Derbyshire Pension Fund

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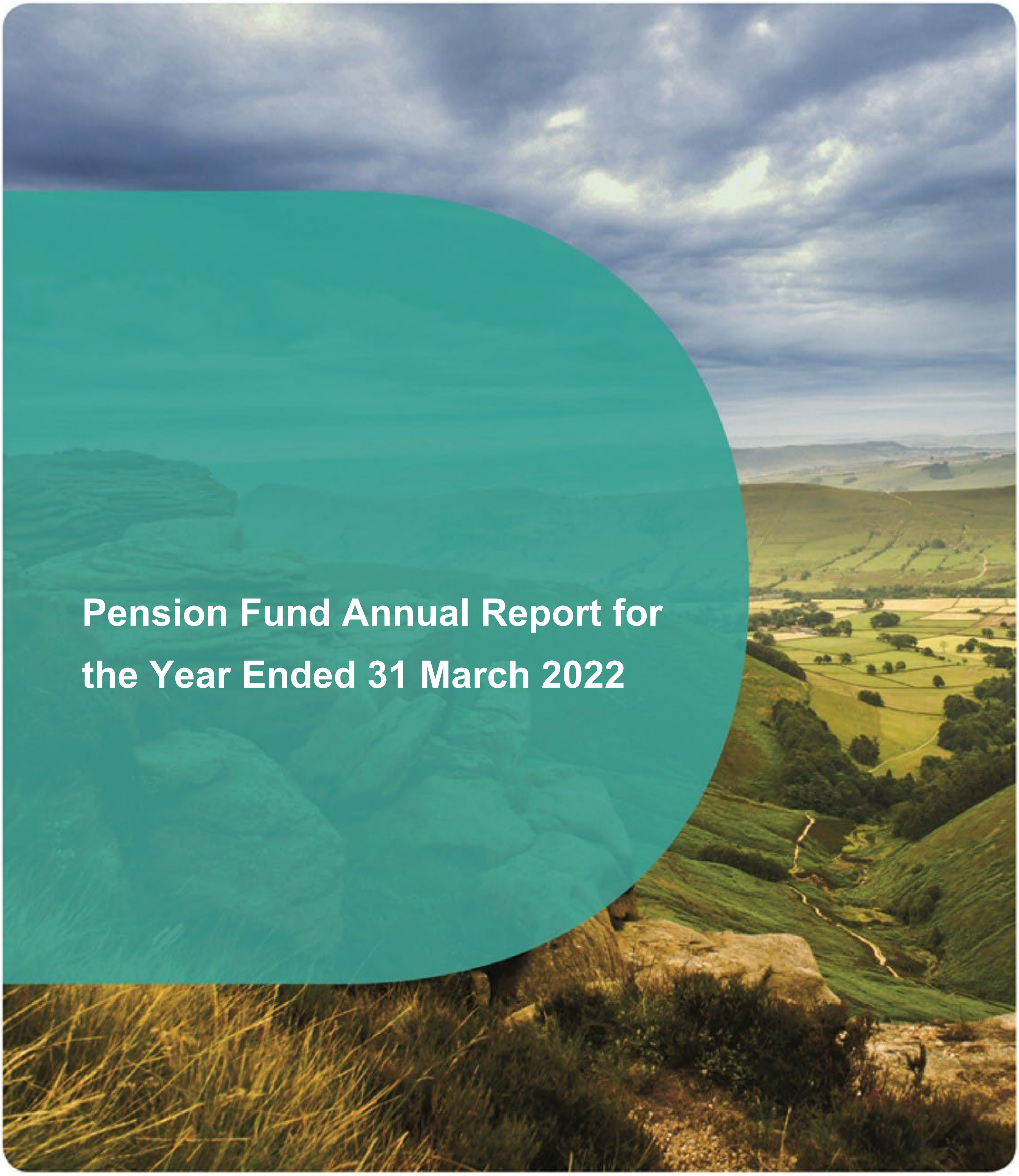


Pension Fund Annual Report for the Year Ended 31 March 2022

County Hall, Matlock, Derbyshire, DE4 3AH
Administered by Derbyshire County Council

lgps

Contents

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	Her Majesty's Revenues & Customs
IAS	International Accounting Standard
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, Worcestershire and

	West Midlands; 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

Introduction

Derbyshire County Council (DCC) is the administering authority for the Local Government Pension Scheme (LGPS) within Derbyshire, investing and administering Derbyshire Pension Fund (the Fund) on behalf of over 330 employers and around 91,600 individual members of the Fund, with over 105,500 membership records.

There was a significant amount of change in Derbyshire's Pensions and Investments Committee during 21-22 following the local elections in May 2021, with six new members and with Councillor David Wilson becoming the Chair of the Committee. Derbyshire Pension Board (the Board) also welcomed a new Employer Representative, Susan Ambler, during the year.

The Committee approves the Fund's Service Plan (including the budget) for the year ahead and approves the policies and strategies for the Fund. Updated policies and strategies covering communications, funding, governance, and treasury management were approved by Committee during the year. The Board assists with the governance and administration of the Fund, providing effective challenge and support on a wide range of Fund matters.

My Pension Online (MPO), the Fund's member self-service website, was successfully launched in June 2021. MPO will help members with their retirement planning and will enable the Fund to increase the proportion of its electronic communications with members. By the end of March 2022, over 19% of the Fund's combined active and deferred membership had registered for MPO. Increasing the number of members registered for this service is a high priority for the Fund.

Progress has continued to be made with the implementation of i-Connect, the employer automated data submission and validation service. Over 200 of the Fund's employers, submitted 2021-22 data via i-Connect, contributing to a more efficient year end process for both the Fund and for employers and contributing to the continued improvement in the quality of the Fund's data.

The importance of data cleansing has been reinforced by the forthcoming introduction of Pensions Dashboards, which will enable individuals to access all of their pension information from different pension schemes in one place. LGPS funds will be expected to meet the required Dashboard implementation standards by the end of September 2024.

The Fund's second 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.

Good progress has been made in reducing the carbon footprint of the Fund's listed equity portfolio and in increasing the proportion of the Fund's portfolio invested in low carbon and sustainable investments. The climate-related targets will be reviewed in 2023 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, supported by an expected improvement in climate disclosures the provision of carbon metrics for an increased range of asset classes.

Equity markets generally trended higher over the first three quarters of 2021-22, albeit with periods of volatility, as successful Covid 19 vaccine rollouts supported a more positive outlook for economic growth and for corporate earnings. World markets peaked in early January 2022, before coming under pressure from shifting central bank policy as inflation proved to be more persistent than expected. The Russian invasion of Ukraine at the end of February 2022 increased geopolitical tensions and compounded worries about the outlook for inflation and the likely pace of future interest rate rises. Despite the market weakness in the final quarter of the year, the Fund's overall investment return for 2021-22 was 7.6%, with positive contributions from the majority of asset classes.

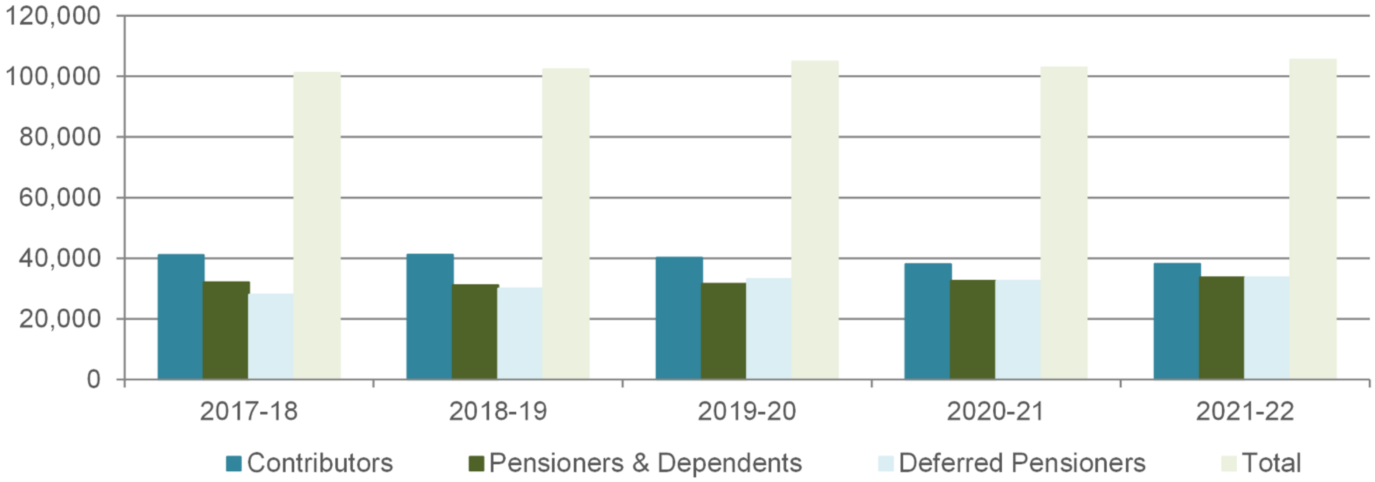
Further transitions were made during the year to products launched and managed by LGPS Central Limited (LGPSC), the Fund's pooling company. At the year end, the Fund had investments in the following four LGPSC products: Active Emerging Market Equity Fund; All World Equity Climate Multi Factor Fund; Active Investment Grade Bond Fund; and Credit Partnership II (a Private Debt fund). The Partner Funds of the LGPS Central Pool continue to work closely with LGPSC on the development of new products and on the ongoing development of climate risk reporting.

Throughout 2021-22, the majority of the Fund's team spent some time working in the office whilst largely continuing to work from home in response to the Covid 19 pandemic. Hybrid working arrangements are now in place with all staff working partially in the office and partially at home. This arrangement supports knowledge sharing and the continued development of the Pension Fund team, reduces the required office space and the number of journeys to work, and provides staff with additional flexibility. The ability to offer flexible working arrangements has now become an important part of the Fund's recruitment and retention strategy.

Further details about the activities of the Fund over 2021-22 are set out in the rest of this Annual Report.

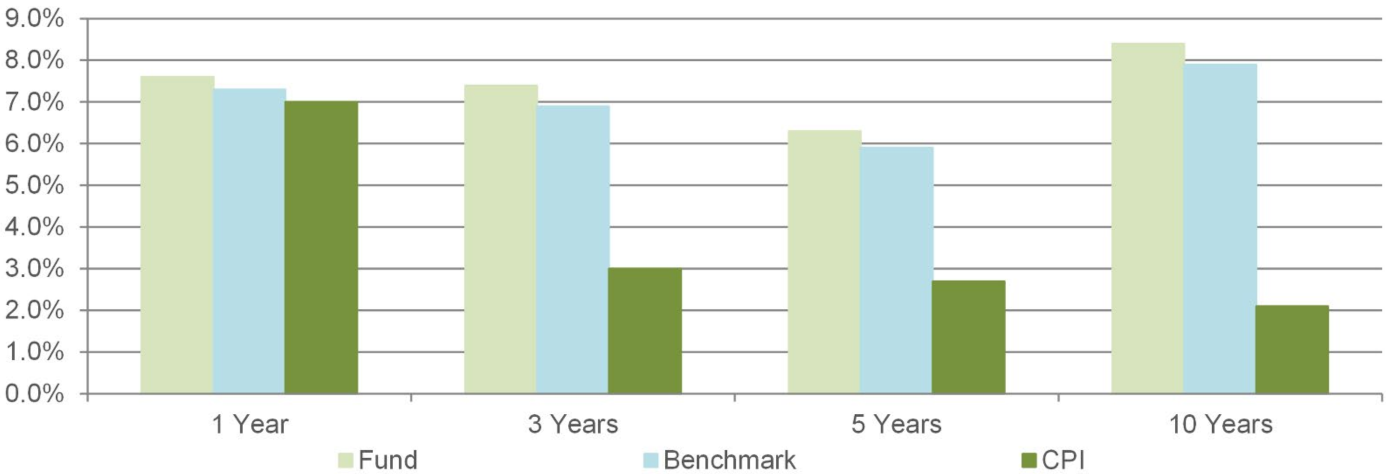
Key Fund Statistics

Summary of member records



Net investment assets

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:	Peter Handford
Head of Pension Fund:	Dawn Kinley
Investments Manager:	Neil Smith
Pension Team Managers:	Emma Whysall Rachel James Steve Webster, Susan Hubbleday Wayne Stone
Pension Fund Accountant:	Rajwant Dosanjh

DCC Pensions and Investments Committee

Prior to May-21 Local Elections	**Post May-21 Local Elections**
DCC	**DCC**
Councillor Jim Perkins (Chair)	Councillor David Wilson (Chair)
Councillor Ron Ashton	Councillor Ron Aston
Councillor Neil Atkin (Vice-Chair)	Councillor Neil Atkin
Councillor John Boult	Councillor Barry Bingham
Councillor Peter Makin	Councillor Mark Foster
Councillor Steve Marshall-Clarke	Councillor Gary Musson
Councillor Ron Mihaly	Councillor Peter Smith (Vice-Chair)
Councillor Brian Ridgeway	Councillor Mick Yates
Derby City Council	**Derby City Council**
Councillor Lucy Care	Councillor Lucy Care
Councillor Mike Carr	Councillor Mike Carr

Non-voting trade union representative

Mick Wilson (Unison)

Derbyshire Pension Board

Independent Chair:	Ronald Graham
Member Representative:	Karen Gurney
Member Representative:	Nick Read (term ended June 2022)
Employer Representative:	Oliver Fishburn
Employer Representative:	Neil Calvert (stepped down October 2021)
Employer Representative:	Susan Ambler (appointed February 2022)

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)
UBS Asset Management: European Equities (Passive)
Wellington Management: US Equities

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

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, reviewing transactions, 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 on 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 2021-22 Pensions and Investments Committee Meetings

	28 Apr-21	9 Jun-21	21 Jul-21	8 Sept-21	20 Oct-21	8 Dec-21	2 Mar-22
DCC Councillors							
Ron Ashton	✓	✓	✓	✓	✓	✓	✓
Neil Atkin (Vice Chair)	✓	✓	✓	✗	✓	✓	✓
Barry Bingham		✓	✓	✓	✓	✗	✓
John Boult	✓						
Mark Foster		✓	✗	✓	✓	✓	✓
Gary Musson		✓	✓	✓	✓	✓	✓
Peter Makin	✓						
Steve Marshall-Clarke	✓						
Ron Mihaly	✓						
Jim Perkins (Chair)	✓						
Brian Ridgeway	✓						
Peter Smith (Vice Chair)		✓	✓	✗	✓	✓	✗
David Wilson (Chair)		✓	✓	✓	✓	✓	✓
Mick Yates		✓	✗	✓	✓	✗	✓
Substitute Members	-	-	1	1	-	1	1
Derby City Councillors							
Mike Carr	✓	✗	✓	✗	✓	✓	✓
Lucy Care	✓	✓	✗	✓	✓	✓	✓

Not a Committee member at the time of the Pensions & Investments Committee meeting

Councillors Barry Bingham, Mark Foster, Gary Musson, Peter Smith, David Wilson & Mick Yates replaced Councillors John Boult, Peter Makin, Steve Marshall-Clarke, Ron Mihaly, Jim Perkins & Brian Ridgeway in 2021-22 as members of the Pensions and Investments Committee in 2021-22. Councillor David Wilson replaced Councillor Jim Perkins as Chair of the Committee, and Councillor Peter Smith replaced Councillor Neil Atkin as Vice Chair.

