

PUBLIC

MINUTES of a meeting of the **PENSIONS AND INVESTMENTS COMMITTEE** held on Wednesday, 23 October 2024 in the Council Chamber, County Hall, Matlock,.

PRESENT

Councillor D Wilson (in the Chair)

Councillors P Smith, C Ashby (Derby City Council), N Atkin, B Bingham, M Foster and L Care (Derby City Council).

Also in attendance was N Read (trade union representative).

Apologies for absence were submitted for Councillors G Musson and M Yates.

34/24 TO RECEIVE DECLARATIONS OF INTEREST (IF ANY)

There were no declarations of interest.

35/24 MINUTES

The minutes of the meeting held on 4 September 2024 were confirmed as a correct record.

36/24 DERBYSHIRE PENSION FUND 2023-24 ANNUAL REPORT

In accordance with Local Government Pension Scheme Regulations 2013, the Administering Authority must prepare and publish an Annual Report for the Fund on or before 1 December following the year end. It is the Fund's standard practice to present a copy of the Fund's Annual Report to Committee prior to this date seeking approval to publish it on the Fund's website.

This had not been possible for the last three years due to a stretched timetable for the completion of the external audit of both the County Council's and the Pension Fund's Statement of Accounts. This was the case again this year, the Fund's Statement of Accounts (2023-24) was nearing completion, but the Council's accounts remained ongoing and were unlikely to be completed by 1 December 2024.

RESOLVED that the Committee delegates to the Director of Finance, in conjunction with the Chairman of the Committee:

- a) Approval of the publication of the Pension Fund's Annual Report for 2023-24 on the Fund's website at the first available opportunity after receipt of the external auditor's opinion on the Fund's Statement of Accounts; and

- b) Approval of the publication of a draft version of the Pension Fund's 2023-24 Annual Report on the Fund's website by 1 December 2024, if appropriate.

37/24 DERBYSHIRE PENSION FUND RISK REGISTER

Changes from the Committee's last consideration of the Risk Register were highlighted in blue font in the Summary and Main Risk Registers, which were attached to the report as Appendix 2 and Appendix 3 respectively.

The Risk Register currently had the following five high risk items:

- 1 – Systems failure/lack of disaster recovery plan/Cybercrime attack (Risk No.13)
- 2 – Fund assets insufficient to meet liabilities (Risk No.20)
- 3 – LGPS Central Limited related underperformance of investment returns (Risk No.31)
- 4 – Insufficient cyber-liability insurance relating to the pensions administration system (Risk No.41)
- 5 – Impact of McCloud judgement on administration (Risk No.45)

The Head of Pension Fund provided the Committee with further details of each of these high risks.

There had been no new risks added to the Register since it was last presented to the Committee and no risks had been added. There had been one change to an existing risk score as set out below:

Pensions & Investments Committee/Pension Board members' lack of knowledge & understanding of their roles & responsibilities leading to inappropriate decisions (Risk No.4) – the probability score had been reduced from 3 (possible) to 2 (unlikely) following the embedding of robust induction and ongoing training plans, reducing the total risk score from 9 to 6.

RESOLVED that the Committee notes the risk items identified in the Risk Register.

38/24 PENSION ADMINISTRATION STRATEGY

The Derbyshire Pension Fund maintained a Pension Administration Strategy (PAS), in line with Regulation 59 of the Local Government Pension Scheme Regulations 2013, which was reviewed annually. Changes to the PAS were subject to consultation with participating employers and approval by the Committee.

Subject to approval, the main proposed changes to the current PAS will be:

- Remove the reference to pre i-Connect procedures in recognition that the onboarding of employers to i-Connect had now become part of business as usual practice; and
- To streamline steps taken when employers had been identified as underperforming in respect of their responsibilities as an LGPS employer in the Fund.

RESOLVED that the Committee:

- a) Approves the draft revised Derbyshire Pension Fund Pension Administration Strategy attached at Appendix 2 to the report, for consultation with the Fund’s participating employers; and
- b) Delegates the consideration of the results of the consultation, and the determination of whether any revisions to the proposed Pension Administration Strategy are necessary following the consultation, to the Director of Finance in conjunction with the Chairman of the Committee.

39/24 UK STEWARDSHIP CODE 2020

Derbyshire Pension Fund had become a signatory to the UK Stewardship Code in August 2023. Whilst the Code was voluntary, the Fund’s In-house Investment Management Team (IIMT) continued to believe that being a signatory to the Code represented best practice and was in line with the Fund’s approach to responsible investment as set out in the Fund’s Responsible Investment Framework.

A copy of the Fund’s proposed application for 2024 was attached at Appendix 3 to the report and the deadline for submission was 31 October 2024.

RESOLVED that the Committee approves the Fund’s proposed UK Stewardship Code 2020 application (attached at Appendix 3 to the report) for submission to the Financial Reporting Council (FRC) by 31 October 2024.

40/24 HALF-YEAR PENSION ADMINISTRATION PERFORMANCE REPORT

The Committee was informed of the pension administration activity undertaken by the pension administration team of Derbyshire Pension Fund and the performance levels achieved in the first half of 2024-25.

The report related to the first half of 2024-2025 covering the period from 1 April 2024 to 30 September 2024 and in Appendix 2 to the report, provided a summary of the Fund’s performance in key areas of pension administration activity during the last 6-month period, including overall

membership totals and numbers of participating employers which both reflected increases compared to the figures at the end of the second half of 2023-2024.

Appendix 2 also included an update on a number of matters affecting the Fund's administration of the LGPS and further details of these were provided for the Committee's information.

RESOLVED that the Committee notes the workloads and performance levels outlined in the report.