%	2.3%	2.3%	23.1%	23.1%	23.1%	
364	Wyndham Primary Academy	19.9%	0.8%	1.8%	2.8%	20.7%	21.7%	22.7%	
365	The Bolsover School	21.3%	3.6%	4.6%	5.6%	24.9%	25.9%	26.9%	
366	Landau Forte Academy Moorhead	20.4%	2.2%	2.2%	2.2%	22.6%	22.6%	22.6%	
367	Derby Pride Academy	19.9%	-1.4%	-1.4%	-1.4%	18.5%	18.5%	18.5%	
368	Alvaston Moor Academy	20.2%	5.3%	5.3%	5.3%	25.5%	25.5%	25.5%	
371	English Martyrs Catholic Voluntary Academy	22.3%	-0.8%	-0.8%	-0.8%	21.5%	21.5%	21.5%	
372	Newbold Church of England Primary School	20.3%	0.0%	0.0%	0.0%	20.3%	20.3%	20.3%	
373	Bishop Lonsdale CofE Primary & Nursery	22.2%	0.6%	0.6%	0.6%	22.8%	22.8%	22.8%	
374	Zaytouna Primary School	20.2%	-0.2%	-0.2%	-0.2%	20.0%	20.0%	20.0%	
376	St Joseph's Catholic Primary	21.1%	-0.5%	-0.5%	-0.5%	20.6%	20.6%	20.6%	
377	Dovedale Primary School	21.3%	-0.4%	-0.4%	-0.4%	20.9%	20.9%	20.9%	
378	Sawley Infant and Nursery School	21.8%	1.2%	1.2%	1.2%	23.0%	23.0%	23.0%	
379	Sawley Junior School	21.3%	-0.1%	-0.1%	-0.1%	21.2%	21.2%	21.2%	
380	Shardlow Primary School	22.5%	-1.2%	-0.2%	0.8%	21.3%	22.3%	23.3%	
381	Immaculate Conception Catholic Primary	20.5%	-2.8%	-2.8%	-2.8%	17.7%	17.7%	17.7%	
382	Allenton Primary School	20.8%	3.1%	2.1%	1.1%	23.9%	22.9%	21.9%	
383	Outwood Academy Newbold	20.9%	2.3%	2.3%	2.3%	23.2%	23.2%	23.2%	
384	Turnditch Church of England Primary School	21.4%	1.8%	1.8%	1.8%	23.2%	23.2%	23.2%	

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Academies (Continued)									
385	William Gilbert Endowed CofE Primary	22.4%	1.8%	1.8%	1.8%	24.2%	24.2%	24.2%	
386	St Laurence CofE VA Primary School	21.7%	-0.5%	-0.5%	-0.5%	21.2%	21.2%	21.2%	
387	Akaal Primary School	20.9%	-4.4%	-4.4%	-4.4%	16.5%	16.5%	16.5%	
388	Inkersall Primary School	20.7%	2.5%	2.5%	2.5%	23.2%	23.2%	23.2%	
389	St Philip Howard Catholic Voluntary Academy	19.9%	0.3%	0.3%	0.3%	20.2%	20.2%	20.2%	
390	St Giles CofE Aided Primary School (Matlock)	21.0%	2.3%	2.3%	2.3%	23.3%	23.3%	23.3%	
391	Walter Evans CofE Primary & Nursery School	20.2%	1.0%	1.0%	1.0%	21.2%	21.2%	21.2%	
392	Swanwick Hall School	21.2%	2.0%	2.0%	2.0%	23.2%	23.2%	23.2%	
395	David Nieper Academy	19.8%	1.0%	1.0%	1.0%	20.8%	20.8%	20.8%	
396	Christ Church CofE Primary School	21.3%	0.2%	0.2%	0.2%	21.5%	21.5%	21.5%	
397	Walton Peak Flying High Academy	21.4%	-0.3%	-0.3%	-0.3%	21.1%	21.1%	21.1%	
398	Poolsbrook Primary Academy	21.2%	-0.1%	-0.1%	-0.1%	21.1%	21.1%	21.1%	
422	Landau Forte College	19.4%	-3.9%	-3.9%	-3.9%	15.5%	15.5%	15.5%	
439	Shirebrook Academy	20.9%	2.5%	2.5%	2.5%	23.4%	23.4%	23.4%	
601	Holbrook CE Primary School	22.0%	0.4%	0.4%	0.4%	22.4%	22.4%	22.4%	
602	St Edwards Catholic Academy	21.1%	-0.1%	0.9%	1.9%	21.0%	22.0%	23.0%	
603	St Joseph's Catholic Primary (Matlock)	21.5%	1.5%	1.5%	1.5%	23.0%	23.0%	23.0%	
604	Mary Swanwick Primary School	21.9%	-0.7%	0.3%	1.3%	21.2%	22.2%	23.2%	
605	Brimington Manor Infant School	22.3%	-0.4%	-0.4%	-0.4%	21.9%	21.9%	21.9%	
606	Brimington Junior School	21.6%	-0.3%	-0.3%	-0.3%	21.3%	21.3%	21.3%	
607	Noel-Baker Academy	20.5%	3.0%	3.0%	3.0%	23.5%	23.5%	23.5%	
608	All Saints CofE Infant School (Matlock)	19.8%	-2.0%	-2.0%	-2.0%	17.8%	17.8%	17.8%	
609	St Giles CE Primary School (Killamarsh)	20.5%	-3.6%	-3.6%	-3.6%	16.9%	16.9%	16.9%	
612	All Saints Junior School (Matlock)	20.5%	-1.4%	-1.4%	-1.4%	19.1%	19.1%	19.1%	
613	Heritage High School	21.4%	-2.4%	-1.4%	-0.4%	19.0%	20.0%	21.0%	

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Academies (Continued)									
614	New Whittington Primary	21.1%	-3.9%	-2.9%	-1.9%	17.2%	18.2%	19.2%	
615	Eckington Junior School	19.6%	-0.2%	-0.2%	-0.2%	19.4%	19.4%	19.4%	
616	Darley Churchtown Primary School	21.4%	-2.9%	-1.9%	-0.9%	18.5%	19.5%	20.5%	
617	Temple Normanton Junior Academy	21.0%	2.8%	1.8%	0.8%	23.8%	22.8%	21.8%	
618	Da Vinci Academy	19.8%	4.3%	4.3%	4.3%	24.1%	24.1%	24.1%	
619	The Pingle Academy	21.4%	-1.5%	-0.5%	0.5%	19.9%	20.9%	21.9%	
621	Derwent Community Primary School	20.8%	0.0%	0.0%	0.0%	20.8%	20.8%	20.8%	
622	Breadsall Hill Top Primary	21.3%	0.1%	1.1%	2.1%	21.4%	22.4%	23.4%	
623	Pear Tree Junior School	21.5%	1.1%	2.1%	3.1%	22.6%	23.6%	24.6%	
624	Granville Academy	20.7%	-4.2%	-3.2%	-2.2%	16.5%	17.5%	18.5%	
625	St Georges CofE Primary (New Mills)	21.5%	-2.3%	-2.3%	-2.3%	19.2%	19.2%	19.2%	
626	Scargill CofE Primary	21.6%	-1.7%	-1.7%	-1.7%	19.9%	19.9%	19.9%	
627	Cavendish Close Junior Academy	21.3%	-0.8%	0.2%	1.2%	20.5%	21.5%	22.5%	
628	Cloudside Academy	21.7%	-4.3%	-4.3%	-4.3%	17.4%	17.4%	17.4%	
629	Somercotes Infant and Nursery School	21.3%	-5.2%	-5.2%	-5.2%	16.1%	16.1%	16.1%	
630	Somerlea Park Junior	21.4%	-0.4%	0.6%	1.6%	21.0%	22.0%	23.0%	
631	Bolsover CofE Junior School	21.1%	-2.2%	-1.2%	-0.2%	18.9%	19.9%	20.9%	
632	Frederick Gent School	20.9%	-1.6%	-0.6%	0.4%	19.3%	20.3%	21.3%	
633	Firs Primary School	21.8%	-2.3%	-1.3%	-0.3%	19.5%	20.5%	21.5%	
634	Hardwick Primary School	20.4%	0.0%	1.0%	2.0%	20.4%	21.4%	22.4%	
635	Derby Moor Academy	20.3%	-1.9%	-0.9%	0.1%	18.4%	19.4%	20.4%	
636	John King Infant Academy	21.5%	-3.2%	-2.2%	-1.2%	18.3%	19.3%	20.3%	
637	Longwood Infant Academy	21.4%	-4.1%	-3.1%	-2.1%	17.3%	18.3%	19.3%	
639	Kirkstead Junior Academy	21.3%	-3.3%	-3.3%	-3.3%	18.0%	18.0%	18.0%	
641	Ironville and Codnor Park Primary School	20.9%	-2.9%	-1.9%	-0.9%	18.0%	19.0%	20.0%	