Derbyshire Pension Board Annual Report 2021-22

Introduction

Derbyshire Pension Board (the Board) was established as part of the new governance structure for the LGPS which came into effect in April 2015. This is the sixth annual report for the Board covering the year to 31 March 2022.

The Board continued to assist Derbyshire County Council (DCC), the administering authority, with the governance and administration of Derbyshire Pension Fund (the Fund) throughout 2021-22.

The majority of the Fund's team spent some time working in the office on a rota basis throughout the Covid pandemic to support the efficient delivery of the Fund's services.

The adoption of hybrid working arrangements for the Fund's staff following the relaxation/removal of Covid restrictions was welcomed by the Board. The arrangement of working partially in the office and partially at home supports the continued development of a cohesive team and supports knowledge sharing through both structured and unstructured learning, whilst providing staff with additional flexibility. The Fund's procedures have continued to be developed to reflect the hybrid working arrangements.

Following the council elections in May 2021, membership of the Pensions and Investments Committee (Committee), which is responsible for the management and administration of the Fund on behalf of DCC, was subject to significant change with six new members. The Board also welcomed a new Employer Representative, Susan Ambler, during the year following the resignation of Neil Calvert when his association with the University of Derby, one of the Fund's scheme employers, ended. Fellow members of the Board and officers of the Fund noted Mr Calvert's very positive contribution to the governance of the Board during his tenure on it.

Mrs Ambler is the Deputy Director of Finance at the University of Derby which is the Fund's third biggest employer in terms of active membership and has brought a broad range of experience to the Board. All of the new members of the Committee and the Board have taken part in Pension Fund induction training to help them carry out their new roles.

In person meetings of the Committee were re-established during the year, following the virtual meetings held throughout the pandemic period, and were attended by representatives from the Board. The Board itself met virtually four times during the year, supported by Fund officers, receiving and considering reports on a wide range of Fund activities. Since the year end the Board has also been able to resume in person meetings.

The total number of participating active employers in the Fund was almost unchanged year on year, falling from 332 at the end of March 2021 to 331 at the end of March 2022. Within this total number of employers, there were a number of new admissions and cessations during the year together with the transfer of seven academies to Nottinghamshire Pension Fund as part of an academy trust amalgamation. The Board recognises the continuing additional challenges that result from the increasing diversity of participating employers.

The number of Fund membership records at the end of March 2022 was just over 105,500, up from just under 103,000 at the end of March 2021, representing around 91,600 individual members.

The Board was very pleased to see the launch of the Fund's My Pension Online (MPO) service, a member self-service website, in June 2021, which 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 has received regular reports on the Fund's progress in informing members about the MPO service and on subsequent member registrations. By the end of March 2022, over 24% of the Fund's active membership, and over 19% of the Fund's combined active and deferred membership, had registered for the service.

Board members will continue to take a keen interest in the rollout and the development of this key service improvement for members, providing suggestions and encouragement to officers as the Fund continues to promote MPO with the aim of achieving broad membership take-up of the service.

Board Activities

During the year, the Board discussed the Pensions and Investments Committee papers and received and considered the 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 (to implement the employer electronic submission and validation system); My Pension Online; data breaches; cyber risk; the Fund's newly developed Data Management Procedures; the proposed McCloud remedy and the Fund's McCloud Project Board; continuing issues with the Fund's AVC provider; an update to the Fund's Funding Strategy Statement; investment pooling; and the Fund's risk register.

The Board welcomed the development of Pension Fund specific Data Management Procedures which set out why the Fund needs to protect members' data, how the Fund should protect members' data, and what to do when things go wrong. The Board supports the emphasis on the prevention of incidents involving personal data and has encouraged officers in their work to assess the Fund's cyber risk which has included the commencement of a project to map the Fund's data. This project will ensure that the Fund understands where its data is held, on what systems, how it is combined and how, and where, it moves. The regular mapping and documenting of data is expected to increase the Fund's resilience against cybercrime attacks.

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 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 Fund's updated Communications Policy, which had been reviewed by the Board, was approved by the Pensions and Investments Committee in April 2022. The Board also reviewed the proposed changes to the Fund Governance Policy and Compliance Statement ahead of its approval by Committee in October 2021.

Progress has continued to be made with the implementation of i-Connect, the system which enables employers to automate the submission and validation of their data, with 221 employers, covering just over 80% of Fund membership records, completing their March 2022 year-end return via i-Connect.

The Board has received regular reports on the Fund's preparation for the implementation of the McCloud remedy, including reports on responses to the Fund's McCloud-related information requests to employers.

The Board has continued to be updated with the issues that the Fund has experienced with Prudential, its AVC provider. Whilst service levels have generally improved, a number of issues have remained and the Board has supported the Fund's approach to trying to ensure that these issues are resolved.

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 officers during this major programme of change and supports the application of robust governance arrangements with respect to the Pool and to the oversight of LGPSC and supports 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 Bob Holloway, Pensions Secretary of the LGPS Scheme Advisory Board on topical LGPS issues including: McCloud and the Cost Cap Mechanism; £95,000 Exit Cap & Further Reform; The Pension Regulator's proposed Modular Code; TCFD Consultation; the Levelling Up White Paper; the Robert Jenrick Amendment; Investments in Russia & Good Governance. The LGPS funds represented at the meetings have also discussed their approaches to assessing and mitigating cyber risk and have jointly assessed their compliance with the proposed recommendations from the LGPS Scheme Advisory Board's Good Governance review. The continuing collaboration between local pension boards is invaluable.

The Board undertook a detailed review of the Fund's Risk Register at its meeting in February 2022. The feedback from the Board resulted in the narratives to a number of risks being updated in the Risk Register that was presented to Committee in May 2022. 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: www.derbyshirepensionfund.org.uk 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 put on the record the gratitude of the Board members for the collaborative way in which the Officers have worked with the Board over the past year.

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 31st March 2022:

Chair

Ronald Graham

Subsequent to the year end, the contract of the Chair of the Board was extended to 31 December 2022 pending a recruitment exercise to fill the position.

Member Representatives

Karen Gurney	Employee of DCC
Nick Read	TU Rep, UNISON East Midlands LGPS Committee

Employer Representatives

Neil Calvert	Northworthy Trust/University of Derby*
Oliver Fishburn	Bolsover District Council and NE Derbyshire District Council
Susan Ambler	University of Derby**

* To October 2021
** From February 2022

The terms of office for the Member and Employer Representatives at 31st March 2022 were as follows:

Role	Name	Start Date	Term	Expiry
Member Rep	Karen Gurney	June 2019	4 Years	June 2023
Member Rep	Nick Read	June 2018	4 Years	June 2022
Employer Rep	Oliver Fishburn	May 2019	4 Years	Sept 2023
Employer Rep	Susan Ambler	Feb 2022	4 Years	Feb 2026

Subsequent to the year end, Nick Read stepped down from the Board at the end of his term and the appointment of a new Member Representative is currently awaiting approval from Full Council.

Meeting Attendance

Members of the Board attended the following formal Pension Board meetings in 2021-22:

Member	15 Jun 21	29 Sept 21	24 Nov 21	10 Feb 22
Ronald Graham	✓	✓	✓	✓
Neil Calvert	✓	✓	N/A	N/A
Oliver Fishburn	✓	✓	✓	✓
Karen Gurney	✓	✗	✓	✓
Nick Read	✓	✓	✓	✓
Susan Ambler	N/A	N/A	N/A	✓

Conflicts of Interest

At each meeting members are required to declare any new conflicts of interest. Aside from holding the status that permits the employer / employee members to be Board members under the terms of the Regulations, no conflicts have been declared during the year.

Training

Members of the 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 2021-22:

Internal & Pool

Member	Fund Officers & MAC – Apr 21	Fund Officers – LGPS Legislation – Sept 21	LGPS Central Ltd – RI Day – Oct 21	Fund Officers & Hymans Robertson LLP – Jan 22
Ronald Graham	✓	✓	✓	✓
Neil Calvert	✓	✓	N/A	N/A
Oliver Fishburn	✓	✓	✗	✓
Karen Gurney	✓	✗	✗	✓
Nick Read	✓	✓	✓	✓

External

Ronald Graham: July 2021 LAPF Strategic Investment Forum
Karen Gurney: May 2021 PLSA Local Authority Conference
Nick Read: Feb 2022 LAPFF Say on Climate Conference

2021-22 Summary of Activities

Below is a summary of the Board's activities during the year to 31st March 2022:

- Input into the development of the Fund's Governance Policy & Compliance Statement.
- Review of the Fund's performance dashboard.
- Consideration of the Pensions and Investments Committee's review of arrangements for the adjudication of appeals under the Applications for Adjudication of Disagreements Procedure at Stage 2.
- Oversight of the Fund's Project Boards (i-Connect, MPO & McCloud).
- Review of the Fund's Statutory Breaches Log.
- Review of the Fund's pensions administration performance against statutory targets.
- Consideration of the Fund's progress on the issuance of Annual Benefit Statements.
- Review of the Fund's adherence to GDPR requirements and review of the Fund's Data Management Procedures.
- Consideration of the Fund's resilience to cyber risk and progress on mapping the Fund's data
- Review of the Fund's Risk Register
- Consideration of the Fund's pooling arrangements

Costs and Expenses

	2020-21 £	2021-22 £
Members' Allowances (Travel)	771	58
Training Costs & Subscriptions	0	0
Chairman's Services	14,000	15,000
Total	**14,771**	**15,058**

Future Work Plan

The Board's work plan for 2022-23 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.
- 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.
- Considering and supporting the Fund's activities in relation to the actuarial valuation as at 31st March 2022.

Approved by Derbyshire Pension Board on 16 October 2022

Training

The Fund's Training Policy was adopted in August 2017 and 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 2021-22:

Councillors	Apr-21	May/Jun-21	Sept-22	Jan-22
Committee Members at 31 March 2022				
Ron Aston	✓	✓	✓	✓
Neil Atkin	✓	✓	✓	✓
Barry Bingham		✓	✓	✓
Lucy Care	✓	✗	✓	✓
Mike Carr	✓	✗	✗	✓
Mark Foster		✓	✗	✓
Gary Musson		✓	✓	✓
Peter Smith		✓	✗	✓
David Wilson		✓	✓	✓
Mick Yates		✓	✓	✗
Former Committee Members				
John Boult	✓			
Peter Makin	✗			
Steve Marshall-Clarke	✓			
Ron Mihaly	✗			
Jim Perkins	✓			
Brain Ridgeway	✗			

Not a Committee member at the time of the training event

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

The training events comprised:

April 2021	Multi-Asset Credit & Private Equity
May & June 2021	Member Induction
September 2021	LGPS Legislation
January 2022	Actuarial Valuation; Pensions Administration; Global Sustainable Equities

Training was provided externally by LGPSC at a Responsible Investment Day in October 2021.

Subsequent to the period-end, a training event was held in July 2022 covering Property; Pensions Accounting and Financial Management, i-Connect; My Pension Online system and Pensions Dashboard.

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, which was launched in 2018, 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, together with planned mitigation, are set as follows:

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 has warned of a heightened cyber threat following Russia's attack on Ukraine and has 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 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. A project has been started 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 will be risk assessed as part of this process and a review of the information security arrangements of relevant suppliers to the Fund will be 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 Fund has been included in DCC's cyber liability cover which is currently 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 Fund (the assets), and to determine employer contribution rates. The last valuation was completed in March 2020 based on the assets and liabilities at 31 March 2019. Initial preparatory work is currently being undertaken for the 31 March 2022 actuarial valuation.

	As part of the valuation exercise, the Fund's Funding Strategy Statement (FSS) is 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 Fund was 97% funded at 31 March 2019, with a deficit of £163m, up from 87%, with a deficit of £546m at 31 March 2016. The funding level provides a high-level snapshot of the funding position at a particular date and can 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.
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. LGPSC is a relatively new company which 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 meaningful role in the development of LGPSC and has input into the design and development of the company's product offering 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 since 1 April 2014 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. Any increase in benefits for members will need to be funded by scheme employers. At a whole scheme level, Hymans estimated that total liabilities might increase by around 0.2%, equivalent to around £0.5bn across the whole of the English and Welsh LGPS. Hymans forecast that the impact of the remedy might be to increase average primary contributions by around 0.2% of pay, with an increase in secondary contributions of around 0.1% of pay. Whilst the impact at the whole scheme level is expected to be small, it may be material at an individual employer level. The impact on employers' funding arrangements is expected be dampened by the funding arrangements they have in place, however, it is likely there will be unavoidable upward pressure on contributions in future years. 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. 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 funding risk relates to the risk of there being insufficient assets within the Fund to meet the increased liabilities. In line with advice issued by the LGPS Scheme Advisory Board (SAB), the Fund's 2019 actuarial calculations made no allowance for the possible outcome of the cost cap mechanism or McCloud. However, an extra level of prudence was introduced into the setting of employer contribution rates to allow for the potential impact of the McCloud case.

