

PUBLIC

**MINUTES** of a meeting of the **PENSIONS AND INVESTMENTS COMMITTEE** held on Wednesday, 4 September 2024 in the Council Chamber, County Hall, Matlock.

**PRESENT**

Councillor D Wilson (in the Chair)

Councillors B Bingham, G Musson, M Yates, L Care (Derby City Council) and M Ford (substitute Member).

Also in attendance was A Fletcher (independent advisor) and N Read (trade union representative).

Apologies for absence were submitted for Councillors P Smith, N Atkin, M Foster, A Stevenson and C Ashby (Derby City Council).

**29/24 TO RECEIVE DECLARATIONS OF INTEREST (IF ANY)**

There were no declarations of interest.

**30/24 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 5 JUNE 2024**

The minutes of the meeting held on 5 June 2024 were confirmed as a correct record.

**31/24 INVESTMENT REPORT**

The Committee was provided with a report and presentation, reviewing the Fund's asset allocation, investment activity since the last meeting, and long-term performance analysis that sought approval for the investment strategy in the light of recommendations from the Director of Finance and the Fund's independent external adviser, Anthony Fletcher.

A copy of Mr Fletcher's report, incorporating his view on the global economic position, factual information for global market returns, the performance of the Fund and his recommendations on investment strategy and asset allocation was attached as an appendix to 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 of the Director of Finance; and
- c) Approves the IIMT recommendations outlined in the report.

### 32/24 **STEWARDSHIP REPORT**

The Committee was provided with a report, providing an overview of the stewardship activity carried out by Derbyshire Pension Fund's external investment managers.

Two reports had been attached as appendices to ensure that the Committee was aware of the engagement activity being carried out by Legal & General Investment Management (LGIM) and by LGPS Central Limited (LGPSC):

- Q2 2024 LGIM Quarterly Engagement Report
- Q1 2024-25 LGPSC Quarterly Stewardship Report

These two reports provided an overview of the investments managers' current key stewardship themes and voting and engagement activity.

#### **RESOLVED:**

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

### 33/24 **LOCAL GOVERNMENT PENSION SCHEME UPDATE**

The Committee was provided with an overview of developments affecting the administration and governance of the Local Government Pension Scheme (LGPS). This was a new report and it was intended that further updates would be provided to the Committee as appropriate.

Following the General Election on 4 July 2024, the government department with responsibility for the LGPS had reverted to its former name and had now become the Ministry of Housing, Communities and Local Government (MHCLG). The new Minister of State at MHCLG, appointed following the General Election, whose role included ministerial responsibility for the LGPS was Jim McMahon OBE MP.

Rachel Reeves, the new Chancellor of the Exchequer, had announced a pensions review on 20 July 2024 which included a commitment to work closely with the Minister of State at MHCLG to 'look at how to unlock the investment potential of the £360 billion LGPS' and also to 'consider the benefits of further consolidation' of LGPS investment pools and LGPS pension funds.

The Committee also received updates on the following:

- Guidance on preparing the Pension Fund Annual Report
- The Pensions Regulator (TPR) – General Code of Practice
- The McCloud judgement

- Changes to pensions taxation
- Increase to the minimum pension age
- Pensions Dashboards
- LGPS guidance for academies
- Good Governance Review

**RESOLVED:**

That the Committee notes the updates provided on matters which impact the administration and governance of the LGPS.