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Academies (Continued)									
644	Chaddesden Park Primary School	21.2%	2.1%	2.1%	2.1%	23.3%	23.3%	23.3%	
645	Eckington School	21.0%	-1.8%	-1.8%	-1.8%	19.2%	19.2%	19.2%	
646	Village Primary Academy	21.0%	0.1%	1.1%	2.1%	21.1%	22.1%	23.1%	
648	Ash Croft Primary Academy	21.7%	-0.3%	0.7%	1.7%	21.4%	22.4%	23.4%	
649	Langwith Bassett Junior Academy	21.7%	-4.6%	-3.6%	-2.6%	17.1%	18.1%	19.1%	
650	Friesland School	20.9%	-3.4%	-2.4%	-1.4%	17.5%	18.5%	19.5%	
657	All Saints Catholic Voluntary Academy (Glossop)	20.1%	-3.1%	-2.1%	-1.1%	17.0%	18.0%	19.0%	
658	Christ the King Catholic Voluntary Academy	20.5%	-3.1%	-3.1%	-3.1%	17.4%	17.4%	17.4%	
659	St Alban's Catholic Voluntary Academy (Derby)	20.6%	-0.3%	-0.3%	-0.3%	20.3%	20.3%	20.3%	
660	St Anne's Catholic Voluntary Academy (Buxton)	21.7%	-2.5%	-2.5%	-2.5%	19.2%	19.2%	19.2%	
661	St Charles Catholic Voluntary Academy (Hadfield)	21.1%	-2.6%	-1.6%	-0.6%	18.5%	19.5%	20.5%	
662	St Elizabeth's Catholic Voluntary Academy (Belper)	21.7%	-3.4%	-2.4%	-1.4%	18.3%	19.3%	20.3%	
663	St Joseph's Catholic Voluntary Academy (Derby)	21.6%	-1.5%	-1.5%	-1.5%	20.1%	20.1%	20.1%	
664	St. Margaret's Catholic Voluntary Academy (Glossop)	21.6%	-4.1%	-3.1%	-2.1%	17.5%	18.5%	19.5%	
665	St Mary's Catholic Voluntary Academy (Derby)	20.2%	0.1%	0.1%	0.1%	20.3%	20.3%	20.3%	
667	St Mary's Catholic Voluntary Academy (New Mills)	21.0%	-4.5%	-3.5%	-2.5%	16.5%	17.5%	18.5%	
668	St Thomas Catholic Voluntary Academy (Ilkeston)	21.7%	-3.2%	-2.2%	-1.2%	18.5%	19.5%	20.5%	
669	St Thomas More Voluntary Academy (Buxton)	21.5%	-2.3%	-1.3%	-0.3%	19.2%	20.2%	21.2%	
670	Derby Cathedral School	21.1%	-1.8%	-1.8%	-1.8%	19.3%	19.3%	19.3%	
671	St Mary's Catholic Voluntary Academy (Glossop)	21.4%	-2.4%	-2.4%	-2.4%	19.0%	19.0%	19.0%	
672	Alvaston Junior Academy	21.1%	1.6%	1.6%	1.6%	22.7%	22.7%	22.7%	
673	Reigate Park Primary Academy	20.8%	-1.1%	-0.1%	0.9%	19.7%	20.7%	21.7%	
674	Cottons Farm Primary Academy	20.8%	1.7%	2.7%	3.7%	22.5%	23.5%	24.5%	
675	Hilton Primary School	21.2%	-3.2%	-2.2%	-1.2%	18.0%	19.0%	20.0%	
676	Loscoe CofE Primary School and Nursery	20.7%	-4.0%	-4.0%	-4.0%	16.7%	16.7%	16.7%	

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Academies (Continued)									
677	Ashwood Spencer Academy	20.4%	-0.1%	-0.1%	-0.1%	20.3%	20.3%	20.3%	
678	Wilsthorpe School	20.8%	-1.8%	-1.8%	-1.8%	19.0%	19.0%	19.0%	
682	Lakeside Primary Academy	19.8%	-0.7%	-0.7%	-0.7%	19.1%	19.1%	19.1%	
684	Walton on Trent CofE Primary & Nursery	20.3%	-1.3%	-1.3%	-1.3%	19.0%	19.0%	19.0%	
685	Griffe Field Primary School	21.7%	1.7%	2.7%	3.7%	23.4%	24.4%	25.4%	
686	Horsley Woodhouse Primary School	21.6%	-2.9%	-2.9%	-2.9%	18.7%	18.7%	18.7%	
687	Kilburn Junior School	21.3%	-3.5%	-2.5%	-1.5%	17.8%	18.8%	19.8%	
688	Aldercar Infant School	20.6%	-1.3%	-0.3%	0.7%	19.3%	20.3%	21.3%	
689	Heath Primary School	20.0%	-3.6%	-3.6%	-3.6%	16.4%	16.4%	16.4%	
690	Howitt Primary Community School	21.9%	-2.7%	-1.7%	-0.7%	19.2%	20.2%	21.2%	
691	Derby St Chad's CofE (VC) Nursery & Infant	20.8%	-0.5%	0.5%	1.5%	20.3%	21.3%	22.3%	
693	Arboretum Primary School	20.5%	-0.9%	0.1%	1.1%	19.6%	20.6%	21.6%	
704	Holme Hall Primary School	20.5%	-1.3%	-1.3%	-1.3%	19.2%	19.2%	19.2%	
705	Brookfield Primary	20.8%	2.4%	2.4%	2.4%	23.2%	23.2%	23.2%	
706	Richardson Endowed Primary School	22.5%	0.4%	0.4%	0.4%	22.9%	22.9%	22.9%	
707	Woodthorpe CofE Primary	20.5%	0.0%	0.0%	0.0%	20.5%	20.5%	20.5%	
708	Ashgate Croft Primary	21.3%	0.1%	0.1%	0.1%	21.4%	21.4%	21.4%	
709	Old Hall Junior School	21.7%	1.6%	1.6%	1.6%	23.3%	23.3%	23.3%	
710	Walton Holymoorside Primary	21.9%	0.4%	0.4%	0.4%	22.3%	22.3%	22.3%	
711	Westfield Infant School	22.5%	1.2%	1.2%	1.2%	23.7%	23.7%	23.7%	
713	Brooklands Primary School	21.2%	-1.3%	-1.3%	-1.3%	19.9%	19.9%	19.9%	
714	Tupton Primary and Nursery Academy	21.3%	-0.1%	-0.1%	-0.1%	21.2%	21.2%	21.2%	
716	Carlisle Infant & Nursery School	20.9%	0.5%	0.5%	0.5%	21.4%	21.4%	21.4%	
717	Hodthorpe Primary School	22.4%	-1.1%	-1.1%	-1.1%	21.3%	21.3%	21.3%	
719	Longford CofE Primary School	22.4%	-0.6%	-0.6%	-0.6%	21.8%	21.8%	21.8%	

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Academies (Continued)									
722	St Andrews Academy	20.8%	3.8%	3.8%	3.8%	24.6%	24.6%	24.6%	
723	Church Gresley Infant and Nursery School	21.1%	0.7%	0.7%	0.7%	21.8%	21.8%	21.8%	
724	Ravensdale Junior School	22.1%	5.1%	5.1%	5.1%	27.2%	27.2%	27.2%	
725	Chellaston Fields Spencer Academy	19.5%	-1.1%	-1.1%	-1.1%	18.4%	18.4%	18.4%	
726	The Mease at Hilton	20.9%	-0.4%	-0.4%	-0.4%	20.5%	20.5%	20.5%	
727	Hackwood Primary Academy	20.8%	3.1%	3.1%	3.1%	23.9%	23.9%	23.9%	
728	Ivy House School	21.1%	4.1%	4.1%	4.1%	25.2%	25.2%	25.2%	
729	Tupton Hall School	21.1%	-0.7%	-0.7%	-0.7%	20.4%	20.4%	20.4%	
730	St Werburgh's CofE Primary School	21.5%	3.0%	3.0%	3.0%	24.5%	24.5%	24.5%	
731	St Giles' Spencer Academy	19.7%	0.3%	0.3%	0.3%	20.0%	20.0%	20.0%	
732	The Green Infant School	21.0%	-2.8%	-2.8%	-2.8%	18.2%	18.2%	18.2%	
733	Lawn Primary School	21.0%	3.5%	3.5%	3.5%	24.5%	24.5%	24.5%	
734	St Peter's CofE Aided Junior School	21.6%	9.3%	9.3%	9.3%	30.9%	30.9%	30.9%	
735	Springwell Community College	21.6%	2.2%	2.2%	2.2%	23.8%	23.8%	23.8%	
736	North Wingfield Primary & Nursery Academy	21.0%	-0.9%	-0.9%	-0.9%	20.1%	20.1%	20.1%	
737	Chaucer Junior School	21.4%	-0.3%	-0.3%	-0.3%	21.1%	21.1%	21.1%	
739	Chaucer Infant School	21.1%	-0.3%	-0.3%	-0.3%	20.8%	20.8%	20.8%	
740	St Martins School	19.6%	-0.6%	-0.6%	-0.6%	19.0%	19.0%	19.0%	
741	Whaley Thorns Primary School	21.2%	-2.7%	-2.7%	-2.7%	18.5%	18.5%	18.5%	
742	Stubbin Wood School	20.6%	-2.6%	-2.6%	-2.6%	18.0%	18.0%	18.0%	
743	Model Village Primary School	21.1%	-2.2%	-2.2%	-2.2%	18.9%	18.9%	18.9%	
744	Gamesley Primary Academy	20.8%	-1.9%	-0.9%	0.1%	18.9%	19.9%	20.9%	
745	Ashbrook Junior School	22.8%	1.0%	1.0%	1.0%	23.8%	23.8%	23.8%	
746	Bakewell CofE Infant School	21.1%	-3.9%	-3.9%	-3.9%	17.2%	17.2%	17.2%	
747	Bishop Purglove CofE (A) Primary	21.7%	0.3%	0.3%	0.3%	22.0%	22.0%	22.0%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Academies (Continued)									
748	Highfields Spencer Academy	19.1%	-0.6%	-0.6%	-0.6%	18.5%	18.5%	18.5%	
749	Hague Bar Primary	21.9%	8.7%	8.7%	8.7%	30.6%	30.6%	30.6%	
750	Glossopdale School	21.6%	-0.3%	-0.3%	-0.3%	21.3%	21.3%	21.3%	
751	Field House Infant School	22.2%	-0.8%	-0.8%	-0.8%	21.4%	21.4%	21.4%	
752	Ladywood Primary School	21.2%	-1.5%	-1.5%	-1.5%	19.7%	19.7%	19.7%	
753	Waingroves Primary School	21.9%	-1.3%	-1.3%	-1.3%	20.6%	20.6%	20.6%	
754	St James' CofE Aided Junior School	21.9%	-1.6%	-1.6%	-1.6%	20.3%	20.3%	20.3%	
755	Outwood Academy Hasland Hall	21.5%	-1.6%	-1.6%	-1.6%	19.9%	19.9%	19.9%	
756	Brackensdale Spencer Academy	20.6%	-1.9%	-1.9%	-1.9%	18.7%	18.7%	18.7%	
758	Hollingwood Primary School	20.5%	-2.1%	-2.1%	-2.1%	18.4%	18.4%	18.4%	
759	Castleward Spencer Academy	21.0%	-0.2%	-0.2%	-0.2%	20.8%	20.8%	20.8%	
760	Clover Leys Spencer Academy	19.9%	-0.2%	-0.2%	-0.2%	19.7%	19.7%	19.7%	
762	Riddings Junior School	20.9%	-0.9%	-0.9%	-0.9%	20.0%	20.0%	20.0%	
763	William Rhodes Primary & Nursery School	20.3%	-1.5%	-1.5%	-1.5%	18.8%	18.8%	18.8%	
Pass-through Employers (Academies)									
500	Caterlink Ltd (De Ferrers Trust)	30.5%	1.2%	1.2%	1.2%	31.7%	31.7%	31.7%	
505	Accuro FM Ltd (Swanwick Hall School)	27.5%	0.0%	0.0%	0.0%	27.5%	27.5%	27.5%	
517	Mellors Catering Services (Learners' Trust)	23.2%	0.0%	0.0%	0.0%	23.2%	23.2%	23.2%	
518	Accuro FM Ltd (De Ferrers Trust)	27.2%	0.0%	0.0%	0.0%	27.2%	27.2%	27.2%	
519	Accuro FM Ltd (St Andrew's Academy)	30.7%	0.0%	0.0%	0.0%	30.7%	30.7%	30.7%	
523	Busy Bee (The Harmony Trust)	13.8%	0.0%	0.0%	0.0%	13.8%	13.8%	13.8%	
526	Caterlink (Ivy House School)	21.1%	0.0%	0.0%	0.0%	21.1%	21.1%	21.1%	
527	Easy Clean Contractors (Allestree Woodlands)	27.7%	-5.8%	-5.8%	-5.8%	21.9%	21.9%	21.9%	
528	Aspens Services Ltd (St Joseph's Primary)	24.1%	0.0%	0.0%	0.0%	24.1%	24.1%	24.1%	
529	Accuro FM Ltd (Friesland School)	26.6%	0.0%	0.0%	0.0%	26.6%	26.6%	26.6%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Pass-through Employers (Councils)									
Derbyshire County Council									
515	Vertas Derbyshire Ltd	27.6%	-6.6%	-6.6%	-6.6%	21.0%	21.0%	21.0%	
516	Concertus Derbyshire Ltd	22.6%	-1.6%	-1.6%	-1.6%	21.0%	21.0%	21.0%	
444	Compass Services (DCC)	30.2%	0.0%	0.0%	0.0%	30.2%	30.2%	30.2%	
Derby City Council									
460	EQUANS Services Ltd	19.7%	0.0%	0.0%	0.0%	19.7%	19.7%	19.7%	
520	Action For Children (Derby City Council)	22.9%	0.0%	0.0%	0.0%	22.9%	22.9%	22.9%	
Amber Valley Borough Council									
512	Amber Valley Norse Ltd	28.8%	0.0%	0.0%	0.0%	28.8%	28.8%	28.8%	
420 / 421	Leisure Amber Valley	30.2%	-16.4%	-16.4%	-16.4%	13.8%	13.8%	13.8%	
Derbyshire Dales District Council									
493	Wealden Leisure Ltd (Freedom Leisure)	20.0%	0.0%	0.0%	0.0%	20.0%	20.0%	20.0%	
Erewash Borough Council									
499	Legacy Leisure (Erewash)	24.4%	0.0%	0.0%	0.0%	24.4%	24.4%	24.4%	
High Peak Borough Council									
485	Alliance Environmental Services	25.7%	-4.8%	-4.8%	-4.8%	20.9%	20.9%	20.9%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Post 2022 Valuation Employers									
Academies									
764	St George's CofE Primary (Church Gresley)	22.0%	0.0%	0.0%	0.0%	22.0%	22.0%	22.0%	
765	Sale and Davys CofE Primary School	22.0%	0.0%	0.0%	0.0%	22.0%	22.0%	22.0%	
767	William Allitt School	22.0%	0.0%	0.0%	0.0%	22.0%	22.0%	22.0%	
769	Aldercar High School	22.0%	0.0%	0.0%	0.0%	22.0%	22.0%	22.0%	
770	Morton Primary School	21.6%	-3.7%	-3.7%	-3.7%	17.9%	17.9%	17.9%	
Admitted Bodies									
534	Enviroserve (Norbriggs Primary School)	21.8%	0.0%	0.0%	0.0%	21.8%	21.8%	21.8%	
540	DCS Cleaning (Dronfield Infant & Junior)	31.7%	0.0%	0.0%	0.0%	31.7%	31.7%	31.7%	
Pass-through Employers									
543	Alliance in Partnership (Ashgate Primary)	20.3%	0.0%	0.0%	0.0%	20.3%	20.3%	20.3%	
548	Alliance Norse (High Peak Borough Council)	20.9%	0.0%	0.0%	0.0%	20.9%	20.9%	20.9%	