	A March 2022 letter from DLUHC to all LGPS administering authorities set out an expectation for how the McCloud remedy should be allowed for when valuing past service liabilities and setting employer contribution rates at the March 2022 triennial valuation. In the short term, the impact of the uncertainty caused by the McCloud case is greatest for exit payments and credits as at a cessation event the cost of benefits is crystallised. The Funding Strategy Statement includes an allowance for a 1% uplift in a ceasing employer's total cessation liability for cessation valuations that are carried out before any changes to the LGPS benefit structure are confirmed by regulations. The funding risk score will be reviewed when DLUHC's remedy is confirmed. LGPS regulations are expected to be finalised within the next six months and are expected to come into force in autumn 2023. 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; this risk has been recognised by the SAB. Whilst the Fund already requires employers to submit information about changes in part-time hours and service breaks, the McCloud remedy may generate additional queries about changes since 1 April 2014; employers have, therefore, been asked to retain all relevant employee records. Information has also been requested from employers on the data supplied to the Fund since 2014 with respect to changes in part-time hours and service breaks. Aquila Heywood has provided the Fund with McCloud related tools for testing on the Altair pension administration system which would be used to identify, and subsequently bulk load, any required additional service history. A McCloud Project Board has been set up to formalise the governance of this major project. The Fund will continue to keep up to date with news related to the McCloud remedy from 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.

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 2020.

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

Financial Performance

The number of Fund membership records grew consistently between 2016-17 and 2019-20; the fall in 2020-21 reflected the impact of a data cleanse. On an adjusted like-for-like basis, the number of records increased by 1,840 in 2020-21. Fund membership records increased by 2.5% in 2021-22.

	2017-18	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Contributors	41,010	41,157	40,125	38,065	38,170
Pensioners & Dependants	27,959	30,024	31,548	32,463	33,699
Deferred Pensions	32,099	31,136	33,164	32,427	33,634
Number of Members	**101,068**	**102,317**	**104,837**	**102,955**	**105,503**

Net additions from Dealing with Members (contributions received less pension benefits paid out) remained positive in 2021-22.

£ in Million	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Contributions	164.4	193.7	160.4	190.8	193.5
Transfers in from other Pension Funds	12.7	10.3	11.2	14.5	11.9
Benefits	(155.3)	(160.9)	(172.6)	(173.5)	(185.6)
Payments to and on Account of Leavers	(17.2)	(13.0)	(17.7)	(10.8)	(18.2)
Net Additions from Dealing with Members	**4.6**	**30.1**	**(18.7)**	**21.0**	**1.6**

The increase in Contributions in 2018-19, subsequent reduction in 2019-20, and increase in 2020-21 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	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Number of Members	101,068	102,317	104,837	102,955	105,503
Investment Management Expenses (£000)	22,602	24,829	26,054	25,911	28,275
Cost per Member	£223.63	£242.67	£248.52	£251.67	£268.00
As a % of Net Investment Assets	*0.49%*	*0.51%*	*0.60%*	*0.46%*	*0.46%*
Pensions Administration (£000)	2,056	2,085	2,599	2,982	2,774
Cost per Member	£20.34	£20.38	£24.79	£28.96	£26.29
Oversight & Governance (£000)	289	1,215	1,451	1,467	1,364
Cost per Member	£2.86	£11.87	£13.84	£14.25	£12.93

The year-on-year increase in Investment Management Expenses per Member between 2016-17 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 to £20.34 per member in 2017-18, 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 then remained relatively flat at £20.38 in 2018-19 but increased to £24.79 in 2019-20 and £28.96 in 2020-21 driven by a change in the pensions administration system; further additional resource to support the service; dealing with legislative changes; and ongoing service improvement. 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.

Oversight and governance costs fell by £0.545m in 2017-18, reflecting a combination of lower legal fees and the inclusion of an income accrual of £0.500m for the costs of setting up LGPSC, which was refunded in 2018-19. Oversight and governance costs increased by £0.926m in 2018-19, and by a further £0.236m in 2019-20, principally reflecting LGPSC governance, operator and product development costs. Oversight and governance costs remained relatively flat in 2020-21, and fell by £1.32 per member in 2021-22 reflecting lower professional fees.

Net Return on Investment totalled +£455.9m in 2021-22.

£ in Million	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Investment income net of taxes	94.9	100.8	94.0	57.1	62.2
Investment returns (*)	96.9	181.7	(316.3)	1,001.7	393.7
Net Return on Investments	**191.8**	**282.5**	**(222.3)**	**1,058.8**	**455.9**
Actual Fund Investment Return	*3.8%*	*5.6%*	*(4.7%)*	*21.0%*	*7.6%*
Benchmark Fund Investment Return	*3.2%*	*5.6%*	*(5.4%)*	*20.6%*	*7.3%*

** 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 2021-22, and over the longer term, are set out in the Investment section of this report.

Net Investment Assets totalled £6,089.0m at 31 March 2022, £422.2m higher than those reported at 31 March 2021, largely reflecting continued market gains.

£ in Million	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Investment Assets	4,626.2	4,905.6	4,640.9	5,670.9	6,092.0
Investment Liabilities	(6.8)	(4.9)	(8.8)	(4.1)	(3.0)
Net Investment Assets	**4,619.4**	**4,900.7**	**4,632.1**	**5,666.8**	**6,089.0**
Growth / (Reduction)	*3.5%*	*6.1%*	*(5.5%)*	*22.4%*	*7.5%*

Net Non-Investment Assets totalled £43.1m at 31 March 2022. Year-on-Year changes in the value of Net Non-Investment Assets principally reflect changes in the Fund's operational cash balance.

£ in Million	2017-18	2018-19	2019-20	2020-21	2021-22
Current Assets	30.2	32.3	31.4	49.2	53.9
Current Liabilities	(5.5)	(4.5)	(6.0)	(9.1)	(10.8)
Net Non-Investment Assets	**24.7**	**27.8**	**25.4**	**40.1**	**43.1**

The table below shows the forecast and actual Fund Account for 2021-22.

£ in Million	2021-22 Forecast	2021-22 Actual
Contributions	206	206
Benefits	(197)	(204)
Net Additions from Dealing with Members, Employers and Others Directly involved in the Fund	**9**	**2**
Management Expenses	(32)	(33)
Net (Withdrawals)/Additions including Fund Management Expenses	**(23)**	**(31)**
Investment Income (net of taxes)	60	62
Net Increase in Net Assets Before Changes in Market Value	**37**	**31**
Profits and Losses on Disposal of Investments and Changes in Value of Investments	n/f	394
Net Increase in the Net Assets Available for Benefits During the Year	**n/f**	**425**

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 £6m lower than forecast principally reflecting higher Benefit payments.

The table below shows the forecast and actual Management Expenses for 2021-22.

£ in Million	2021-22 Forecast	2021-22 Actual
Investment Management Expenses	27.1	28.3
Pensions Administration Costs	3.2	2.8
Oversight & Governance Costs	1.6	1.4
Management Expenses	**31.9**	**32.5**

Actual Investment Management Expenses in 2021-22 were £28.3m, £1.2m higher than forecast, largely reflecting the impact of higher net investment assets.

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

£ in Thousand	2020-21 Actual	2021-22 Actual
Staff costs	2,063	2,086
Premises, supplies and services	1,280	1,121
LGPSC costs	988	947
Information technology	488	382
Net Actuary charges	52	26
Costs of democracy	28	28
Custody	27	21
Total	**4,926**	**4,611**

Combined Pension Fund Team Expenses, Pensions Administration Costs and Oversight & Governance Costs fell by £0.315m in 2020-21, principally reflecting lower premises, supplies and services, and information technology costs.

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 the 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 3, 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 2021-22, 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. Where the appropriate skills were not available internally, or through LGPSC, external managers were used.

Management of the Fund's Investment Assets

The Fund's investment assets were managed as follows in 2021-2022:

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.

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.

Direct Property: Colliers International

Passive United Kingdom Equities; Japanese Equities; Emerging Market Equities and Global Sustainable Equities (Low Carbon Fund): LGIM

European Equities:
UBS Global Investment Management (Passive)

US Equities: Wellington Management International

Active Emerging Market Equities; Global Sustainable Equities (Climate Factor Fund); Active Investment Grade Corporate Bonds; and Private Debt: LGPS Central Limited (LGPSC)

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 2021-22 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 two further Climate Risk Reports (2021 & 2022) from LGPSC and has issued its second TCFD report.

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.

[1] UN Principles for Responsible Investing

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 £300bn. 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).

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

The Fund is currently in the process of developing an application to be a signatory to the UK Stewardship Code.

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 cognitive 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 cognitively 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.
- 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 have weak governance 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.
- Climate change: Financial markets could be materially impacted by climate change and by the response of climate policymakers. Responsible investors should proactively manage this risk factor through stewardship activities, using partnerships of like-minded investors where feasible.

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. The Fund's compliance with the six principles is set out as follows.

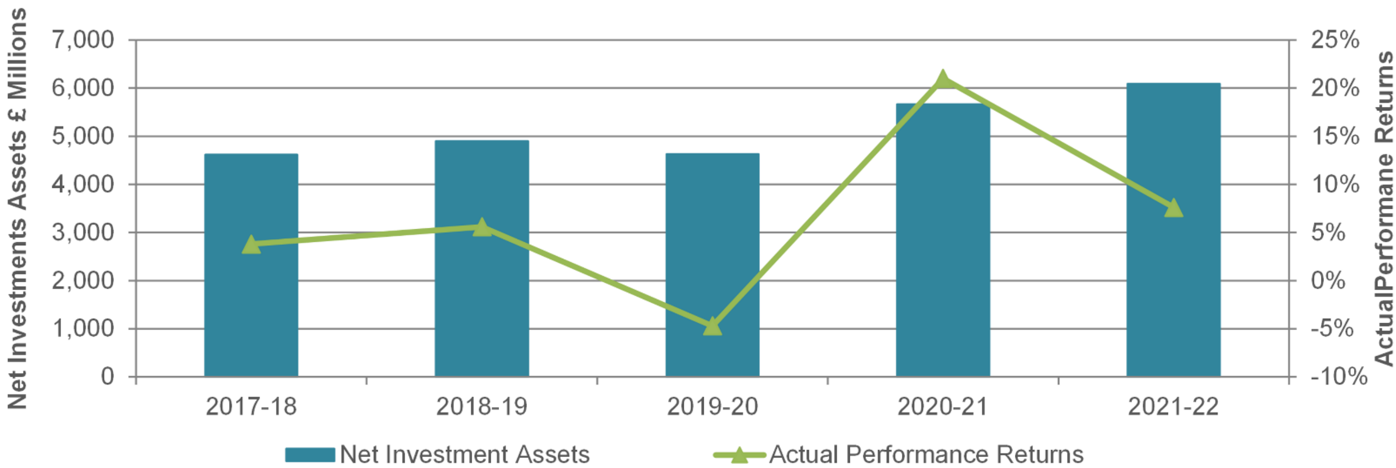
Principle	Evidence of compliance
Effective Decision Making • Decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implications. • Those persons or organisations have sufficient expertise to be able to evaluate 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. Where appropriate skills are not available internally, or through LGPSC, external managers are used. • The Fund takes advice from its independent adviser and its Head of Pension Fund, both of whom attend the Committee. • 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 31st March 2019 was prepared on the basis of a long term investment return of 3.6%. • 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. • The Fund's 2019 triennial (completed in 2019-20) reported that the fund had a funding level of 97% at 31 March 2019.
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 Performance Evaluation Limited, 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.
Transparency & Reporting • Act in a transparent manner, communicating with stakeholders on issues relating to their management of	• 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

investment, its governance and risks, including performance against stated objectives. • Provide regular communication to Scheme members in the form they consider most appropriate.	○ Administration Strategy ○ Admissions, Cessations and Bulk Transfer Policy ○ Climate Strategy ○ Communications Policy ○ Complaints Policy ○ Conflicts of Interest Policy ○ Funding Strategy Statement ○ Governance Policy & Compliance StatementInvestment Strategy Statement ○ Pension Fund Annual Report, including the Statement of Accounts ○ Responsible Investment Framework ○ Taskforce for Climate-related Financial Disclosures ○ Treasury Management Strategy

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.

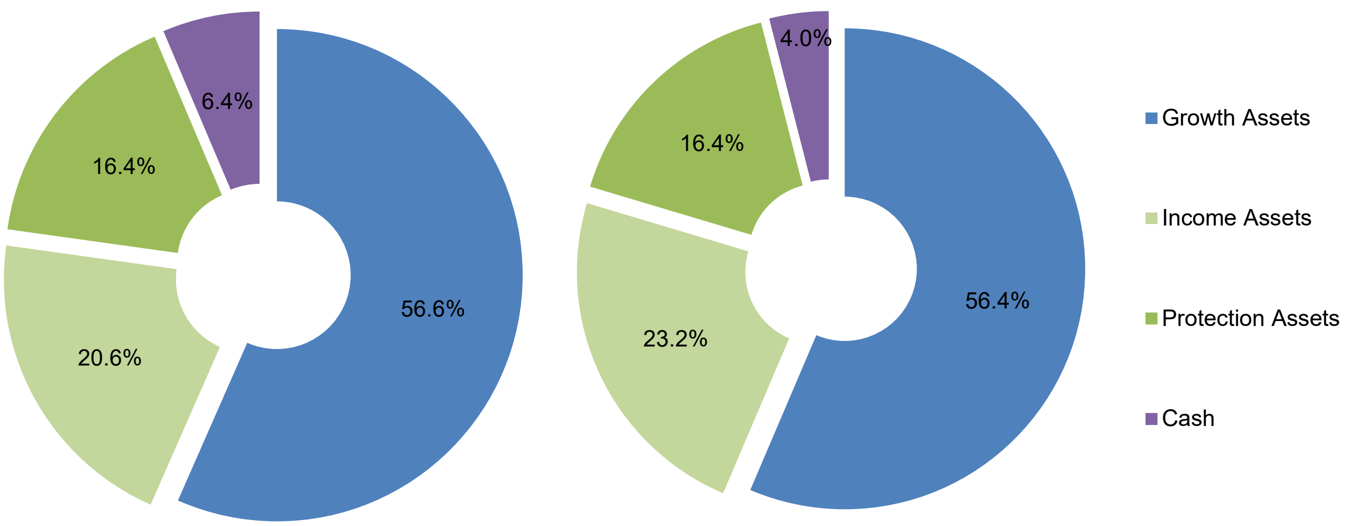
The Fund's Strategic Asset Allocation Benchmark, together with the actual asset class allocations at 31 March 2021 and 31 March 2022, are set out as follows.

