

PUBLIC

**MINUTES** of a meeting of the **PENSIONS AND INVESTMENTS COMMITTEE** held on Wednesday, 8 June 2022 in the Council Chamber, County Hall, Matlock.

**PRESENT**

Councillor D Wilson (in the Chair)

Councillors P Smith, R Ashton, N Atkin, B Bingham, L Care (Derby City Council), M Carr (Derby City Council), M Foster, G Musson and M Yates.

Also in attendance – A Fletcher (external investment advisor), D Kinley, A Nelson, P Peat, N Smith and S Webster.

**18/22 TO RECEIVE DECLARATIONS OF INTEREST (IF ANY)**

There were no declarations of interest.

**19/22 TO CONFIRM THE NON-EXEMPT MINUTES OF THE MEETING HELD ON 4 MAY 2022**

The minutes of the meeting held on 4 May 2022 were confirmed as a correct record.

**20/22 INVESTMENT REPORT**

The Pension Fund's independent investment advisor, Anthony Fletcher, took the Committee through a presentation on the market background, the Fund's performance, the economic and market outlook, and on his asset allocation recommendations.

The Investment Report was then presented by the Fund's Investments Manager who explained the rationale for the recommendations for each asset class set out in the report.

**RESOLVED:**

That the Committee:

- a) Notes the report of the independent external advisor, Mr Fletcher;
- b) Notes the asset allocations, total assets and long-term performance analysis set out in the report;

- c) Notes the change to the Fund's Private Equity benchmark from FTSE All Share +1% to Global Sustainable Equities +1%;
- d) Notes the commitment of £56.25m to CVC Credit Partners European Direct Lending Fund III; and
- e) Approves the IIMT recommendations as outline in the report of the Interim Director of Finance and ICT.

## **21/22 STEWARDSHIP REPORT**

The Committee was provided with an overview of the stewardship activity that had been carried out by Derbyshire Pension Fund's external investment managers. The following three reports were presented to ensure that the Committee was aware of the voting and engagement activity that had been carried out by Legal & General Investment Management (LGIM) and by LGPS Central Limited, the Fund's pooling company:

- Q1 2022 LGIM ESG Impact Report (Appendix 2)
- Q4 2021-22 LGPSC Quarterly Stewardship Report (Appendix 3)
- 2021 LGPSC Annual Stewardship Report (Appendix 4)

It was enquired whether LGPS Central Limited had considered the implications of bio-diversity and should the Fund draw this to the attention of the pooling company. The Investment Manager agreed to raise this at a future meeting of the LGPS Central Pool's Responsible Investment Working Group, however, it was noted that this was not a request from the full Committee.

### **RESOLVED:**

That the Committee notes the stewardship activity of LGIM and LGPSC.

## **22/22 PENSION ADMINISTRATION STRATEGY**

The last review of the Pension Administration Strategy (PAS) had been undertaken and approved by the Committee in March 2021 and a copy of this document was included for comparison purposes attached at Appendix 3 to the report.

The Fund had started the i-Connect project in November 2019 with the target of commencing its implementation for the submission of individual scheme member data for all participating employers by the end of 2021. However, due to the impact of the Covid-19 pandemic, the deadline for employers to have commenced engagement with the Fund in respect of

implementing i-Connect had been extended to 31 March 2023 to allow employers more time to introduce the new method of data submission.

The revised PAS now established i-Connect as the standard method for the Fund's employers to submit member data and would introduce charges for employers who had failed to engage with the Fund on implementing i-Connect.

Derbyshire Pension Board had reviewed the proposed changes to the PAS and the updated version had incorporated the Board's suggestions. Subject to the Committee's approval, a consultation would be undertaken with the Fund's participating employers on the revised Pension Administration Strategy. The results of the consultation will be reported to the Committee at the next meeting.

**RESOLVED:**

That the Committee:

- a) Approves the draft Derbyshire Pension Fund Pension Administration Strategy 2022 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 Interim Director of Finance & ICT in conjunction with the Chairman of the Committee.

**23/22 EXCLUSION OF THE PUBLIC**

To move that under Section 100(a)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that in view of the nature of the business, that if members of the public were present exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed to them and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**24/22 TO RECEIVE DECLARATIONS OF INTEREST (IF ANY)**

There were no declarations of interest.

**25/22 LOCAL GOVERNMENT PENSION SCHEME INVESTMENT POOLING**

The Committee was updated on confidential matters in respect of Local Government Pension Scheme (LGPS) investment pooling.

**RESOLVED:**

To note the contents in the not for publication report.

**26/22 INFRASTRUCTURE INVESTMENT CASE**

Approval was sought for a commitment to Macquarie European Infrastructure Fund 7, together with a commitment to the accompanying co-investment sidecar.

**RESOLVED:**

To approve the recommendations in the not for publication report.

The meeting finished at 12.15 pm