Further comments to the Rates and Adjustments Certificate

- Contributions expressed as a percentage of payroll should be paid into the Fund at a frequency in accordance with the requirements of the Regulations
- Further sums should be paid to the Fund to meet the costs of any early retirements and/or augmentations using methods and factors issued by us from time to time or as otherwise agreed.
- Payments may be required to be made to the Fund by employers to meet the capital costs of any ill-health retirements that exceed those allowed for within our assumptions. If an employer has ill health liability insurance in place with a suitable insurer and provides satisfactory evidence to the Administering Authority, then their certified contribution rate may be reduced by the value of their insurance premium, for the period the insurance is in place.
- The certified contribution rates represent the minimum level of contributions to be paid. Employing authorities may pay further amounts at any time and future periodic contributions may be adjusted on a basis approved by the Fund Actuary.
- The monetary contributions set out in the certificate above can be prepaid in advance with appropriate adjustments for interest as and when agreed with the Administering Authority. Under these circumstances a revised Rates and Adjustments certificate may be issued reflecting any advance payments.



Barry Dodds FFA

29 March 2023

For and on behalf of Hymans Robertson LLP



Richard Warden FFA

Section 13 dashboard

Section 13 dashboard

Metric	Unit	2022 valuation
2022 funding position – local funding basis		
Funding level (assets/liabilities)	%	100%
Funding level (change since previous valuation)	%	3% increase
Asset value used at the valuation	£m	6,132
Value of liabilities (including McCloud liability)	£m	6,131
Surplus (deficit)	£m	1
Discount rate – past service	% pa	3.8%
Discount rate – future service	% pa	Past service and future service are consistently valued with the same underlying assumptions, methodologies and models regarding future expected levels of inflation, interest rates and investment returns.
Assumed pension increase (CPI)	% pa	2.7%
Method of derivation of discount rate, plus any changes since previous valuation		There is a 77% likelihood that the Fund's assets will return at least 3.8% over the 20 years following the 2022 valuation date. This is the same methodology used for the 2019 valuation.

Section 13 dashboard

Metric	Unit	2022 valuation
Assumed life expectancy at age 65		
Life expectancy for current pensioners – men age 65	years	21.3
Life expectancy for current pensioners – women age 65	years	24.3
Life expectancy for future pensioners – men age 45	Years	22.2
Life expectancy for future pensioners – women age 45	years	25.8
Past service funding position – SAB basis (for comparison purposes only)		
Market value of assets	£m	6,132
Value of liabilities	£m	5,145
Funding level on SAB basis (assets/liabilities)	%	119%
Funding level on SAB basis (change since last valuation)	%	3% increase

Section 13 dashboard

Metric6.43	Unit	2022 valuation	2019 valuation
Contribution rates payable			
Primary contribution rate	% of pay	21.1%	18.5%
Secondary contribution rate (cash amounts in each year in line with CIPFA guidance)			
1 st year of rates and adjustments certificate	£m	1.578	20.805
2 nd year of rates and adjustments certificate	£m	2.774	17.675
3 rd year of rates and adjustments certificate	£m	4.055	17.834
Giving total expected contributions			
1 st year of rates and adjustments certificate (£ figure based on assumed payroll)	£m	160.893	140.371
2 nd year of rates and adjustments certificate (£ figure based on assumed payroll)	£m	168.043	140.873
3 rd year of rates and adjustments certificate (£ figure based on assumed payroll)	£m	175.501	144.774
Assumed payroll (cash amounts in each year)			
1 st year of rates and adjustments certificate	£m	754.330	645.936
2 nd year of rates and adjustments certificate	£m	782.520	665.557
3 rd year of rates and adjustments certificate	£m	811.764	685.774
3 year average total employer contribution rate	% of pay	21.5%	21.3%
Average employee contribution	% of pay	6.3%	6.3%
Employee contribution rate (£ figure based on assumed payroll of £754m)	£m pa	47.569	40.420

Section 13 dashboard

Metric	Unit	2022 valuation	2019 valuation
Deficit recovery and surplus spreading plan			
Latest deficit recovery period end date, where this methodology is used by the fund's actuarial advisor	Year	Methodology not used	Methodology not used
Earliest surplus spreading period end date, where this methodology is used by the fund's actuarial advisor	Year	Methodology not used	Methodology not used
The time horizon end date, where this methodology is used by the fund's actuarial advisor	Year	2040	2038
The funding plan's likelihood of success, where this methodology is used by the fund's actuarial advisor	%	78%	80%
Percentage of liabilities relating to employers with deficit recovery periods of longer than 20 years	%	0%	0%
Additional information			
Percentage of total liabilities that are in respect of Tier 3 employers	%	11%	
Included climate change analysis/comments in the 2022 valuation report		Yes	
Value of McCloud liability in the 2022 valuation report (on local funding basis)	£m	26.8	