	31 March 2021 Benchmark	31 March 2021 Permitted Range	31 March 2021 Actual	31 March 2022 Benchmark	31 March 2022 Permitted Range	31 March 2022 Actual
UK Equities	14.0%	± 6%	15.1%	12.0%	± 4%	13.3%
US Equities	6.0%	± 6%	6.2%	-	-	1.6%
European Equities	4.0%	± 4%	4.1%	-	-	0.5%
Japanese Equities	5.0%	± 2%	4.9%	5.0%	± 2%	5.3%
Asia-Pacific Equities	2.0%	± 2%	2.1%	-	-	0.9%
Emerging Market Equities	5.0%	± 2%	4.6%	5.0%	± 2%	4.7%
Global Sustainable Equities	16.0%	± 16%	15.8%	29.0%	± 8%	25.1%
Private Equity	4.0%	± 2%	3.8%	4.0%	± 2%	5.0%
Growth Assets	**56.0%**	**± 8%**	**56.6%**	**55.0%**	**± 8%**	**56.4%**
Infrastructure	9.0%	± 3%	6.2%	10.0%	± 3%	8.4%
Direct Property	6.0%	± 3%	4.4%	6.0%	± 2%	4.8%
Indirect Property	3.0%	± 3%	3.1%	3.0%	± 2%	3.1%
Multi-Asset Credit	6.0%	± 2%	6.9%	6.0%	± 2%	6.9%
Income Assets	**24.0%**	**± 6%**	**20.6%**	**25.0%**	**± 6%**	**23.2%**
Conventional Bonds	6.0%	± 2%	4.8%	6.0%	± 2%	4.5%
Index-Linked Bonds	6.0%	± 2%	5.5%	6.0%	± 2%	5.7%
Corporate Bonds (*)	6.0%	± 2%	6.1%	6.0%	± 2%	6.2%
Protection Assets	**18.0%**	**± 5%**	**16.4%**	**18.0%**	**± 5%**	**16.4%**
Cash (*)	**2.0%**	**0 – 8%**	**6.4%**	**2.0%**	**0 – 8%**	**4.0%**
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 been 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 at 31 March 2021 and 31 March 2022 is set out as follows:



In the year to 31 March 2022, the Fund marginally reduced its weighting in respect of Growth Assets (56.6% to 56.4%) and increased its weight in respect of Income Assets (20.6% to 23.2%), reflecting both asset allocation changes and asset class relative market performance. Protection Assets remained flat at 16.4%, and Cash fell from 6.4% to 4.0%. 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 £340.6m at 31 March 2022 (£395.6m at 31 March 2021), and related to Multi-Asset Credit, Private Equity, Infrastructure and Indirect Property.

The Fund was outside of the permitted weightings in respect of US Equities; European Equities and Asia Pacific Ex-Japan Equities at 31 March 2022 reflecting the impact of some residual balances as the Fund transitioned towards the new Final strategic asset allocation benchmark which came into effect on 1 January 2022. The Fund expects to fully divest from these asset classes in 2022-23.

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 at 31 March 2019 was prepared on the basis of a long-term investment return of 3.6%.

The Fund's Long-Term Performance

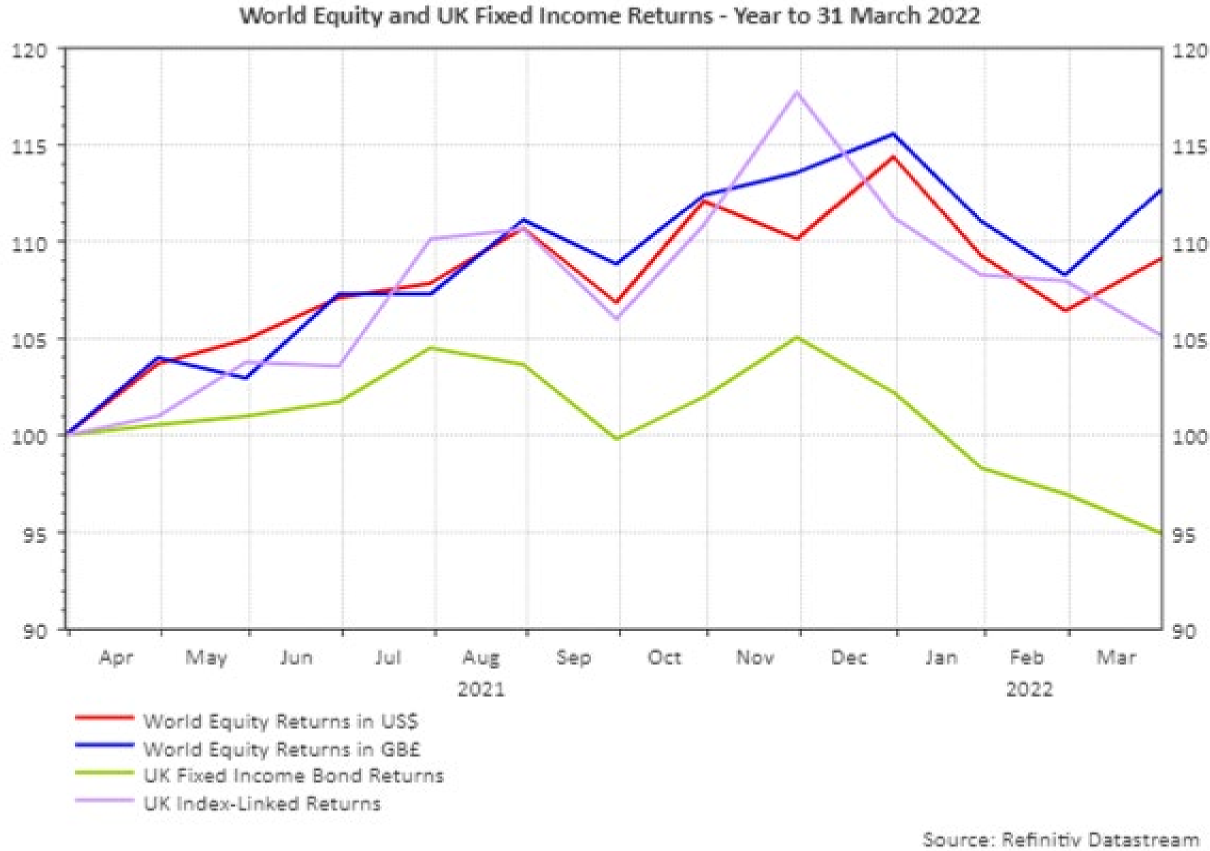
% per Annum	1 Year	3 Year Average	5 Year Average	10 Year Average
The Fund	7.6%	7.4%	6.3%	8.4%
Benchmark	7.3%	6.9%	5.9%	7.9%
Excess Return	0.3%	0.5%	0.4%	0.5%
Consumer Price Index	7.0%	3.0%	2.7%	2.1%

Source: Performance Evaluation Limited

Investment performance, including a comparison against the Benchmark Return, is calculated independently by Performance Evaluation Limited on a quarterly basis. 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 1, 3 and 5 and 10 returns were ahead of inflation, delivering real returns, over all periods and ahead of the assumed long term investment return of 3.6% used in the last actuarial valuation to calculate the funding position of the Fund. The Fund outperformed the benchmark return across all time periods.

Market Background 2021-22



Markets remained volatile in 2021-22, with the Covid-19 pandemic continuing to affect market performance. Whilst the Omicron variant eased concerns about Covid-19, being more transmissible but with fewer hospitalisations, and the success of the vaccine rollout boosted confidence, inflationary pressures increased significantly in the final quarter of 2021-22. Fears grew that the impact of higher prices would be longer lasting than first anticipated by the central banks. The major central banks had actively maintained very accommodative monetary policies during the majority of 2021, however, there was a change of tone during the final quarter of 2021. The widespread view that the uptick in inflation was due to short term supply side shortages, and a surge in energy prices, as the world economy reopened after the Covid lockdowns, was increasingly challenged in response to evidence that inflation was becoming more persistent than expected.

Markets responded by pricing-in faster interest rate rises than previously forecast, pushing up government bond yields. The Bank of England started to increase interest rates in December 2021, followed by the US Federal Reserve in March 2022, with the narrative from both central banks increasingly signalling further rate increases to come. The expectation of higher interest rates drove a rotation out of growth stocks into value stocks, with investors favouring tangible ‘real’ assets over intangible assets. The Russian invasion of Ukraine weighed on investor confidence in the final quarter of 2021-22 as geopolitical tensions increased and commodity prices rose sharply, adding to inflationary concerns.

The Fund’s 2021-22 return of 7.6% compared to a 2020-21 return of 21.0%. The Fund’s 2020-21 return reflected a sharp recovery and reversal of the 2019-20 sell off caused by the outbreak of the Covid-19 pandemic in the final quarter of 2019-20. In the year to 31 March 2022, equity returns to Sterling investors ranged from -4.3% in Asia Pacific Ex-Japan to 19.7% in North America.

Government bond returns were mixed in 2021-22. UK Gilts returned -5.1% but expectations of higher inflation pushed up the return from UK Index-Linked bonds to 5.1%. UK investment grade bonds returned -5.4%.

Property (70% direct / 30% indirect) returned 18.8% in 2021-22, up from 2.7% in 2020-21, as the UK property market recovered from the impacts of the Covid-19 pandemic. This was also reflected in improved levels of rent collection, albeit this continued to differ by sector.

2021-22 Performance by Asset Class

Net Annualised Returns	Investment Assets	Year to Mar-22		3 Years to Mar-22		5 Years to Mar-22	
	Mar-22 £m	Fund Return	Benchmark Return	Fund Return	Benchmark Return	Fund Return	Benchmark Return
Emerging Market Equities (inception May-21)	181.0	(8.5%)	(1.7%)	-	-	-	-
Global Sustainable Equities (inception Jan-22)	312.3	(1.6%)	(1.7%)	-	-	-	-
Investment Grade Global Bonds (*) (inception Feb-20)	378.0	(5.2%)	(4.9%)	-	-	-	-
Private Debt (£50m commitment in Nov-21)	1.8	-	-	-	-	-	-
LGPSC Pooled Product	**873.1**						
Total Pool Managed Assets							
United Kingdom Equities (**) (****)	812.7	12.0%	13.0%	5.9%	5.3%	5.1%	4.7%
United States Equities	99.2	17.9%	19.7%	18.1%	18.4%	14.0%	14.6%
European Equities	30.5	6.4%	6.2%	9.7%	9.6%	7.1%	7.1%
Japanese Equities (**) (***)	322.9	(5.1%)	(2.3%)	6.1%	6.5%	5.0%	5.2%
Asia Pacific Ex-Japan Equities (***)	53.7	(11.7%)	(4.3%)	4.0%	7.1%	5.0%	6.3%
Emerging Market Equities (**)	107.4	(4.7%)	(3.5%)	4.6%	5.7%	4.6%	5.5%
Global Sustainable Equities (**)	1,218.0	11.1%	13.8%	20.4%	14.3%	-	-
Private Equity	305.4	40.6%	10.4%	21.9%	5.2%	16.4%	5.0%
Infrastructure	509.7	9.5%	2.2%	7.4%	2.4%	7.6%	2.5%
Property	483.0	18.8%	19.5%	8.4%	6.7%	8.4%	6.8%
Multi-Asset Credit	419.1	4.1%	2.2%	4.2%	3.5%	4.3%	3.5%
Conventional Bonds	272.9	(4.4%)	(5.1%)	(0.3%)	(0.5%)	0.5%	0.7%
Index-Linked Bonds	347.8	5.5%	5.1%	4.1%	3.2%	3.9%	3.1%
Cash and other	236.6	0.1%	0.1%	0.2%	0.2%	0.2%	0.3%
Total Non-Pool Managed Assets	**5,218.9**						
Total Investment Assets	**6,092.0**	**7.6%**	**7.3%**	**7.4%**	**6.9%**	**6.3%**	**5.9%**

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.

(**) Includes assets of £2,175.2m (£1,971m at 31 March 2021) managed through collaboratively procured agreements.

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

(****) 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.

Pool Managed Investment Assets

Total assets managed by LGPS Central Limited increased from £349m at 31 March 2021 to £873m at 31 March 2022 (£921m on a committed basis), accounting for 14.3% of total investment assets (2020-21, 6.2%), reflecting inward transitions in respect of Active Emerging Market Equities, Global Sustainable Equities (Climate Factor Fund) and Private Debt (£50m commitment, £1.8m drawn-down at 31 March 2022).

In addition to the assets managed by LGPSC, the following assets totalling £2,175m (£1,971m, 31 March 2021) were managed through collaboratively procured pooled arrangements:

- Passive equities of £1,762m managed by LGIM in respect of UK Equities; Japanese Equities; Emerging Market Equities and Global Sustainable Equities; and
- Active Global Sustainable Equities of £413m managed by two investment managers.

Including the above assets, the percentage of total assets managed through either LGPSC products or other collaboratively procured pooled arrangements increased to 50.0% (£3,048m) at 31 March 2022 (40.9%, £2,320m at 31 March 2021).

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 2022-23.

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. The Fund is currently working with Performance Evaluation Limited to ensure that the gross return calculations by asset class include all fees and anticipates that both gross and net returns by asset class will be reported in the Fund's Annual Report from 2022-23 onwards.

Total investment management expenses in 2021-22 were £28.3m (2020-21, £25.9m), equivalent to 46.7 basis points of total average net investment assets in 2021-22 (2020-21, 49.1 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 2022-23 onwards.

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 including research and PRIIPS compliance*
*** Ad valorem plus performance fees including research and PRIIPS compliance*
**** IIMT Fixed cost allocation*

2020-21 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	351	-	-	-	16	-	367
Average Investment Assets (£m)	328.7	-	-	-	328.7	328.7	328.7
Basis Points Charge	10.7	-	-	-	0.5	-	11.2
Advisory Mandates							
Management Expenses	73	2,591	-	-	33	86	2,783
Average Investment Assets (£m)	354.2	354.2	-	-	354.2	354.2	354.2
Basis Point Charge	2.1	73.2	-	-	0.9	2.4	78.6
LGPSC Pool Mandates							
Management Expenses	424	2,591	-	-	49	86	3,150
Average Investment Assets (£m)	682.9	354.2	-	-	682.9	682.9	682.9
Basis Point Charge	6.2	73.2	-	-	0.7	1.3	46.1
Non Asset Pool							
Management Expenses	-	21,380	672	79	322	308	22,761
Average Investment Assets (£m)	-	2,556.3	1,450.9	586.8	4,594.0	4,594.0	4,594.0
Basis Point Charge	-	83.6	4.6	1.3	0.7	0.7	49.5
Total							
Management Expenses	**424**	**23,971**	**672**	**79**	**371**	**394**	**25,911**
Average Investment Assets (£m)	**682.9**	**2,910.5**	**1,450.9**	**586.8**	**5,276.9**	**5,276.9**	**5,276.9**
Basis Point Charge	**6.2**	**82.4**	**4.6**	**1.3**	**0.7**	**0.7**	**49.1**

Note: IIMT = In-House Investment Management Team
** Ad valorem only including research and PRIIPS compliance*
*** Ad valorem plus performance fees including research and PRIIPS compliance*
**** IIMT Fixed cost allocation*

In 2021-22, LGPSC investment management fees totalled £1.077m (principally fees paid to the underlying external investment managers), £0.653m higher than 2020-21, principally reflecting an increase in assets under management.

Active external manager fees of £24.3m (2020-21, £24.0m) 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 (2020-21, £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 (2020-21, £0.4m) relate to the management of the Fund's sovereign bond portfolio, together with the 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 at 31 March 2022 are detailed below:

£ in Million	UK	Non-UK	Total
Equities	885.1	2,254.1	3,139.2
Bonds	715.7	699.2	1,414.9
Direct Property	292.2	-	292.2
Indirect Property	141.8	52.4	194.2
Alternatives	377.8	437.3	815.1
Cash, Cash Equivalents & Other	206.9	26.5	233.4
Total	**2,619.5**	**3,469.5**	**6,089.0**

(*) Includes Short-Dated Bond Funds

Largest Direct Equity Holdings

The Fund's largest direct US Equity holdings at 31 March 2022, together with the comparable holdings at 31 March 2021, were as follows:

Value of Holding in £000s	31 March 2021	31 March 2022
Microsoft Corp	18,207	6,630
Amazon Com Inc	15,538	5,216
Alphabet Inc	16,866	4,757
Apple Inc	13,604	3,920
Shell PLC-ADR	2,496	2,490
Charles Schwab Corp	5,486	2,251
Performance Food Group Corp	4,210	1,698
American Express	1,258	1,474
Meta Platforms Inc	8,681	1,412
Eli Lilly & Co	3,695	1,384

The Fund's largest indirect holdings at 31 March 2022, together with the comparable holdings at 31 March 2021, were as follows:

Value of Holding in £000s	Asset Class	31 March 2021	31 March 2022
LGIM	UK Equities	789,198	751,690
LGIM	Global Sustainable Equities	406,587	686,932
Royal Bank of Canada	Global Sustainable Equities	377,662	412,479
LGPSC	Investment Grade Bonds	348,746	378,001
LGPSC	Global Sustainable Equities	-	312,322
LGIM	Japanese Equities	103,041	216,687
LGPSC	Emerging Market Equities	-	180,959
CQS	Multi-Asset Credit	147,931	151,476
Ballie Gifford	Global Sustainable Equities	116,096	118,583
JPMorgan IIF	Infrastructure	81,279	118,207

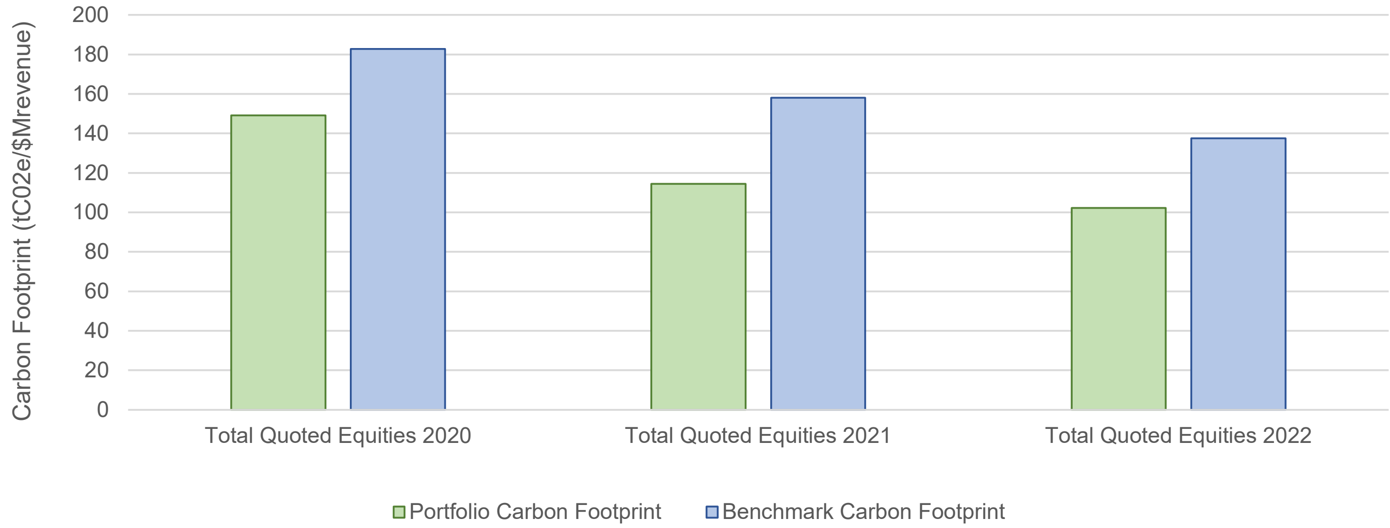
Carbon Risk Metrics

The Fund received its first report on carbon risk metrics for its listed equities portfolios at 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 at 31 March 2021 and 31 March 2022, together with the carbon metrics in respect of the Fund's investment grade bond investments at the same dates, in October 2021 and August 2022, 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 in respect of the Fund's listed equity portfolios at 31 March 2022, which represented 52.4% 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 at 31 July 2019, 31 March 2021 and 31 March 2022. The commentary that follows compares 31 March 2022 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]



Compared to the weighted Base Benchmark, the Fund's Total Quoted Equities portfolio at 31 March 2022 was around 44% 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 44% fewer GHG emissions than the companies in the weighted Base Benchmark.

In addition, the Fund's Total Quoted Equities portfolio at 31 March 2022 had a lower weight in companies with fossil fuel reserves than the weighted Base Benchmark (Figure 2 below, 38% lower than the weighted Base Benchmark). The Fund's weight in thermal coal reserves was also 21% lower than the weighted Base 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-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.

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[2] Certain information ©2021 MSCI ESG Research LLC. Reproduced by permission
[3] The weighted benchmark comprises the underlying regional benchmarks, weighted in proportion to the current GBP amount in each equity region

Figure 2: Exposure to companies with fossil fuel reserves in each regional equity portfolio[4]

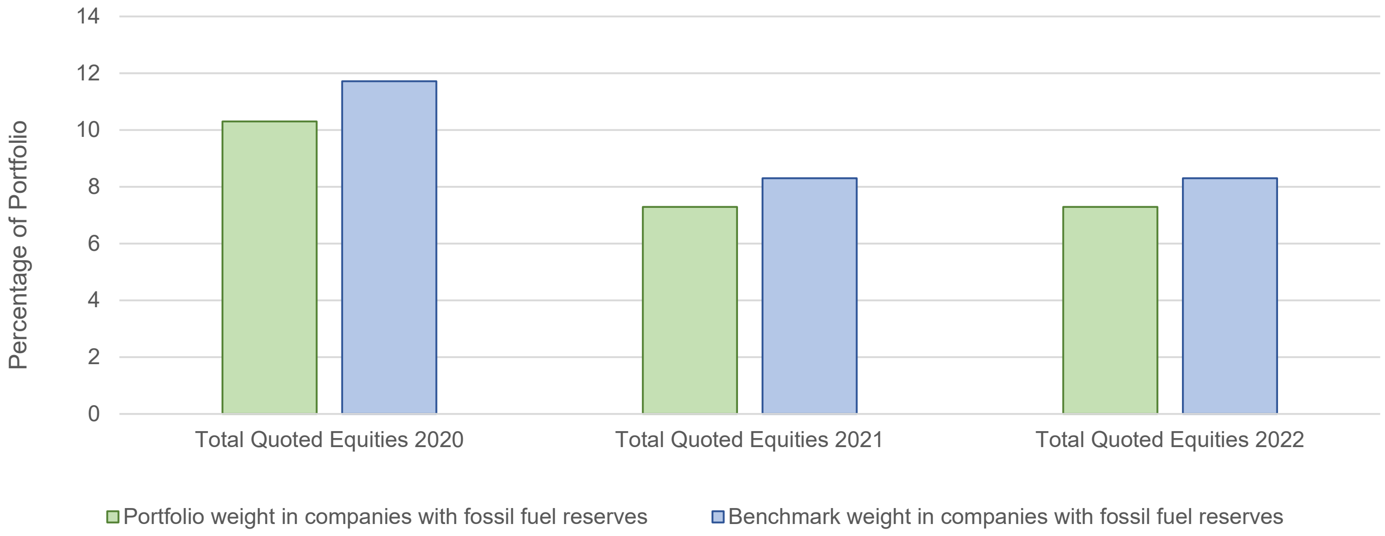


Figure 3: Exposure to thermal coal reserves in each regional equity portfolio[5]

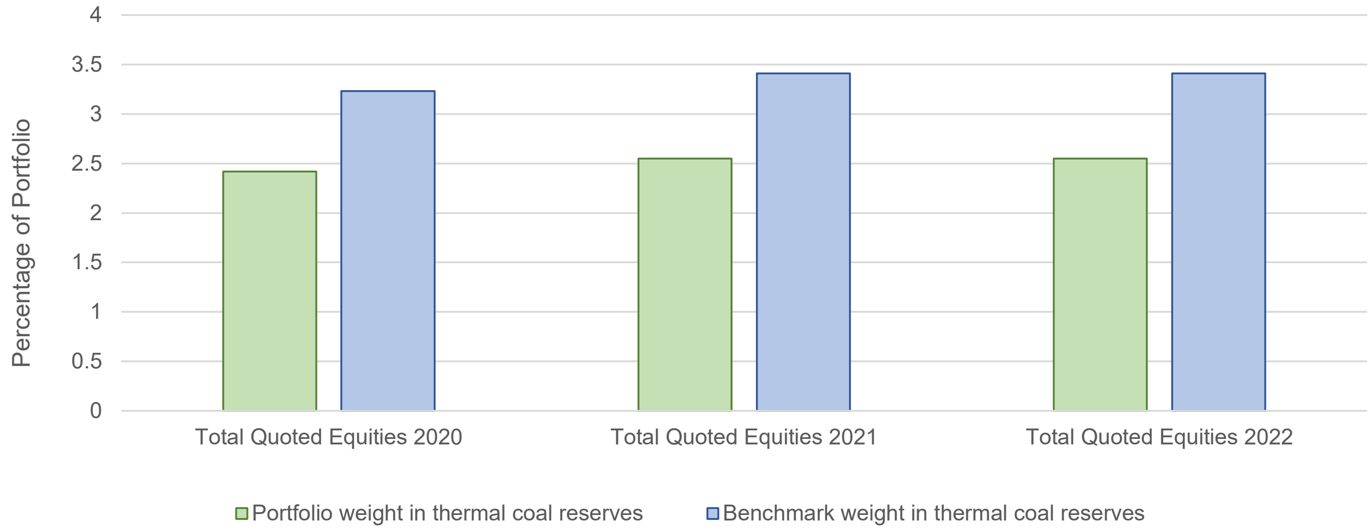
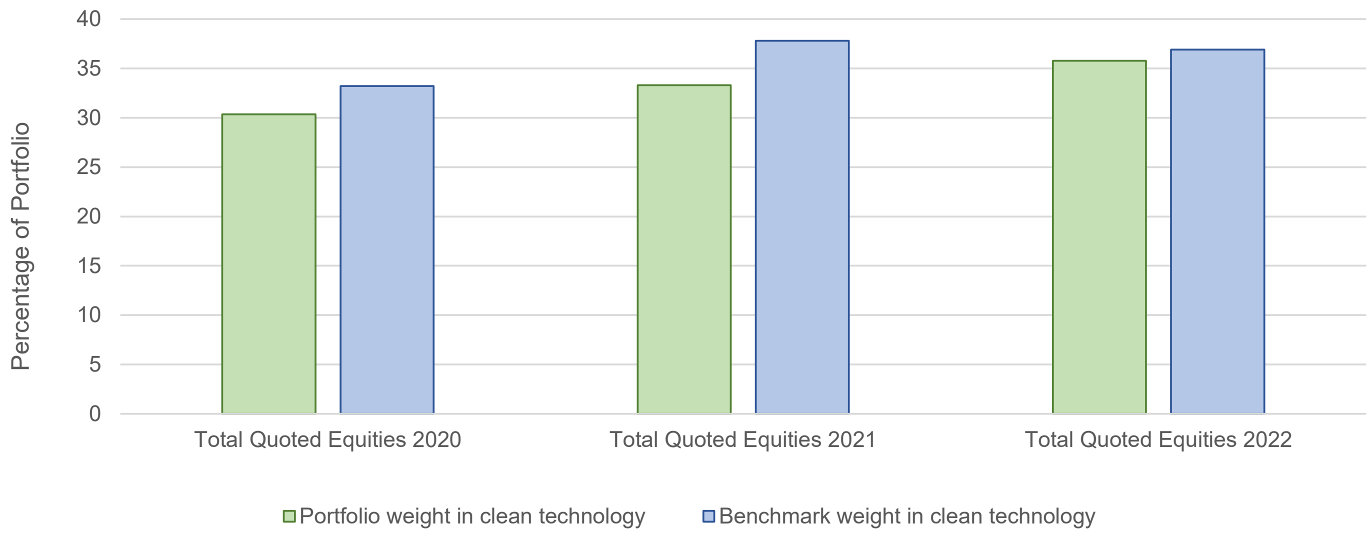


Figure 4 below indicates that the Fund's Total Quoted Equities portfolio exposure to clean technology is 8% higher than the weighted Base Benchmark, albeit it is 1.0% lower than the weighted 2022 Benchmark. The Fund notes that this measure should be viewed with some caution as there appears to be a moderate 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 portfolio that is simultaneously carbon efficient, is underweight fossil fuels, and overweight clean technology. The analysis takes no account of the Fund's quoted and unquoted on-shore & offshore, solar and hydro renewable energy infrastructure investments. These were in excess of £250m on a committed basis at 31 March 2022, equating to 4.2% of total net investment assets.