Appendix 8: Employee and Employer Contributions

CONTRIBUTIONS 2022-23		Employee Contributions							Employer Contributions			
EMPLOYER	EMPLOYER NAME	Basic Ees 172310	50 50 172310	Arrears 172311	Ees APC (Main) 172312	Ees APC (50/50) 172312	Add'n 172312	TOTAL EMPLOYEES	Deficit Payment 172314	Employer APC Con'ts 172315	Employer Con'ts 172315	TOTAL EMPLOYERS
00001	Derbyshire County Council	17,077,836.69	56,848.64	1,222.36	20,024.62	0.00	26,506.77	17,182,439.08	0.00	5,170.49	56,494,000.00	56,499,170.49
00040	Peak District National Park	353,848.50	1,092.99	0.00	29.65	0.00	1,382.07	356,353.21	224,000.04	0.00	845,329.62	1,069,329.66
00120	Futures Housing (Amber Valley Housing Ltd)	194,291.70	12,293.18	0.00	0.00	0.00	0.00	206,584.88	95,000.04	0.00	941,871.76	1,036,871.80
00123	Derby Homes Ltd	1,070,365.99	3,556.12	0.00	0.00	0.00	5,400.00	1,079,322.11	2,484,000.00	0.00	0.00	2,484,000.00
00124	EMH Homes	85,300.50	0.00	0.00	0.00	0.00	0.00	85,300.50	0.00	0.00	272,437.95	272,437.95
00126	Rykneld Homes	418,923.93	2,274.46	0.00	78.84	0.00	0.00	421,277.23	0.00	157.80	1,126,546.90	1,126,704.70
00128	Platform Housing Limited (Waterloo Housing Group)	27,934.24	0.00	0.00	0.00	0.00	0.00	27,934.24	0.00	0.00	48,675.08	48,675.08
00130	Amber Valley B C	371,754.94	4,965.26	0.00	248.24	0.00	0.00	376,968.44	1,056,999.96	496.45	890,783.63	1,948,280.04
00131	The District of Bolsover	804,734.44	1,889.72	0.00	128.87	0.00	0.00	806,753.03	962,000.04	257.82	1,870,943.22	2,833,201.08
00132	Chesterfield B C	1,722,046.18	2,361.60	0.00	3,296.04	0.00	0.00	1,727,703.82	1,991,000.04	0.00	4,038,507.29	6,029,507.33
00133	Derby City Council	7,253,994.86	36,914.15	0.00	19,544.70	0.00	0.00	7,310,453.71	0.00	0.00	23,710,875.28	23,710,875.28
00134	Erewash B C	455,924.78	13,953.35	0.00	47.57	0.00	0.00	469,925.70	999,000.00	95.18	1,038,356.29	2,037,451.47
00135	High Peak BC	332,483.31	1,356.60	0.00	0.00	0.00	1,893.51	335,733.42	1,680,250.00	0.00	687,117.35	2,367,367.35
00136	North East Derbyshire DC	732,721.90	1,996.92	0.00	965.88	0.00	0.00	735,684.70	1,527,000.00	731.80	1,699,324.63	3,227,056.43
00137	South Derbyshire DC	627,313.53	13,421.53	0.00	3,032.00	0.00	0.00	643,767.06	678,000.00	0.00	1,462,564.22	2,140,564.22
00138	Derbyshire Dales D C	372,978.56	71.38	0.00	3,150.00	0.00	0.00	376,199.94	561,000.00	0.00	826,111.62	1,387,111.62
00139	Chesterfield Crematorium	18,301.08	0.00	0.00	0.00	0.00	0.00	18,301.08	29,000.04	0.00	53,764.17	82,764.21
00144	Shirebrook Town Council	13,790.27	0.00	0.00	0.00	0.00	0.00	13,790.27	0.00	0.00	37,179.10	37,179.10
00145	New Mills Town Council	10,967.02	0.00	0.00	0.00	0.00	0.00	10,967.02	0.00	0.00	32,962.42	32,962.42
00147	Clay Cross Parish Council	1,596.71	0.00	0.00	0.00	0.00	0.00	1,596.71	0.00	0.00	5,062.75	5,062.75
00148	Eckington Parish Council	6,899.40	0.00	0.00	0.00	0.00	0.00	6,899.40	0.00	0.00	20,356.29	20,356.29
00150	Pinxton Parish Council	5,144.71	0.00	0.00	0.00	0.00	0.00	5,144.71	0.00	0.00	16,361.94	16,361.94
00151	Wirksworth Town Council	5,750.07	0.00	0.00	0.00	0.00	0.00	5,750.07	0.00	0.00	18,052.43	18,052.43
00152	Old Bolsover Town Council	12,920.08	0.00	0.00	0.00	0.00	0.00	12,920.08	0.00	0.00	37,817.24	37,817.24
00157	Belper Town Council	11,804.36	0.00	0.00	0.00	0.00	0.00	11,804.36	0.00	0.00	35,621.85	35,621.85
00160	Killamarsh Parish Council	4,718.09	0.00	0.00	0.00	0.00	0.00	4,718.09	0.00	0.00	13,547.42	13,547.42
00161	Burnaston Parish Council	299.90	0.00	0.00	0.00	0.00	0.00	299.90	0.00	0.00	1,024.94	1,024.94
00165	North Wingfield PC	2,585.99	0.00	0.00	0.00	0.00	0.00	2,585.99	0.00	0.00	8,488.79	8,488.79
00171	Ashbourne Town Council	4,025.73	0.00	0.00	0.00	0.00	0.00	4,025.73	0.00	0.00	12,104.87	12,104.87
00172	Dronfield Town Council	11,671.45	0.00	0.00	0.00	0.00	0.00	11,671.45	0.00	0.00	34,512.44	34,512.44
00173	Whitwell Parish Council	7,663.98	0.00	0.00	0.00	0.00	0.00	7,663.98	0.00	0.00	23,053.77	23,053.77
00175	Staveley Town Council	14,814.85	0.00	0.00	0.00	0.00	0.00	14,814.85	0.00	0.00	41,905.66	41,905.66
00178	Matlock Town Council	10,123.38	0.00	0.00	0.00	0.00	0.00	10,123.38	0.00	0.00	31,236.27	31,236.27
00179	Whaley Bridge Town Council	2,063.06	0.00	0.00	0.00	0.00	0.00	2,063.06	0.00	0.00	6,623.70	6,623.70
00186	Alfreton Town Council	3,214.40	0.00	0.00	0.00	0.00	0.00	3,214.40	0.00	0.00	10,433.13	10,433.13
00187	Wingerworth Parish Council	2,571.61	0.00	0.00	0.00	0.00	0.00	2,571.61	0.00	0.00	7,874.05	7,874.05
00188	Heanor + Loscoe TC	2,743.99	0.00	0.00	0.00	0.00	0.00	2,743.99	0.00	0.00	8,323.53	8,323.53
00234	Tibshelf Parish Council	5,425.76	0.00	0.00	0.00	0.00	0.00	5,425.76	0.00	0.00	17,006.66	17,006.66
00235	Kilburn Parish Council	354.44	0.00	0.00	0.00	0.00	0.00	354.44	0.00	0.00	1,148.88	1,148.88
00236	Codnor Parish Council	923.50	0.00	0.00	0.00	0.00	0.00	923.50	0.00	0.00	2,993.30	2,993.30
00239	Stenson Fields Parish Council	752.09	0.00	0.00	0.00	0.00	0.00	752.09	0.00	0.00	2,570.61	2,570.61
00240	Heath & Holmewood Parish Council	3,513.94	0.00	0.00	0.00	0.00	0.00	3,513.94	0.00	0.00	10,800.72	10,800.72
00241	Bretby Parish Council	131.33	0.00	0.00	0.00	0.00	0.00	131.33	0.00	0.00	448.74	448.74
00242	Breaston Parish Council	2,719.14	0.00	0.00	0.00	0.00	0.00	2,719.14	0.00	0.00	8,162.30	8,162.30
00243	Woodville Parish Council	1,591.61	0.00	0.00	0.00	0.00	0.00	1,591.61	0.00	0.00	5,440.44	5,440.44
00245	Hatton Parish Council	1,138.88	0.00	0.00	0.00	0.00	0.00	1,138.88	0.00	0.00	3,892.78	3,892.78
00248	Clowne Parish Council	3,372.08	0.00	0.00	0.00	0.00	0.00	3,372.08	0.00	0.00	9,322.83	9,322.83
00249	South Normanton Parish Council	7,010.31	0.00	0.00	0.00	0.00	0.00	7,010.31	0.00	0.00	20,333.96	20,333.96
00250	Draycott Parish Council	1,608.27	0.00	0.00	0.00	0.00	0.00	1,608.27	0.00	0.00	4,730.43	4,730.43
00251	Blackwell Parish Council	3,146.57	0.00	0.00	0.00	0.00	0.00	3,146.57	0.00	0.00	10,646.74	10,646.74
00252	Repton Parish Council	709.19	0.00	0.00	0.00	0.00	0.00	709.19	0.00	0.00	2,424.23	2,424.23
00253	Somercotes Parish Council	5,676.45	0.00	0.00	0.00	0.00	0.00	5,676.45	0.00	0.00	17,788.57	17,788.57
00254	Chapel-en-le-Frith Parish Council	6,640.49	0.00	0.00	0.00	0.00	0.00	6,640.49	0.00	0.00	20,783.49	20,783.49
00255	Ripley Town Council	2,976.86	865.70	0.00	0.00	0.00	0.00	3,842.56	0.00	0.00	13,528.98	13,528.98
00401	Derbyshire Police Authority	3,286,309.15	19,715.66	0.00	4,063.18	0.00	0.00	3,310,087.99	1,342,916.63	177.98	6,447,856.83	7,790,951.44
00403	Derbys Fire & Rescue Service	478,383.87	2,497.48	0.00	0.00	0.00	0.00	480,881.35	170,000.04	0.00	1,016,419.23	1,186,419.27
00169	University of Derby	2,275,066.72	13,723.75	0.00	6,432.51	0.00	420.14	2,295,643.12	0.00	2,944.37	6,355,783.69	6,358,728.06
00192	Chesterfield College	430,059.00	0.00	0.00	1,500.00	0.00	0.00	431,559.00	176,000.04	0.00	1,152,191.22	1,328,191.26