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

Figure 4: Exposure to clean technology in each regional equity portfolio[6]



The following table sets out the carbon metrics[7] in respect of the Fund's investment grade bond investments at 31 March 2022, which represented 6.2% of total investment assets at that date.

Carbon Metric	Portfolio	Benchmark	% Variance
Carbon Footprint	217.4	177.9	22.2
Weight in Fossil Fuel Reserves	4.8	4.2	14.3
Weight in Thermal Coal Reserves	1.77	0.55	221.8
Weight in Clean Technology	11.6	14.5	(20.0)

The table indicates that the Fund's investment grade bonds portfolio is around 22% 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.

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 at 31 March 2021 and 31 March 2022:

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

Target	Target by end of 2025	Actual at 31 March 2021	Actual at 31 March 2022
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%)	(37%)	(44%)
2. Invest at least 30% of the Fund portfolio in low carbon & sustainable investments by the end of 2025	30%	19%	Invested: 27% Committed: 29%

The Fund expects to make continued progress in respect of the second target in 2022-23, 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. These are analysed as follows:

£ in Thousands	Total Pool	Fund Share
Recruitment	215	27
Procurement	20	2
Professional fees	1,491	187
Information technology	779	97
Staff costs	1,131	142
Premises	395	49
Other	80	10
Set-Up Costs Before Transition Costs	**4,111**	**514**
Net Funding (see below)	11,984	1,498
Total Set-Up Costs Including Net Funding	**16,095**	**2,012**
Transition Costs		-
Set-Up Costs After Transition Costs		**2,012**
Share Capital		1,315
Debt		685
Total Funding		**2,000**
Repayment of set-up costs		(502)
Net Funding		**1,498**
By Financial Year		
2016/17		95
2017/18		1,510
Set-Up costs After Transition Costs		**2,012**

The set-up costs relate 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 total set up costs including funding of £16.1m (£4.1m of implementation costs and £12m of injected capital) compare to an estimate of £3.4m for implementation costs and £10m for regulatory capital included in the detailed business case submission to MHCLG (now DLUHC) in June 2016. The extra implementation costs largely related to additional professional fees and technology costs. An Internal Capital Adequacy Assessment Process was undertaken during 2017 to assess the level of capital necessary to adequately support relevant business risks within LGPSC. The Partner Funds injected sufficient capital to cover: the regulatory capital requirement plus a buffer; operational liquidity and repayment of the implementation costs.

The Fund incurred costs of £0.087m 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 2021-22 (2020-21, £0.013m). The charge excludes fees paid to the underlying investment managers of £0.990m in 2021-22 (2020-21, £0.338m).

LGPSC also provided advisory management services in respect of the Fund's Japanese Equities and Asia Pacific Ex-Japanese Equities in 2020-21. The advisory management services mandate was terminated on 17 January 2021, resulting from changes to the Fund's strategic asset allocation benchmark. The charge in respect of these services was £0.073m in 2020-21.

The Fund incurred £0.947m in respect of Governance, Operator Running and Product Development costs in connection with LGPSC in 2021-22 (2020-21, £0.988m).

An estimate of the Fund's cumulative LGPSC pooling cost savings/(loss) at 31 March 2022 is set out below:

Inception to 31 March 2022	**£ Million**
Product Investment Management Fee Savings	2.6
Transition Costs (*)	(3.7)
LGPSC Costs (**)	(5.2)
LGPSC Funding Costs	(2.0)
Other	0.9
Cumulative Pooling Cost Savings/(Loss)	**(7.4)**

(*) 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 £7.4m at 31 March 2022, 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 2022, together with the net performance of the UK Active Equity Discretionary Mandate managed by LGPSC between 3 April 2019 and 14 November 2019, the date on which the mandate was terminated.

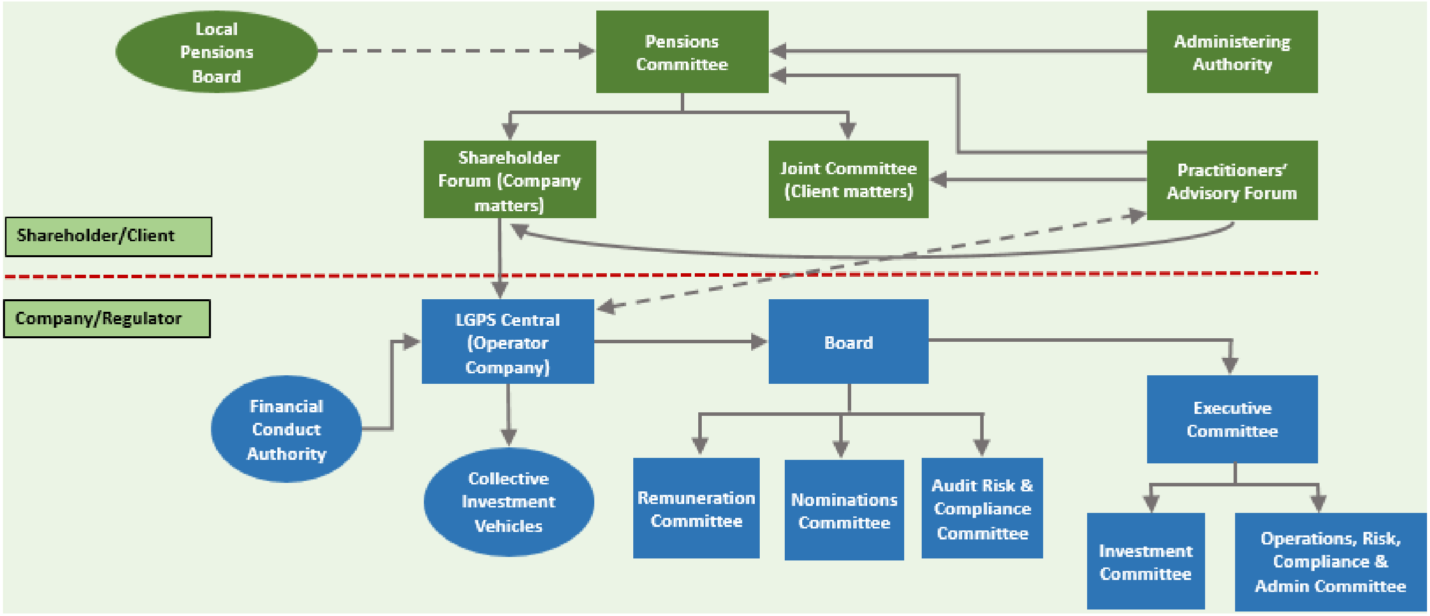
The net investment performance returns shown below exclude transition costs, together with out-or-under-performance and opportunity costs over the transition period.

LGPSC Sub-Fund	**First Investment Date**	**AUM 31 Mar-22 £ Million**	**Annualised Net Sub-Fund Return**	**Annualised Benchmark**	**Annualised Target**
Emerging Market Equity Active Multi-Manager Fund	May-21	181	(8.5%)	(1.7%)	0.3%
All World Equity Climate Multi-Factor Fund	Jan-22	312	(1.6%)	(1.7%)	n/a
Global Active Investment Grade Corporate Bond Multi-Manager Fund	Feb-20	378	4.4%	3.8%	4.6%
Credit Partnership II LP (Private Debt)	Nov-21	2	(*)	(*)	(*)
UK Equities (Discretionary Mandate) (**)	Apr-18	-	5.8%	6.4%	6.9%

(*) It is too early to assess the performance of LGPSC Credit Partnership II LP
(**) Mandate terminated on 14 November 2019. Mandate AUM averaged c.£970m

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 2021-22 (2020-21, 1); 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 two meetings of the Shareholders' Forum in 2021-22 (2020-21, 2).

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 meet 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 4, 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:

- To ensure the long-term solvency of the Fund, using a prudent long-term view. This will ensure that sufficient funds are available to meet all members'/dependants' benefits as they fall due for payment
- To ensure that employer contribution rates are reasonably stable where appropriate
- To minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return (this will also minimise the costs to be borne by Council Tax payers)
- To reflect the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years
- To use reasonable measures to reduce the risk to other employers and ultimately to the Council Taxpayer from an employer defaulting on its pension obligations

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 at 31 March 2019 is set out overleaf. A copy of the full triennial valuation at 31 March 2019 is set out at Appendix 5.

The Fund's funding level at 31 March 2019 was 97% up from a level of 87% at the end of March 2016; the funding level demonstrates the extent to which the assets held by the Fund cover the accrued benefits at a particular point in time. The next triennial valuation will be carried out as at 31 March 2022.

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 2019 valuation took effect from 1 April 2020.

Derbyshire Pension Fund ("the Fund") Actuarial Statement for 2021/22

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 September 2021. In summary, the key funding principles are as follows:

- to ensure the long-term solvency of the Fund using a prudent long term view. This will ensure that sufficient funds are available to meet all members'/dependants' benefits as they fall due for payment;
- to ensure that employer contribution rates are reasonably stable where appropriate;
- to minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return (this will also minimise the costs to be borne by Council Tax payers);
- to reflect the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and
- to use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations.

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 return their portion of the Fund to full funding over 19 years if the valuation assumptions are borne out. Asset-liability modelling has been carried out which demonstrates that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is still at least a 70% likelihood that the Fund will return to full funding over 19 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 2019. This valuation revealed that the Fund's assets, which at 31 March 2019 were valued at £4,929 million, were sufficient to meet 97% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting deficit at the 2019 valuation was £163 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving full funding within a time horizon and probability measure as per the FSS. Individual employers' contributions for the period 1 April 2020 to 31 March 2023 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 2019 valuation report.

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.

April 22

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 2019 valuation were as follows:

Financial assumptions	31 March 2019
Discount rate	3.6%
Salary increase assumption	3.0%
Benefit increase assumption (CPI)	2.3%

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 2018 model with an allowance for smoothing of recent mortality experience and a long term rate of improvement of 1.25% p.a. for both women and men.

Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.6 years	23.7 years
Future Pensioners*	22.6 years	25.1 years

*Aged 45 at the 2019 Valuation.

Copies of the 2019 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund.

Experience over the period since 31 March 2019

Markets were severely disrupted by COVID 19 in March 2020, but over most of 2020/21 and 2021/22 they recovered strongly. However, due to the war in Ukraine, March 2022 markets were particularly volatile, which affects values as at the accounting date. All other things being equal, the funding level of the Fund as at 31 March 2022 is likely to be better than that reported at the previous formal valuation as at 31 March 2019.

It is important to note that the formal triennial funding valuation exercise is as at 31 March 2022 and this may show a different picture when the finalised position is disclosed in next year's annual report. In particular, changes in Fund membership, changes in anticipated real investment returns, and changes in demographic assumptions will affect the valuation results. The Funding Strategy Statement will also be reviewed as part of the triennial funding valuation exercise.

Barry Dodds FFA

12 April 2022

For and on behalf of Hymans Robertson LLP

April 22

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 2021-22, 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 at 31 March 2019, determined employer contribution rates for the period from 1 April 2020 to 31 March 2023.

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 6.

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, Fund 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 2021-22 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 has also commenced preparatory work in readiness for the following developments:

- The remedy for the McCloud judgement, for removing age discrimination across public sector pension schemes, which is expected to be introduced into The Local Government Pension Scheme Regulations in 2023.
- The Pensions Dashboard 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 have met implementation requirements by 2024.

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 53 full-time equivalent members of pension administration staff working for the Fund as at 31 March 2022 (47 in 2020-21) and the cost of administration, excluding actuarial and audit fees, was £2,774m (2020-21, £2.982m) comprising staffing costs, IT, central charges and the cost of providing a pensions payroll for pensioners. A breakdown is shown below.

£ in Thousand	2020-21 Actual	2021-22 Actual
Staff costs	1,669	1,680
Premises, Supplies and services	825	712
Information technology	488	382
Total	**2,982**	**2,774**

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

£ per Member	2017-18	2018-19	2019-20	2020-21	2021-22
The Fund	£20.34	£20.38	£24.79	£28.96	£26.29

The cost per member remained relatively stable until 2017 but increased in both 2019-20 and 2021-22 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 and complete cases outstanding from the previous pension administration system
- the management and implementation of data migration to the new system
- 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 the ongoing investment in headcount (see below), 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	2017-18	2018-19	2019-20	2020-21	2021-22
Full-Time Equivalent Staff (FTE)	44	42	47	47	53

Please note that each total does not include vacant positions.

Impact of Covid-19

Hybrid working arrangements encompassing the whole administration team continued to be developed through 2021-22.

The Fund's Business Continuity Plan, initially developed in April 2020 at the start of the pandemic, along with established procedures ensured that service provision was maintained across the range of administration activities during the period when the majority of the team worked remotely, and also during the development of hybrid arrangements.