00198	Derby College	564,423.89	19,566.57	0.00	0.00	0.00	0.00	583,990.46	371,000.04	0.00	1,732,766.67	2,103,766.71
00199	Derby Manufacturing University Technical College	9,809.95	796.64	0.00	0.00	0.00	0.00	10,606.59	0.00	0.00	33,547.80	33,547.80
00336	Ecclesbourne Academy	65,567.13	0.00	0.00	0.00	0.00	0.00	65,567.13	0.00	0.00	270,869.71	270,869.71
00337	Kirk Hallam Academy	64,471.96	0.00	0.00	0.00	0.00	0.00	64,471.96	0.00	0.00	219,355.21	219,355.21
00338	John Port Academy	101,551.46	2,114.16	0.00	1,541.12	0.00	0.00	105,206.74	0.00	4,043.24	410,882.39	414,925.63
00340	Brookfield Academy	57,478.42	0.00	0.00	0.00	0.00	0.00	57,478.42	0.00	0.00	221,588.29	221,588.29
00341	Long Eaton Academy	52,398.82	0.00	0.00	0.00	0.00	0.00	52,398.82	0.00	0.00	194,460.59	194,460.59
00342	West Park School (Academy)	87,326.21	0.00	0.00	0.00	0.00	0.00	87,326.21	0.00	0.00	343,486.33	343,486.33
00345	Hope Valley College (Academy)	47,194.09	0.00	0.00	0.00	0.00	0.00	47,194.09	0.00	0.00	209,840.94	209,840.94
00347	Pennine Way Junior School (Academy)	27,577.91	0.00	0.00	0.00	0.00	0.00	27,577.91	0.00	0.00	110,753.89	110,753.89
00348	Hearon Gate Science College (Academy)	82,498.79	0.00	0.00	0.00	0.00	0.00	82,498.79	0.00	0.00	329,262.53	329,262.53
00349	Lees Brook Community School (Academy)	81,152.85	0.00	0.00	0.00	0.00	0.00	81,152.85	0.00	0.00	303,673.45	303,673.45
00351	Redhill Primary School (Academy)	13,536.91	0.00	0.00	0.00	0.00	0.00	13,536.91	0.00	0.00	56,430.61	56,430.61
00352	St John Houghton School (Academy)	112,209.60	0.00	0.00	2,085.17	0.00	0.00	114,294.77	0.00	0.00	397,879.00	397,879.00
00353	Woodlands School (Academy)	76,398.32	0.00	0.00	0.00	0.00	0.00	76,398.32	25,781.00	0.00	281,735.06	307,516.06
00354	Grampian Primary School (Academy)	18,723.65	0.00	0.00	0.00	0.00	0.00	18,723.65	0.00	0.00	73,986.89	73,986.89
00360	St Benedict Voluntary Catholic Academy	100,099.31	0.00	0.00	0.00	0.00	0.00	100,099.31	0.00	0.00	426,184.86	426,184.86
00361	St Mary's Catholic Academy	63,632.65	248.64	0.00	0.00	0.00	0.00	63,881.29	0.00	0.00	266,857.40	266,857.40
00362	St John Fisher Catholic Academy	11,143.92	0.00	0.00	0.00	0.00	0.00	11,143.92	0.00	0.00	47,444.44	47,444.44
00363	St George's Voluntary Academy	26,124.05	0.00	0.00	0.00	0.00	0.00	26,124.05	0.00	0.00	102,185.48	102,185.48
00364	Wyndham Primary Academy	32,433.32	0.00	0.00	0.00	0.00	0.00	32,433.32	650.04	0.00	111,629.03	112,279.07
00365	The Bolsover School Academy	43,902.13	0.00	0.00	0.00	0.00	0.00	43,902.13	0.00	0.00	174,393.83	174,393.83
00366	Landau Forte Moorhead Academy	22,362.78	0.00	0.00	0.00	0.00	0.00	22,362.78	0.00	0.00	85,755.12	85,755.12
00367	Derby Pride Academy	12,198.76	2,483.74	0.00	0.00	0.00	0.00	14,682.50	0.00	0.00	49,991.54	49,991.54
00368	Merrill Academy	64,731.54	0.00	0.00	0.00	0.00	0.00	64,731.54	0.00	0.00	267,041.19	267,041.19
00370	Ormiston Ilkeston Enterprise Academy	71,076.42	0.00	0.00	0.00	0.00	0.00	71,076.42	0.00	0.00	311,474.81	311,474.81
00371	English Martyrs Catholic Academy	19,675.00	0.00	0.00	0.00	0.00	0.00	19,675.00	0.00	0.00	72,362.92	72,362.92
00372	Newbold CofE Primary School	20,842.17	0.00	0.00	0.00	0.00	0.00	20,842.17	0.00	0.00	75,590.05	75,590.05
00373	Bishop Lonsdale CofE Primary School & Nursery	19,338.23	0.00	0.00	0.00	0.00	0.00	19,338.23	0.00	0.00	76,118.10	76,118.10
00374	Zaytouna Primary School	25,535.36	0.00	0.00	270.00	0.00	0.00	25,805.36	0.00	0.00	84,767.10	84,767.10
00376	St Joseph's Catholic Primary School Voluntary Academy	13,022.98	0.00	0.00	0.00	0.00	0.00	13,022.98	0.00	0.00	46,928.08	46,928.08
00377	Dovedale Primary School (Willows Academy Trust)	27,586.18	0.00	0.00	0.00	0.00	0.00	27,586.18	0.00	0.00	100,985.98	100,985.98
00378	Sawley Infant School (Willows Academy Trust)	26,315.43	0.00	0.00	0.00	0.00	0.00	26,315.43	0.00	0.00	106,676.94	106,676.94
00379	Sawley Junior School (Willows Academy Trust)	18,883.19	0.00	0.00	0.00	0.00	0.00	18,883.19	0.00	0.00	70,883.81	70,883.81
00380	Shardlow Primary School (Willows Academy Trust)	6,733.14	0.00	0.00	0.00	0.00	0.00	6,733.14	0.00	0.00	24,300.73	24,300.73
00381	Immaculate Conception Academy Trust	10,562.08	0.00	0.00	0.00	0.00	0.00	10,562.08	0.00	0.00	32,946.50	32,946.50
00382	Allenton Primary	24,463.75	139.14	0.00	0.00	0.00	0.00	24,602.89	0.00	0.00	107,232.70	107,232.70
00383	Outwood Academy Newbold (Newbold Community School)	59,973.27	0.00	0.00	0.00	0.00	0.00	59,973.27	0.00	0.00	234,549.39	234,549.39
00384	Turnditch Primary	4,565.91	0.00	0.00	0.00	0.00	0.00	4,565.91	0.00	0.00	19,033.67	19,033.67
00385	William Gilbert Primary	20,345.90	0.00	0.00	0.00	0.00	0.00	20,345.90	0.00	0.00	85,655.48	85,655.48
00386	St Laurence Primary School	11,698.17	0.00	0.00	0.00	0.00	0.00	11,698.17	0.00	0.00	44,012.12	44,012.12
00387	Akaal Academy Trust Derby Limited	11,092.60	0.00	0.00	0.00	0.00	0.00	11,092.60	0.00	0.00	32,140.18	32,140.18
00388	Inkersall Primary Academy	25,186.88	774.60	0.00	0.00	0.00	0.00	25,961.48	0.00	0.00	106,662.65	106,662.65
00389	St Philip Howard Catholic Voluntary Academy	31,727.22	1,033.22	0.00	0.00	0.00	0.00	32,760.44	0.00	0.00	115,300.81	115,300.81
00390	St Giles CofE Aided Primary School	7,745.37	0.00	0.00	0.00	0.00	0.00	7,745.37	0.00	0.00	31,220.01	31,220.01
00391	Walter Evans Primary School	32,030.70	0.00	0.00	0.00	0.00	0.00	32,030.70	0.00	0.00	112,598.70	112,598.70
00392	Swanwick Hall School	52,493.80	611.14	0.00	0.00	0.00	0.00	53,104.94	0.00	0.00	202,818.39	202,818.39
00395	David Neiper Academy	64,010.94	0.00	0.00	0.00	0.00	0.00	64,010.94	0.00	0.00	219,874.25	219,874.25
00396	Christ Church CofE Primary School	13,806.45	0.00	0.00	0.00	0.00	0.00	13,806.45	0.00	0.00	51,952.54	51,952.54
00397	Whitecotes School	11,387.99	0.00	0.00	0.00	0.00	0.00	11,387.99	0.00	0.00	40,841.49	40,841.49
00398	Poolsbrook School	8,694.93	101.58	0.00	0.00	0.00	0.00	8,796.51	0.00	0.00	33,143.01	33,143.01
00422	Landau Forte College	127,343.16	242.04	0.00	720.00	0.00	0.00	128,305.20	0.00	0.00	314,510.99	314,510.99
00439	Shirebrook Academy	69,474.32	0.00	0.00	0.00	0.00	0.00	69,474.32	0.00	0.00	271,853.50	271,853.50
00601	Holbrook Primary School	9,655.62	0.00	0.00	0.00	0.00	0.00	9,655.62	0.00	0.00	38,672.03	38,672.03
00602	St Edward's Catholic Academy	14,407.95	0.00	0.00	0.00	0.00	0.00	14,407.95	0.00	0.00	50,735.19	50,735.19
00603	St Joseph's Catholic Primary School - Matlock	13,839.07	0.00	0.00	0.00	0.00	0.00	13,839.07	0.00	0.00	56,545.39	56,545.39
00604	Mary Swanwick Primary	18,920.18	0.00	0.00	0.00	0.00	0.00	18,920.18	0.00	0.00	67,806.65	67,806.65
00605	Brimington Infant School	6,358.45	0.00	0.00	0.00	0.00	0.00	6,358.45	0.00	0.00	24,452.47	24,452.47
00606	Brimington Junior School	19,085.84	0.00	0.00	0.00	0.00	0.00	19,085.84	0.00	0.00	71,419.68	71,419.68
00607	Noel Baker Academy	74,889.51	0.00	0.00	0.00	0.00	0.00	74,889.51	0.00	0.00	290,324.45	290,324.45
00608	All Saints Infant, Matlock	7,445.86	0.00	0.00	0.00	0.00	0.00	7,445.86	0.00	0.00	23,639.92	23,639.92
00609	St Giles Primary (Killamarsh)	22,744.89	0.00	0.00	0.00	0.00	0.00	22,744.89	0.00	0.00	69,241.65	69,241.65
00610	QUEGS MAT	230,264.17	508.40	0.00	0.00	0.00	0.00	230,772.57	0.00	0.00	912,800.20	912,800.20
00611	Cavendish MAT	113,091.87	510.51	0.00	0.00	0.00	0.00	113,602.38	0.00	0.00	403,866.17	403,866.17
00612	All Saints Junior, Matlock	15,309.57	0.00	0.00	0.00	0.00	0.00	15,309.57	0.00	0.00	50,757.58	50,757.58
00613	Heritage High School	60,671.64	0.00	0.00	0.00	0.00	0.00	60,671.64	0.00	523.92	172,849.40	173,373.32
00614	New Whittington Primary	22,801.09	0.00	0.00	800.00	0.00	0.00	23,601.09	0.00	0.00	64,069.19	64,069.19
00615	Eckington Junior	19,712.85	0.00	0.00	0.00	0.00	0.00	19,712.85	0.00	0.00	55,652.93	55,652.93
00616	Darley Churchtown Primary	5,836.69	0.00	0.00	0.00	0.00	0.00	5,836.69	0.00	0.00	19,184.43	19,184.43
00617	Temple Normanton Primary	5,569.83	0.00	0.00	0.00	0.00	0.00	5,569.83	0.00	0.00	23,857.28	23,857.28

00618	Da Vinci Academy	59,518.85	1,376.24	0.00	0.00	0.00	0.00	60,895.09	0.00	0.00	254,613.40	254,613.40
00619	The Pingle Academy	82,753.40	0.00	0.00	0.00	0.00	0.00	82,753.40	0.00	0.00	265,284.41	265,284.41
00621	Derwent Primary	19,138.06	0.00	0.00	0.00	0.00	0.00	19,138.06	0.00	0.00	85,799.49	85,799.49
00622	Breadsall Hill Top Primary	33,947.66	0.00	0.00	0.00	0.00	0.00	33,947.66	0.00	0.00	116,913.05	116,913.05
00623	Peartree Junior	25,072.53	0.00	0.00	0.00	0.00	0.00	25,072.53	0.00	0.00	92,635.64	92,635.64
00624	Granville Sports College	46,475.70	0.00	0.00	0.00	0.00	0.00	46,475.70	0.00	0.00	118,748.36	118,748.36
00625	St Georges Primary (New Mills)	10,146.34	0.00	0.00	0.00	0.00	0.00	10,146.34	0.00	0.00	34,715.04	34,715.04
00626	Scargill Primary	19,669.69	0.00	0.00	0.00	0.00	0.00	19,669.69	0.00	0.00	69,569.36	69,569.36
00627	Cavendish Close Junior School	20,402.71	657.02	0.00	0.00	0.00	0.00	21,059.73	0.00	0.00	72,248.77	72,248.77
00628	Cloudside Junior	12,272.80	0.00	0.00	0.00	0.00	0.00	12,272.80	0.00	0.00	35,990.28	35,990.28
00629	Somercotes Infant School	9,541.09	0.00	0.00	458.52	0.00	0.00	9,999.61	0.00	0.00	27,383.08	27,383.08
00630	Somerlea Park Junior	12,673.44	0.00	0.00	0.00	0.00	0.00	12,673.44	0.00	0.00	44,093.54	44,093.54
00631	Bolsover CofE Junior	18,278.01	0.00	0.00	0.00	0.00	0.00	18,278.01	0.00	0.00	56,665.66	56,665.66
00632	Frederick Gent	57,838.24	0.00	0.00	0.00	0.00	0.00	57,838.24	48.00	0.00	178,420.12	178,468.12
00633	Firs Estate Primary School	38,397.00	0.00	0.00	0.00	0.00	0.00	38,397.00	0.00	0.00	120,884.83	120,884.83
00634	Hardwick Primary	46,451.09	0.00	0.00	0.00	0.00	0.00	46,451.09	0.00	0.00	150,438.64	150,438.64
00635	Derby Moor Community Sports College	85,660.01	0.00	0.00	0.00	0.00	0.00	85,660.01	0.00	0.00	254,696.14	254,696.14
00636	John King Infant	7,586.93	0.00	0.00	0.00	0.00	0.00	7,586.93	0.00	0.00	22,990.73	22,990.73
00637	Longwood Community Infant	3,214.95	0.00	0.00	0.00	0.00	0.00	3,214.95	0.00	0.00	9,985.18	9,985.18
00639	Kirkstead Junior Academy	12,422.45	0.00	0.00	0.00	0.00	0.00	12,422.45	0.00	0.00	37,470.76	37,470.76
00641	Ironville & Codnor Park Primary	12,194.51	0.00	0.00	0.00	0.00	0.00	12,194.51	0.00	0.00	37,299.36	37,299.36
00644	Chaddesden Park Primary	23,687.79	0.00	0.00	0.00	0.00	0.00	23,687.79	0.00	0.00	93,200.59	93,200.59
00645	Eckington School	55,941.35	0.00	0.00	0.00	0.00	0.00	55,941.35	0.00	0.00	180,348.21	180,348.21
00646	Village Primary School	55,496.01	0.00	0.00	0.00	0.00	0.00	55,496.01	0.00	0.00	195,219.13	195,219.13
00648	Ash Croft Primary Academy	9,286.36	0.00	0.00	0.00	0.00	0.00	9,286.36	0.00	0.00	32,015.41	32,015.41
00649	Langwith Bassett Junior Academy	7,961.00	0.00	0.00	0.00	0.00	0.00	7,961.00	0.00	0.00	22,277.98	22,277.98
00650	Friesland School (Academy)	66,897.54	460.80	0.00	0.00	0.00	0.00	67,358.34	0.00	23.88	191,381.53	191,405.41
00651	Esteem Multi Academy Trust (M.A.T)	389,088.75	2,401.15	0.00	0.00	212.08	0.00	391,701.98	0.00	0.00	1,122,018.11	1,122,018.11
00657	All Saints Catholic Voluntary Academy (Glossop)	6,763.21	0.00	0.00	0.00	0.00	0.00	6,763.21	0.00	0.00	19,212.26	19,212.26
00658	Christ the King Catholic Voluntary Academy (Alfreton)	10,932.78	0.00	0.00	0.00	0.00	0.00	10,932.78	0.00	0.00	33,127.97	33,127.97
00659	St Alban's Catholic Voluntary Academy (Derby)	27,141.28	0.00	0.00	0.00	0.00	0.00	27,141.28	0.00	0.00	95,513.63	95,513.63
00660	St Anne's Catholic Voluntary Academy (Buxton)	16,633.15	0.00	0.00	0.00	0.00	0.00	16,633.15	0.00	0.00	57,144.12	57,144.12
00661	St Charles' Catholic Primary Voluntary Academy (Hadfield)	12,531.13	0.00	0.00	0.00	0.00	0.00	12,531.13	0.00	0.00	39,093.05	39,093.05
00662	St Elizabeth's Catholic Voluntary Academy (Belper)	10,693.80	0.00	0.00	0.00	0.00	0.00	10,693.80	0.00	0.00	32,042.32	32,042.32
00663	St Joseph's Catholic Voluntary Academy (Derby)	26,862.11	0.00	0.00	0.00	0.00	0.00	26,862.11	0.00	0.00	94,415.54	94,415.54
00664	St Margaret's Catholic Voluntary Academy (Glossop)	3,312.82	0.00	0.00	0.00	0.00	0.00	3,312.82	0.00	0.00	9,583.36	9,583.36
00665	St Mary's Catholic Voluntary Academy (Derby)	18,833.19	0.00	0.00	0.00	0.00	0.00	18,833.19	0.00	0.00	65,261.77	65,261.77
00667	St Mary's Catholic Voluntary Academy (New Mills)	8,962.36	0.00	0.00	0.00	0.00	0.00	8,962.36	0.00	0.00	24,691.94	24,691.94
00668	St Thomas Catholic Voluntary Academy (Ilkeston)	18,443.00	0.00	0.00	0.00	0.00	0.00	18,443.00	0.00	0.00	56,147.93	56,147.93
00669	St Thomas More Catholic Voluntary Academy (Buxton)	30,894.11	0.00	0.00	0.00	0.00	0.00	30,894.11	0.00	0.00	92,706.15	92,706.15
00670	Derby Cathedral School	46,788.14	0.00	0.00	0.00	0.00	0.00	46,788.14	0.00	0.00	151,020.12	151,020.12
00671	St Mary's Catholic Voluntary Academy (Glossop)	9,198.50	0.00	0.00	0.00	0.00	0.00	9,198.50	0.00	0.00	30,863.88	30,863.88
00672	Alvaston Junior Academy	63,895.15	0.00	0.00	0.00	0.00	0.00	63,895.15	0.00	0.00	235,784.14	235,784.14
00673	Reigate Park Primary Academy	24,366.74	0.00	0.00	0.00	0.00	0.00	24,366.74	0.00	0.00	76,726.22	76,726.22
00674	Cotton Farm Primary Academy	7,091.56	0.00	0.00	0.00	0.00	0.00	7,091.56	0.00	0.00	28,573.75	28,573.75
00675	Hilton Primary School	38,036.35	511.02	0.00	0.00	0.00	0.00	38,547.37	0.00	0.00	120,114.79	120,114.79
00676	Loscoe CofE Primary School and Nursery	14,770.94	0.00	0.00	0.00	0.00	0.00	14,770.94	0.00	0.00	42,665.86	42,665.86
00677	Ashwood Spencer Academy	45,711.91	0.00	0.00	0.00	0.00	0.00	45,711.91	0.00	0.00	162,703.00	162,703.00
00678	Wilsthorpe School	50,582.41	1,123.80	0.00	0.00	0.00	0.00	51,706.21	0.00	1,159.80	169,482.29	170,642.09
00682	Lakeside Community Primary School	39,955.62	0.00	0.00	0.00	0.00	0.00	39,955.62	0.00	0.00	131,181.20	131,181.20
00684	Walton on Trent CofE Primary and Infant School	11,697.31	0.00	0.00	0.00	0.00	0.00	11,697.31	0.00	0.00	38,401.08	38,401.08
00685	Griffe Field Primary School	28,773.06	0.00	0.00	0.00	0.00	0.00	28,773.06	0.00	0.00	112,198.64	112,198.64
00686	Horsley Woodhouse Primary School	9,156.13	0.00	0.00	0.00	0.00	0.00	9,156.13	0.00	0.00	31,961.93	31,961.93
00687	Kilburn Junior School	14,752.64	0.00	0.00	0.00	0.00	0.00	14,752.64	0.00	0.00	43,649.91	43,649.91
00688	Aldercar Infant School	21,012.01	0.00	0.00	0.00	0.00	0.00	21,012.01	0.00	0.00	66,352.16	66,352.16
00689	Heath Primary School	41,953.85	0.00	0.00	0.00	0.00	0.00	41,953.85	0.00	0.00	109,241.22	109,241.22
00690	Howitt Primary Community School	26,474.13	0.00	0.00	0.00	0.00	0.00	26,474.13	0.00	0.00	84,228.03	84,228.03
00691	Derby St Chads CofE (VC) Nursery and Infant School	9,273.09	0.00	0.00	0.00	0.00	0.00	9,273.09	0.00	0.00	33,439.69	33,439.69
00692	Djanogly Learning Trust	38,602.17	0.00	0.00	0.00	0.00	0.00	38,602.17	0.00	0.00	115,830.43	115,830.43
00693	Arboretum Primary School (Academy)	56,989.77	0.00	0.00	0.00	0.00	0.00	56,989.77	0.00	0.00	182,715.51	182,715.51
00697	Odyssey Trust	200,728.08	0.00	0.00	0.00	0.00	0.00	200,728.08	0.00	0.00	669,865.13	669,865.13
00704	Holme Hall Primary School	9,306.92	0.00	0.00	0.00	0.00	0.00	9,306.92	0.00	0.00	35,178.47	35,178.47
00705	Brookfield Primary School	14,371.08	0.00	0.00	0.00	0.00	0.00	14,371.08	0.00	0.00	52,804.21	52,804.21
00706	Richardson Endowed Primary School	11,680.41	0.00	0.00	0.00	0.00	0.00	11,680.41	0.00	0.00	42,501.98	42,501.98
00707	Woodthorpe CofE Primary School	8,785.53	0.00	0.00	0.00	0.00	0.00	8,785.53	0.00	0.00	33,158.14	33,158.14
00708	Ashgate Croft School	86,475.33	0.00	0.00	0.00	0.00	0.00	86,475.33	0.00	0.00	315,227.32	315,227.32
00709	Old Hall Junior School	13,941.17	0.00	0.00	0.00	0.00	0.00	13,941.17	0.00	0.00	49,451.40	49,451.40
00710	Walton Holymoorside Primary School	18,052.48	0.00	0.00	0.00	0.00	0.00	18,052.48	0.00	0.00	67,947.21	67,947.21
00711	Westfield Infant School	9,754.45	0.00	0.00	0.00	0.00	0.00	9,754.45	0.00	0.00	36,348.91	36,348.91
00713	Brooklands Primary School	26,650.98	0.00	0.00	0.00	0.00	0.00	26,650.98	0.00	0.00	96,362.08	96,362.08