A small office-based team had continued throughout the pandemic working in compliance with DCC's Covid-secure measures to maintain functions such as printing, packaging and posting letters and pension documents.

Issuing formal documentation to members by post has remained the core method of communication. The implementation of the member self-service provision, 'My Pension Online' which launched in June 2021 will enable development of electronic communications in more areas of the Fund's administration.

By the later part of 2021-22 the majority of the administration team were spending at least some time working from the office as part of hybrid rotas that ensured numbers remained within DCC's Covid-secure room capacities up to the end of March 2022.

As part of the DCC's Modern Ways of Working initiative, the Fund has been allocated about 60% of its pre-Covid space, and work has continued through 2022 to gradually build up the proportion of the team working in the office on a daily basis to support 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 the 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 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 2021-22, but is yet to reach its completion.

Therefore, a 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 complete the recovery programme and has not been included in the table below as an interim measure.

It was anticipated that a report of deferred benefit cases would be provided again for this Annual Report, however, should be available for the next report covering 2022-23.

The following performance levels for 2021-22 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	98.7%
Completion of death cases	2 months	97.3%
Provision of retirement estimates	2 months	99.8%
Payment of Transfer Out	6 months	96.3%
Provision of Transfer Out quote	3 months	96.8%
Provision of Transfer In quote	2 months	89.8%
Payment of contributions refund	2 months	87.0%

In other areas of activity, during 2021-22 the Fund:

- onboarded 8 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 2021-22
- continued replacing year-end returns with monthly data submissions via the implementation of the i-Connect secure data transmission solution for 214 participating employers
- continued data cleansing work relating to the GMP reconciliation exercise for active, deferred and beneficiary members
- produced and distributed IAS19 and FRS102 Accounting Disclosure Reports for 223 employers
- collaborated with Nottinghamshire Pension Fund on the efficient transfer in administering authority of seven Fund employers
- commenced live operation of the member self-service website, “My Pension Online”, to enable members to access pension information, including their Annual Benefit Statement, online
- received registrations from 11,842 scheme members for the “My Pension Online” portal between its live launch on 4 June 2021 and 31 March 2022 which represented approximately 19.5% of the combined active and deferred membership.
- generated and made available by 31 August 2022, Annual Benefit Statements which reflected membership to 31 March 2022, for 94.3% of the Fund’s active and deferred members (excluding ‘gone aways’).
- issued Pensions Saving Statements to 94 members who had exceeded their Annual Allowance limit during 2021-22

- 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 2021-22.

The results for the last 4 years are shown in the table below:

Year	Common data	Conditional data
2017-18	95%	85%
2018-19	97.6%	92.3%
2019-20	98%	92.5%
2020-21	98.2%	93.5%
2021-22	97.7%	94.8%

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.130,380 separate visits to the website were made by scheme members, employers, and other Fund stakeholders during 2021-22.

This represents a significant increase in website visits (from 71,497 in 2020-21) linked to initial engagement with the new "My Pension Online" resource which routed members to the registration process through the Fund's website.

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

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

The administration team continue to review and develop the 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 2021-22 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 email and website enquiry form
    - telephone 01629 538900
    - email pensions@derbyshire.gov.uk
    - website enquiry form
- newsletters for active and deferred members produced in collaboration with other Funds to ensure accuracy and to share costs and resource

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 have been provided through 2021-22 on request.

Other services to Fund employers

Services provided by the Fund to scheme employers during 2021-22 included:

- 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

Feedback was requested at the virtual member presentations and employer forums and resulted in positive responses.

The pandemic resulted in all workplace-based member and employer sessions being temporarily postponed from March 2020 onwards. Virtual sessions continued to be provided through 2021-22 on request.

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 2020-21 the Fund continued to assist employers with updating their discretions policies by providing 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 2021-22 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 2021-22 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 2021-22. The tables also show the number of cases submitted to or determined by The Pensions Ombudsman during 2021-22 in respect of cases escalated following the two-stage adjudication process.

Stage 1 Appeals against the administering authority: 2021-22

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

Stage 2 Appeals adjudicated by administering authority: 2021-22

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

Complaints escalated to or determined by The Pensions Ombudsman: 2021-22

Total	Upheld	Dismissed	Awaiting determination
2	0	0	2

In addition to the two cases escalated to The Pensions Ombudsman during 2021-22, one case from 2019-20 and one case from 2020-21 are still awaiting final determination.

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 underperformance (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.

Despite the impact of the Covid-19 restrictions and staff from most Fund employers working from home, the continuing payment and reporting of pension contributions remained a core priority. In 2021-22, the overall receipt of employers' monthly contribution payments and related statements by the due date were as follows:

Monthly contribution payments received by 19th of the following month	95.1%
Monthly statement of contributions paid received by 19th of the following month	90.5%

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

No late payment charges were issued during 2021-22.

Fund Activity

Membership:

	31/03/18	31/03/19	31/03/20	31/03/21	31/03/22
Contributors	41,010	41,157	40,125	38,065	38,170
Deferred Pensions	32,099	31,136	33,164	32,463	33,634
Pensioners / Dependants	27,959	30,024	31,548	32,427	33,699
Total	**101,068**	**102,317**	**104,837**	**102,955**	**105,503**

Retirements from Active Status:

	31/03/18	31/03/19	31/03/20	31/03/21	31/03/22
Ill Health	39	32	55	50	53
Age retirement	593	564	676	705	830
Flexible	86	79	100	66	76
Redundancy	94	75	155	82	82
Efficiency	28	14	4	4	3
Employer Consent	0	0	0	0	0
Total	**840**	**764**	**990**	**907**	**1,044**

Retirements from Deferred Status:

	31/03/18	31/03/19	31/03/20	31/03/21	31/03/22
Ill Health	12	7	8	4	14
Age retirement	552	687	730	740	808
Employer Consent	0	0	0	0	0
Total	**564**	**694**	**738**	**744**	**822**

Deaths in Service:

	31/03/18	31/03/19	31/03/20	31/03/21	31/03/22
Deaths in service	26	29	27	37	46

Deaths of Deferred Beneficiaries:

	31/03/18	31/03/19	31/03/20	31/03/21	31/03/22
Deaths of deferred beneficiaries	31	42	35	63	46

Deaths of Pensioners / Dependants:

	31/03/18	31/03/19	31/03/20	31/03/21	31/3/22
Deaths of pensioners & dependants	682	693	753	920	759

Transfers-in:

	31/03/18	31/03/19	31/03/20	31/03/21	31/03/22
Inter-fund Transfers (from the LGPS)	266	221	239	253	242
Club Transfer (Public Sector Transfer Club)	32	40	22	39	48
Non-Club	0	0	6	1	0
Personal Pension	0	0	0	0	0
Total	**298**	**261**	**267**	**293**	**290**

Transfers-out:

	31/03/18	31/03/19	31/03/20	31/03/21	31/03/22
Inter-fund Transfers (from the LGPS)	198	171	273	173	244
Club Transfer (Public Sector Transfer Club)	42	25	50	35	43
Non-Club	57	31	9	5	3
Personal Pension	1	4	35	28	32
Overseas	1	1	1	2	1
Total	**299**	**232**	**368**	**243**	**323**

Trivial Payments:

	31/03/18	31/03/19	31/03/20	31/03/21	31/03/22
From active status	3	0	0	4	3
From deferred status	52	70	41	80	116
From pension in payment	2	2	46	56	55
Total	**57**	**72**	**87**	**140**	**174**

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

Fund Employers:

Active at 31 March 2021	Active at 31 March 2022
332	331

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.

Statement of Accounts

Derbyshire Pension Fund

2021-22

EXPLANATORY FOREWORD

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 330 participating employers and over 105,000 membership records, relating to approximately 91,000 members, either active contributors, pensioners or deferred pensioners (people 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.

Following the local elections in May 2021, the Pensions and Investments Committee (the Committee) welcomed six new members and a new Employer Representative joined the Pension Board in February 2022.

During the year, the Committee has approved policies relating to new employer flexibilities as part of an updated Funding Strategy Statement, and has received the Fund's second Task Force on Climate-related Financial Disclosures Report which describes the way in which climate-related risks are managed by the Pension Fund, and which noted the positive progress made in respect of the targets included in the Fund's Climate Strategy.

At the end of March 2022, the value of the Fund's assets had risen to just over £6.1bn, with the Fund achieving positive investment returns in three out of the four quarters of 2021-22. Investment returns were helped at the beginning of the year by the £1.9bn stimulus package agreed in the US at the end of the previous fiscal year, by the successful vaccine rollout in developed markets and by continued commitments to loose monetary policy by central banks. Concerns built about rising levels of inflation throughout the rest of the year, with the rhetoric of the central banks increasingly referring to the need for multiple interest rate hikes. In December 2021, the Bank of England became the first major central bank to increase rates since the pandemic; with the US Federal Reserve starting to increase rates in March 2022. Russia's invasion of Ukraine and the expectation of continued interest rate increases to tackle inflation, weighed heavily on investor confidence in the final quarter of the year resulting in negative quarterly returns. However, for the year as a whole the Fund delivered a positive investment return of 7.6%.

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 2022-23.

The rollout of the i-Connect system continued during with year with employers representing over 80% of the Fund's membership now using the automated data submission and validation system.

In June 2021, My Pension Online, the Fund's member self-service system, was launched. By the end of the year, almost 20% of the Pension Fund's combined active and deferred members had registered on the system.

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

Membership Statistics

The Fund has over 105,000 membership records, relating to approximately 91,000 members, either active contributors, pensioners, or deferred pensioners:

	Actuals		
	31 Mar 2020	**31 Mar 2021**	**31 Mar 2022**
Contributors	40,125	38,065	38,170
Pensioners and Dependants	31,548	32,463	33,699
Deferred Pensioners	33,164	32,427	33,634

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	2021-22	2022-23
Derbyshire County Council	15.5% plus £15.536m	15.5% plus £15.536m
Derby City Council	14.5% plus £6.981m	14.5% plus £6.981m
Amber Valley Borough Council	15.0% plus £1.057m	15.0% plus £1.057m
Bolsover District Council	14.9% plus £0.962m	14.9% plus £0.962m
Chesterfield Borough Council	15.2% plus £1.991m	15.2% plus £1.991m
Derbyshire Dales District Council	14.6% plus £0.561m	14.6% plus £0.561m
Erewash Borough Council	14.1% plus £0.999m	14.1% plus £0.999m
High Peak Borough Council	13.4% plus £1.833m	13.4% plus £1.833m
North East Derbyshire District Council	14.7% plus £1.527m	14.7% plus £1.527m
South Derbyshire District Council	14.8% plus £0.678m	14.8% plus £0.678m

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 2021-22 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 2022-23.

Investment Policy

During 2021-22, 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. The Fund's benchmark asset allocation was changed on

1 January 2021 and 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 new asset allocation benchmark includes a 2% switch from Growth Assets to Income Assets, together with some of the Fund's regional equity allocations being switched into Global Sustainable Equities. Given the size of the changes between the former and new asset allocation benchmark, the transition was split into two phases, through an intermediate asset allocation benchmark, which came into effect on 1 January 2021, and a final asset allocation benchmark, which came into effect on 1 January 2022. 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 2022, compared to those of its strategic benchmark, as well as the impact of inflation on Fund returns.

	Return		Inflation	Derbyshire Pension Fund Real Return
Periods to 31 Mar 2022	**Derbyshire Pension Fund**	**Benchmark**	**CPI**	**Versus CPI Inflation**
	% pa	**% pa**	**%**	**%**
1 Year	7.6	7.3	7.0	0.6
3 Years	7.4	6.9	3.0	4.4
5 Years	6.3	5.9	2.7	3.6
10 Years	8.4	7.9	2.1	6.3

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 over the one, three, five and ten year periods relative to the benchmark. It is important to note that the Fund delivered real returns over all time periods, with returns ahead of inflation in each time period. UK inflation increased significantly in 2021-22, from 0.7% in March 2021 to 7.0% in March 2022, reflecting rising energy costs and tight global supply chains following the Covid-19 pandemic.

Markets remained volatile in 2021-22, with the Covid-19 pandemic continuing to affect markets. Whilst the Omicron variant eased concerns about Covid-19, being more transmissible but with fewer hospitalisations, inflationary pressures increased significantly in the final quarter of 2021-22, as concerns that the impact of higher prices would be longer lasting than first anticipated by the central banks. Markets responded by pricing-in faster interest rate rises, pushing up government bond yields. The expectation of higher interest rates drove a rotation out of growth stocks into value stocks, with investors favouring tangible 'real' assets over intangible assets. The outbreak of the conflict between Russia and Ukraine also weighed on investor confidence in the final quarter of 2021-22. The Fund's 2021-22 return of 7.6% compared to a 2020-21 return of 21.0%. The Fund's 2020-21 return reflected a sharp recovery and reversal of the 2019-20 sell off caused by the outbreak of the Covid-19 pandemic in the final quarter of 2019-20. In the year to 31 March 2022, equity returns to Sterling investors ranged from -4.3% in Asia Pacific Ex-Japan to 19.7% in North America.

Government bond returns were mixed in 2021-22. UK Gilts returned -5.1% but expectations of higher inflation pushed up the return from UK Index-Linked bonds to 5.1%. UK investment grade bonds returned -5.4%.

Property (70% direct / 30% indirect) returned 18.8% in 2021-22, up from 2.7% in 2020-21, as the UK property market recovered from the impacts of the Covid-19 pandemic. This was also reflected in improved levels of rent collection, albeit this continued to differ by sector.

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 at 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.

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

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

Assumptions used in the March 2022 actuarial valuation:

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

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

** Plus a promotional salary scale.

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

Since 31 March 2022, markets have 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 Statement and Annual Report are available on the Derbyshire Pension Fund’s website at http://www.derbyshirepensionfund.org.uk .