00714	Tupton Primary and Nursery Academy	19,748.80	0.00	0.00	0.00	0.00	(37.03)	19,711.77	(141.40)	0.00	72,075.72	71,934.32
00716	Carlyle Infant and Nursery School	14,496.04	0.00	0.00	0.00	0.00	0.00	14,496.04	0.00	0.00	53,851.62	53,851.62
00717	Hodthorpe Primary School	3,707.51	0.00	0.00	0.00	0.00	0.00	3,707.51	0.00	0.00	13,704.28	13,704.28
00719	Longford CoE Primary School	2,012.22	0.00	0.00	0.00	0.00	0.00	2,012.22	0.00	0.00	7,718.13	7,718.13
00722	St Andrew's School	65,615.26	0.00	0.00	0.00	0.00	0.00	65,615.26	0.00	0.00	234,499.83	234,499.83
00723	Church Gresley Infant and Nursery School	21,189.67	0.00	0.00	0.00	0.00	0.00	21,189.67	0.00	0.00	77,498.77	77,498.77
00724	Ravensdale Junior School	22,555.88	436.00	0.00	0.00	0.00	0.00	22,991.88	0.00	0.00	85,104.47	85,104.47
00725	Chellaston Fields	11,698.86	0.00	0.00	0.00	0.00	0.00	11,698.86	0.00	0.00	43,258.47	43,258.47
00726	The Mease At Hilton	9,686.75	0.00	0.00	0.00	0.00	0.00	9,686.75	0.00	0.00	35,052.83	35,052.83
00727	Hackwood Primary Academy	10,231.31	0.00	0.00	0.00	0.00	0.00	10,231.31	0.00	0.00	38,452.44	38,452.44
00728	Ivy House School	52,490.36	0.00	0.00	0.00	0.00	913.59	53,403.95	0.00	0.00	186,092.36	186,092.36
00729	Tupton Hall School	61,464.84	0.00	0.00	0.00	0.00	0.00	61,464.84	0.00	0.00	218,525.55	218,525.55
00730	St Werburgh's CofE Primary School	19,342.07	0.00	0.00	0.00	0.00	0.00	19,342.07	0.00	0.00	69,739.56	69,739.56
00731	St Giles' School	63,193.47	17.59	0.00	3.87	0.00	0.00	63,214.93	0.00	0.00	228,460.36	228,460.36
00732	The Green Infant School	4,322.19	0.00	0.00	0.00	0.00	0.00	4,322.19	0.00	0.00	17,162.03	17,162.03
00733	Lawn Primary School	28,145.01	0.00	0.00	0.00	0.00	0.00	28,145.01	0.00	0.00	105,069.92	105,069.92
00734	St Peter's Church of England Aided Junior School	10,725.28	0.00	0.00	0.00	0.00	0.00	10,725.28	0.00	0.00	38,602.21	38,602.21
00735	Springwell Community College	53,849.80	0.00	0.00	0.00	0.00	0.00	53,849.80	0.00	381.09	188,130.78	188,511.87
00736	North Wingfield Primary and Nursery Academy	32,649.60	0.00	0.00	0.00	0.00	0.00	32,649.60	0.00	0.00	119,612.60	119,612.60
00737	Chaucer Junior School	24,286.32	192.21	0.00	0.00	0.00	0.00	24,478.53	0.00	0.00	96,027.02	96,027.02
00739	Chaucer Infant School	21,920.41	0.00	0.00	0.00	0.00	0.00	21,920.41	0.00	0.00	82,028.01	82,028.01
00740	St Martins School	70,970.50	0.00	0.00	0.00	0.00	0.00	70,970.50	0.00	0.00	257,608.85	257,608.85
00741	Whaley Thorns Primary School	12,980.46	0.00	0.00	0.00	0.00	0.00	12,980.46	0.00	0.00	50,431.81	50,431.81
00742	Stubbin Wood School	102,584.73	0.00	0.00	0.00	0.00	0.00	102,584.73	0.00	0.00	373,723.92	373,723.92
00743	Model Village Primary School	21,345.11	0.00	0.00	0.00	0.00	0.00	21,345.11	0.00	0.00	82,154.62	82,154.62
00744	Gamesley Primary School	33,164.56	0.00	0.00	0.00	0.00	0.00	33,164.56	0.00	0.00	101,456.08	101,456.08
00745	Ashbrook Junior School	9,218.66	0.00	0.00	0.00	0.00	0.00	9,218.66	0.00	0.00	36,247.69	36,247.69
00746	Bakewell CoE Infant School	2,698.47	0.00	0.00	0.00	0.00	0.00	2,698.47	0.00	0.00	10,794.74	10,794.74
00747	Bishop Purglove CofE Primary School	7,078.48	0.00	0.00	0.00	0.00	0.00	7,078.48	0.00	0.00	26,709.92	26,709.92
00748	Highfields Spencer Academy	15,789.60	0.00	0.00	0.00	0.00	0.00	15,789.60	0.00	0.00	61,580.43	61,580.43
00749	Hague Bar Primary School	5,967.83	0.00	0.00	0.00	0.00	0.00	5,967.83	0.00	0.00	23,444.05	23,444.05
00750	Glossopdale School	74,024.19	0.00	0.00	0.00	0.00	0.00	74,024.19	0.00	0.00	273,941.74	273,941.74
00751	Field House Infant School	14,593.50	0.00	0.00	0.00	0.00	0.00	14,593.50	0.00	0.00	55,887.07	55,887.07
00752	Ladywood Primary School	24,640.44	128.34	0.00	1,269.61	0.00	0.00	26,038.39	0.00	0.00	94,681.29	94,681.29
00753	Waingroves Primary School	10,289.34	0.00	0.00	0.00	0.00	0.00	10,289.34	0.00	0.00	39,820.78	39,820.78
00754	St James' CofE Aided Junior School	30,615.11	0.00	0.00	0.00	0.00	0.00	30,615.11	0.00	0.00	115,272.46	115,272.46
00755	Outwood Academy Hasland Hall	57,230.25	0.00	0.00	0.00	0.00	0.00	57,230.25	0.00	0.00	210,670.77	210,670.77
00756	Brackensdale Spencer Academy	55,485.77	0.00	0.00	0.00	0.00	0.00	55,485.77	0.00	0.00	211,808.79	211,808.79
00758	Hollingwood Primary School	23,166.30	0.00	0.00	0.00	0.00	0.00	23,166.30	0.00	0.00	89,753.71	89,753.71
00759	Castleward Spencer Academy	4,749.94	0.00	0.00	0.00	0.00	0.00	4,749.94	0.00	0.00	17,952.52	17,952.52
00760	Clover Leys Spencer Academy	3,264.34	0.00	0.00	0.00	0.00	0.00	3,264.34	0.00	0.00	12,482.15	12,482.15
00762	Riddings Junior School	15,393.56	0.00	0.00	0.00	0.00	0.00	15,393.56	0.00	0.00	59,912.20	59,912.20
00763	William Rhodes Primary and Nursery School	26,332.82	0.00	0.00	0.00	0.00	0.00	26,332.82	0.00	0.00	100,843.81	100,843.81
00764	St Georges CoE Primary (Church Gresley)	12,451.03	0.00	0.00	0.00	0.00	0.00	12,451.03	0.00	0.00	48,566.19	48,566.19
00765	Sale and Davys Church of England Primary School	4,489.72	0.00	0.00	0.00	0.00	0.00	4,489.72	0.00	0.00	17,960.61	17,960.61
00766	T.E.A.M. Education Trust (Trust only)	13,117.85	0.00	0.00	0.00	0.00	0.00	13,117.85	0.00	0.00	41,676.20	41,676.20
00767	William Allitt School	25,507.83	0.00	0.00	0.00	0.00	0.00	25,507.83	0.00	0.00	94,120.84	94,120.84
00768	Derby Diocesan Academy Trust	32,805.52	0.00	0.00	0.00	0.00	0.00	32,805.52	0.00	0.00	83,650.06	83,650.06
00769	Aldercar High School	33,383.72	0.00	0.00	0.00	0.00	0.00	33,383.72	0.00	0.00	124,963.25	124,963.25
00170	Crich Tramway Museum Society	3,440.30	0.00	0.00	0.00	0.00	0.00	3,440.30	0.00	0.00	17,091.88	17,091.88
00184	Chesterfield Care Group	5,492.27	0.00	0.00	0.00	0.00	0.00	5,492.27	0.00	0.00	3,008.75	3,008.75
00185	Belper Leisure Centre Ltd	9,377.76	0.00	0.00	0.00	0.00	0.00	9,377.76	999.96	0.00	50,848.27	51,848.23
00404	Derbys Student Residences Ltd	56,604.84	9.05	0.00	0.00	0.00	0.00	56,613.89	0.00	0.00	266,418.83	266,418.83
00414	Veloia (C'field Refuse)	5,668.90	0.00	0.00	0.00	0.00	0.00	5,668.90	0.00	0.00	7,845.70	7,845.70
00416	Vinci (ex Norwest Holst) PLC	1,660.23	0.00	0.00	0.00	0.00	0.00	1,660.23	0.00	0.00	2,426.47	2,426.47
00418	Interserve Integrated Services	1,430.86	0.00	0.00	0.00	0.00	0.00	1,430.86	0.00	0.00	5,411.28	5,411.28
00419	Interserve Catering Services	2,836.19	0.00	0.00	0.00	0.00	0.00	2,836.19	0.00	0.00	12,433.39	12,433.39
00420	DC Leisure Management Ltd (AV)	13,038.44	0.00	0.00	0.00	0.00	0.00	13,038.44	0.00	0.00	30,502.39	30,502.39
00424	Balfour Beatty	2,176.05	0.00	0.00	0.00	0.00	0.00	2,176.05	0.00	0.00	5,794.91	5,794.91
00425	Macintyre Care	4,481.48	0.00	0.00	0.00	0.00	0.00	4,481.48	0.00	0.00	0.00	0.00
00443	Mitie	4,579.13	0.00	0.00	0.00	0.00	0.00	4,579.13	0.00	0.00	24,554.75	24,554.75
00444	Compass (DCC)	974.02	0.00	0.00	0.00	0.00	0.00	974.02	0.00	0.00	3,276.45	3,276.45
00446	Active Nation	223.14	0.00	0.00	0.00	0.00	0.00	223.14	0.00	0.00	823.50	823.50
00451	Compass Ltd (City)	1,989.23	0.00	0.00	0.00	0.00	0.00	1,989.23	0.00	0.00	7,059.12	7,059.12
00453	Cleanslate (UK) Ltd (Pottery)	704.52	0.00	0.00	0.00	0.00	0.00	704.52	0.00	0.00	2,100.74	2,100.74
00457	Derby Museums and Arts Trust	21,869.04	0.00	0.00	0.00	0.00	0.00	21,869.04	0.00	0.00	78,654.10	78,654.10
00460	Balfour Beatty (Derby BSF)	2,824.18	0.00	0.00	0.00	0.00	0.00	2,824.18	0.00	0.00	11,460.09	11,460.09
00467	Derby County Community Trust	671.16	0.00	0.00	0.00	0.00	0.00	671.16	3,333.35	0.00	3,687.56	7,020.91
00468	Aspens Services Ltd	1,062.94	0.00	0.00	0.00	0.00	0.00	1,062.94	0.00	0.00	5,507.93	5,507.93
00471	NSL Ltd	2,490.77	0.00	0.00	0.00	0.00	0.00	2,490.77	0.00	0.00	7,778.83	7,778.83

00481	Mellors Catering	274.64	0.00	0.00	0.00	0.00	0.00	274.64	0.00	0.00	1,497.98	1,497.98
00482	Derbyshire Building Control	63,317.00	0.00	0.00	0.00	0.00	0.00	63,317.00	0.00	0.00	232,905.57	232,905.57
00483	Amber Valley School Sports Partnership	2,857.16	0.00	0.00	0.00	0.00	0.00	2,857.16	0.00	0.00	9,663.94	9,663.94
00485	Alliance Environmental Services Ltd	78,474.74	0.00	0.00	0.00	0.00	0.00	78,474.74	0.00	0.00	243,970.02	243,970.02
00491	Caterlink Ltd (St Mary's Chesterfield)	506.84	0.00	0.00	0.00	0.00	0.00	506.84	0.00	0.00	3,077.85	3,077.85
00493	Wealden Leisure Ltd (Freedom Leisure)	32,948.01	0.00	0.00	0.00	0.00	0.00	32,948.01	0.00	0.00	147,187.10	147,187.10
00495	Caterlink Ltd (St Mary's High School)	2,819.69	0.00	0.00	0.00	0.00	0.00	2,819.69	0.00	0.00	14,788.11	14,788.11
00497	Churchill Contract Services Ltd (St Marys Chesterfield)	893.56	0.00	0.00	0.00	0.00	0.00	893.56	0.00	0.00	6,498.61	6,498.61
00499	Legacy Leisure Ltd (Parkwood Leisure) Erewash	23,506.33	0.00	0.00	0.00	0.00	0.00	23,506.33	0.00	0.00	98,353.94	98,353.94
00500	Caterlink Ltd (De Ferrers Trust)	2,455.20	0.00	0.00	0.00	0.00	0.00	2,455.20	0.00	0.00	14,197.23	14,197.23
00502	Caterlink Ltd (Cavendish Learning Trust)	3,582.01	0.00	0.00	0.00	0.00	0.00	3,582.01	0.00	0.00	19,077.52	19,077.52
00503	Parkwood Leisure Ltd (Buxton Pavilion)	1,917.34	0.00	0.00	0.00	0.00	0.00	1,917.34	0.00	0.00	8,133.65	8,133.65
00504	Lex Leisure CIC (HP)	15,928.08	0.00	0.00	0.00	0.00	0.00	15,928.08	0.00	0.00	80,951.39	80,951.39
00505	Accuro FM Ltd	288.73	0.00	0.00	0.00	0.00	0.00	288.73	0.00	0.00	1,700.62	1,700.62
00506	Churchill (Hilton School)	1,288.97	0.00	0.00	0.00	0.00	0.00	1,288.97	0.00	0.00	7,687.03	7,687.03
00507	Aspens Services Ltd (Kirk Hallam)	3,477.32	0.00	0.00	0.00	0.00	0.00	3,477.32	0.00	0.00	21,449.57	21,449.57
00508	Mellors Catering (Two Counties)	12,416.86	0.00	0.00	0.00	0.00	0.00	12,416.86	0.00	0.00	80,823.06	80,823.06
00510	Churchill (Spencer Academy Trust)	5,801.08	0.00	0.00	0.00	0.00	0.00	5,801.08	0.00	0.00	33,118.84	33,118.84
00511	Caterlink (Parkwood & Redwood)	776.37	0.00	0.00	0.00	0.00	0.00	776.37	0.00	0.00	5,501.79	5,501.79
00512	Amber Valley Norse (AVBC)	15,259.66	0.00	0.00	0.00	0.00	0.00	15,259.66	0.00	0.00	87,249.48	87,249.48
00513	Churchill Services (Kirk Hallam)	2,232.75	0.00	0.00	0.00	0.00	0.00	2,232.75	0.00	0.00	14,533.11	14,533.11
00514	Mellors Catering (Shirebrook & Stubbin Wood)	340.00	0.00	0.00	0.00	0.00	0.00	340.00	0.00	0.00	4,500.00	4,500.00
00515	Vertas Derbyshire Ltd	251,347.97	902.04	0.00	0.00	0.00	0.00	252,250.01	0.00	0.00	944,517.95	944,517.95
00516	Concertus Derbyshire Ltd	47,738.32	0.00	0.00	4,950.00	0.00	0.00	52,688.32	0.00	0.00	150,728.47	150,728.47
00517	Mellors (Learners Trust)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00518	Accuro FM Ltd (De Ferrers Trust)	6,285.72	0.00	0.00	0.00	0.00	0.00	6,285.72	0.00	0.00	26,514.17	26,514.17
00519	Accuro FM (St Andrews Academy)	877.97	0.00	0.00	0.00	0.00	0.00	877.97	0.00	0.00	3,878.88	3,878.88
00520	Action for Children(Derby City)	6,666.65	0.00	0.00	0.00	0.00	0.00	6,666.65	0.00	0.00	23,720.81	23,720.81
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)	3,299.36	0.00	0.00	0.00	0.00	0.00	3,299.36	0.00	0.00	17,099.78	17,099.78
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
00524	Vinci PLC (Reigate Park Primary)	1,278.45	0.00	0.00	0.00	0.00	0.00	1,278.45	0.00	0.00	6,741.14	6,741.14
00525	Vinci PLC (Portway Junior School)	1,104.05	0.00	0.00	0.00	0.00	0.00	1,104.05	0.00	0.00	6,824.57	6,824.57
00526	Caterlink (Ivy House School)	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	3,570.98	0.00	0.00	0.00	0.00	0.00	3,570.98	0.00	0.00	13,482.61	13,482.61
00528	Aspens Services (St Joseph's Catholic Primary)	3,514.66	0.00	0.00	0.00	0.00	0.00	3,514.66	0.00	0.00	15,187.89	15,187.89
00529	Accuro FM Ltd (Friesland School)	5,020.45	0.00	0.00	0.00	0.00	0.00	5,020.45	0.00	0.00	21,724.78	21,724.78
00534	Enviroserve (Norbriggs Primary School)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00541	Chartwells (The Ecclesbourne School)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00542	Chartwells (True Learning Partnership)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00543	Alliance in Partnership (Ashgate Primary)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00544	Innovate Services (Murray Park)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00545	NIC Services Ltd (Hady Primary School)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00546	Sparkling Clean Solutions Ltd	0.01	0.01	0.01	0.01	0.01	0.01	0.06	0.01	0.01	0.01	0.03
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)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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
	TOTAL	46,383,977.64	227,144.14	1,222.37	74,640.40	212.09	36,479.06	46,723,675.70	14,377,789.87	16,211.83	139,229,319.45	153,623,321.15



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