FUND ACCOUNT

2020-21 £m		Note	2021-22 £m
	Dealings with Members, Employers and Others Directly Involved in the Fund		
190.806	Contributions	6,23	193.536
14.461	Transfers in from Other Pension Funds	7	11.940
205.267			**205.476**
(173.458)	Benefits	8,23	(185.578)
(10.858)	Payments to and on Account of Leavers	9	(18.262)
(184.316)			**(203.840)**
20.951	**Net Additions from Dealings with Members, Employers and Others Directly Involved in the Fund**		**1.636**
(30.360)	Management Expenses	10	(32.413)
(9.409)	**Net (Withdrawals) Including Fund Management Expenses**		**(30.777)**
	Return on Investments		
57.404	Investment Income	11	62.217
(0.236)	Taxes on Income	12	0.018
1,001.675	Profits and Losses on Disposal of Investments and Changes in Value of Investments	13	393.710
1,058.843	**Return on Investments**		**455.945**
1,049.434	**Net Increase in the Net Assets Available for Benefits During the Year**		**425.168**
4,657.483	Opening Net Assets of the Fund		5,706.917
5,706.917	**Closing Net Assets of the Fund**		**6,132.085**

NET ASSETS STATEMENT

31 Mar 2021 £m		Note	31 Mar 2022 £m
5,670.948	Investment Assets	13-15	6,092.012
(4.148)	Investment Liabilities	13-15	(2.980)
49.185	Current Assets	17	53.926
(9.068)	Current Liabilities	18	(10.873)
5,706.917	**Net Assets of the Scheme Available to Fund Benefits at the Period End**		**6,132.085**

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.

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 2021-22 ("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 and the Statement of Recommended Practice 2018 ("SORP"): Financial Reports of Pension Schemes insofar as it is relevant.

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.

2. Accounting policies

Contributions

Employee contributions are accounted for when deducted from members' pay. Employer normal contributions are accounted for in the period to which the corresponding pay relates. Other employer 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.

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 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:

- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes the following changed standards:
    - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS.
    - IAS 37 (Onerous contracts) – clarifies the intention of the standard.

- IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

  None of the matters covered in the annual improvements are dealt with in detail in the 2022-23 Code. During the consultation process on the 2022-23 Code CIPFA/LASAAC did not envisage them having a significant effect on local authority financial statements. The Fund has concluded that these amendments would not have impacted on the Fund's 2021-22 accounts.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16). The Fund has no Property, Plant and Equipment and these amendments would not have impacted on the Fund's 2021-22 accounts.

IFRS 16 (Leases) is not included in the list above because early adoption in 2022-23 is not currently envisaged.

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

Russian assets

On 24 February 2022, Russia invaded Ukraine. The invasion drew widespread condemnation and led to globally coordinated financial sanctions against the Russian economy, the President of Russia and other associated individuals and organisations. The assets of the Russian central bank were frozen and Russian banks were removed from the SWIFT international payment system. The Russian domestic stock exchange was initially closed, and whilst it has subsequently reopened, global sanctions severely limit the ability of investors to trade Russian securities.

The Fund had around £12m invested in Russian companies prior to the start of the invasion, which is 0.2% of the Fund's total investment assets. In March 2022, both MSCI and FTSE Russell (the main index providers used by the Fund's investment managers) announced that they were deleting Russian securities from their indices. As a result, the Fund's Russian investments were fully written down to zero at 31 March 2022, which means that they have no value assigned in the Fund's accounts at 31 March 2022, albeit the investment vehicles in which these securities are held continue to own these securities at that date because the sanctions restrictions severely limit the ability to sell these securities at present. Whilst the remainder of the Fund's investment assets may indirectly be exposed to the impact of the conflict between Russia and Ukraine, this has either been reflected in the investment valuation at 31 March 2022, or the impact is not considered material.

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. In its March 2022 Valuation Report, Savills noted that "following the invasion of Ukraine by the Russian military on 24 February 2022, there has been an immediate impact on the global economy due, in part, to sanctions imposed on Russia, Russian businesses and Russian individuals, rising oil and gas prices and the restriction of exported goods from Ukraine and Russia. It remains to be seen what impact this will have on the UK economy, including inflation and interest rates, and the property markets. We continue to monitor the situation closely and in due course, it may be appropriate for us to reflect further on our market commentary and any potential impact on value. Accordingly, we stress the importance of the valuation date. For the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined in the RICS Valuation – Global Standards."

The value of the Fund's Level 3 assets at 31 March 2022 was £3,227.013m, accounting for 53.0% of total investment assets. The estimated impact of price risk in respect of Level 3 assets is ±6.0%, equating to £194.268m at 31 March 2022. Potential price changes are determined based on the observed historical volatility of asset class returns, for example, 'risker' 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 2022.

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.

6. Contributions

	2020-21 £m	2021-22 £m
Employers		
Normal	110.139	111.891
Deficit Funding	37.637	37.081
Members		
Normal	43.030	44.564
	190.806	**193.536**

Employers' contributions rates payable in 2020-21 and 2021-22 were set as part of the 2019 valuation which revealed an overall funding level of 97%.

On 30 April 2020, Derbyshire County Council paid employer contributions of £56.379m to the Fund, for 2020-21. This advance payment was based on an estimate of pensionable pay. Derbyshire County Council's employer contributions payable for 2020-21, based on actual pensionable pay, are £54.447m, which is £1.932m less than the advance payment. The excess cash payment of £1.932m is included in the Fund's current liabilities at 31 March 2021, within the balance of £4.169m which the Fund owed to Derbyshire County Council. This excess amount has been retained by the Fund and accounted for as employer deficit funding contributions in 2021-22 in accordance with the agreement formalised in the Derbyshire County Council 2021-22 Rates and Adjustments Certificate agreed with the Actuary.

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 also 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 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 relates to 2021-22, and these contributions are accounted for as employer deficit funding contributions in 2020-21.

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

7. Transfers in from other pension funds

	2020-21	2021-22
	£m	£m
Individual transfers in from other pension funds	**14.461**	**11.940**

8. Benefits

	2020-21	2021-22
	£m	£m
Pensions	141.410	146.923
Commutation of pensions and lump sum retirement benefits	28.258	32.711
Lump sum death benefits	3.790	5.944
	173.458	**185.578**

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

9. Payments to and on account of leavers

	2020-21	2021-22
	£m	£m
Refund of contributions to members leaving the Fund	0.588	0.668
Group transfers out to other pension funds	0.000	8.009
Individual transfers out to other pension funds	10.270	9.585
	10.858	**18.262**

Group transfers out in 2021-22 relates 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)”.

	2020-21 £m	2021-22 £m
Investment management expenses	25.911	28.275
Administrative costs	2.982	2.774
Oversight and governance costs	1.467	1.364
	30.360	**32.413**

Oversight and governance costs decreased by £0.103m in 2021-22, to £1.364m (2020-21, £1.467m). Oversight and governance costs includes external audit fees of £0.027m (2020-21: £0.028m), which is comprised of £0.022m for the 2021-22 audit, £0.009m in respect of prior year additional fees, less a £0.004m audit fee rebate from Public Sector Audit Appointments. 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 2021-22 are £0.018m (2020-21: £0.017m).

Administration costs decreased by £0.208m in 2021-22, to £2.774m (2020-21, £2.982m), largely reflecting that some non-recurring one-off costs were incurred in 2020-21. Pension administration costs per member were £26.29 in 2021-22 (2020-21: £28.96), with the reduction relative to the prior year reflecting operational efficiencies, together with the non-recurring costs incurred in 2020-21.

Investment management expenses are analysed below:

	2020-21 £m	2021-22 £m
Fund value based management fees	25.040	26.125
In house management fees	0.450	0.452
Transaction costs	0.394	1.677
Custody fees	0.027	0.021
	25.911	**28.275**

Fund value-based management fees increased by £1.085m, to £26.125m in 2021-22 (2020-21, £25.040m). An increase in the average value of underlying investments during the year was more than offset by switches into lower cost products, driven by an increase in the proportion of investments managed on a passive basis and collaborative fee savings with other local government pension funds. Based on average investment assets across the year, management fees as a proportion of average investment assets were 0.44% (2020-21, 0.48%).

Transaction costs relate to the following asset classes:

	2020-21 £m	2021-22 £m
Equities	0.394	0.231
Pooled Investment Vehicles	0.000	1.446
	0.394	**1.677**

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.

The £1.283m increase in transaction costs to £1.677m (2020-21, £0.394m) principally reflects anti-dilution charges connected with asset transitions into pooled investment vehicles managed by LGPS Central Limited (£0.853m) and transaction costs in respect of infrastructure pooled investment vehicles (£0.592m). Commissions decreased by £0.223m in 2021-22, to £0.155m, largely reflecting lower allocations to the discretionary US equities mandate managed by Wellington Asset Management. Stamp duty increased by £0.060m in 2021-22, to £0.076m, principally reflecting increased investments into listed infrastructure equities.

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

	2020-21 £m	2021-22 £m
Income from equities	15.332	12.224
Income from bonds	9.270	9.566
Net rents from properties	10.315	10.854
Income from pooled investment vehicles	21.274	29.168
Interest on cash deposits	1.213	0.405
	57.404	**62.217**

Income from equities decreased by £3.108m in 2021-22, to £12.224m (2020-21, £15.332m), 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 £7.894m in 2021-22, to £29.168m (2020-21, £21.274m), reflecting increased allocations to income generating asset classes such as infrastructure and private debt which are managed through pooled investment vehicles. Furthermore, investment managers generally held back distributions in 2020-21, in order to increase their liquidity to support underlying portfolio companies, if required, during the Covid-19 pandemic.

Rents from properties are net of £0.596m of property expense (2020-21, net of £0.720m of property expense), which has been reduced by a £0.032m credit loss allowance adjustment for property rent debtors at the year-end (2020-21, £0.037m increase). 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

	2020-21 £m	2021-22 £m
Taxation payable	**0.236**	**(0.018)**

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. At 31 March 2021 there was an overall tax debit because of withholding tax which had yet to be reclaimed.

13. Investment assets and liabilities

	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**

The total of profits and losses on disposal of investments and changes in value of investment assets and investment liabilities has increased the Fund's value by £393.710m during 2021-22 (2020-21, £1,001.675m 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. In 2021-22, net gains on financial assets and financial liabilities measured at fair value are £358.832m (2020-21, £1,003.166m).

At 31 March 2022 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 £751.690m, representing 12.3% (2021, £789.198m, 13.8%).
- LGIM MSCI World Low Carbon Target Index Fund £686.933m, representing 11.2% (2021, £406.587m, 7.1%).
- RBC Global Equity Focus Fund £412.479m, representing 6.7% (2021, £377.662m, 6.6%).

- LGPS Central Global Active Corporate Bond Fund A (Acc) £378.001m, representing 6.2% (2021, £348.746m, 6.1%).
- LGPS Central All World Equity Climate Multi Factor Fund £312.322m, representing 5.1% (2021, nil).

The 2020-21 position was:

	Value at 31 Mar 2020	Purchases & hedging payments	Sales & hedging receipts	Profits & losses on disposal of investments & changes in value of investments	Value at 31 Mar 2021
	£m	£m	£m	£m	£m
Investment assets					
Equities	812.666	388.793	(930.339)	306.205	577.325
Bonds	576.183	42.271	(10.322)	(27.621)	580.511
Pooled investment vehicles	2,720.054	1,136.492	(639.661)	713.264	3,930.149
Properties	239.650	14.041	0.000	(1.491)	252.200
Currency hedging contracts	3.032	433.389	(449.211)	12.790	0.000
	4,351.585	*2,014.986*	*(2,029.533)*	*1,003.147*	*5,340.185*
Cash deposits & short term loans	275.110			0.000	325.128
Other investment balances	14.169			0.000	5.635
	4,640.864			**1,003.147**	**5,670.948**
Investment liabilities					
Currency hedging contracts	0.000	0.000	0.000	(1.472)	(1.472)
Other investment balances	(8.768)			0.000	(2.676)
	(8.768)			**(1.472)**	**(4.148)**
	4,632.096			**1,001.675**	**5,666.800**

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 £309.258m (2021, one contract, with less than six months to expiry, with a gross contract value of £105.732m).

Pooled investment vehicles are further analysed below:

	31 Mar 2021 £m	31 Mar 2022 £m
Pooled Investment Vehicles		
Equities	2,595.929	3,009.986
Bonds	739.785	844.350
Property	181.747	194.206
Private Equity	144.087	191.371
Infrastructure	268.601	382.195
	3,930.149	**4,622.108**

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 2021		31 Mar 2022	
	£m	%	£m	%
In-house	3,000.287	52.9	3,028.978	49.7
Colliers Capital Holdings Ltd	254.191	4.5	293.973	4.8
Legal and General Investment Management	1,476.772	26.1	1,762.703	29.0
LGPS Central Ltd	348.528	6.2	872.126	14.3
UBS Global Asset Management Life Ltd	233.943	4.1	30.500	0.5
Wellington Management International Ltd	353.079	6.2	100.752	1.7
	5,666.800	**100.0**	**6,089.032**	**100.0**

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

	31 Mar 2021		31 Mar 2022	
	£m	%	£m	%
UK	2,542.692	44.9	2,619.506	43.0
North America	1,397.198	24.6	1,687.963	27.7
Europe	872.211	15.4	856.445	14.1
Asia and other	854.699	15.1	925.118	15.2
	5,666.800	**100.0**	**6,089.032**	**100.0**

Whilst UK investments increased in absolute terms between 31 March 2021 and 31 March 2022, they reduced as a percentage of total investment assets, as on-going changes to the asset allocation, together with weaker relative performance, reduced the Fund's relative exposure to UK investment assets. As the proportion of UK investment assets fell, allocations to North America in absolute terms, and as a percentage of total investments increased, driven by asset allocation changes and stronger relative performance. European investments fell in both absolute terms, and as a percentage of total investments, reflecting asset allocation changes and weaker relative performance. Whilst the absolute allocation to Asia and other increased, it remained relatively flat as a percentage of total investments.

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.

- 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, 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:

	Restated 31 Mar 2021*	31 Mar 2022
	£m	£m
Financial Assets at Fair Value through Profit or Loss		
Level 1		
UK quoted equities	207.232	267.504
Overseas quoted equities	368.778	101.906
UK quoted bonds	477.130	510.758
Overseas quoted bonds	102.696	108.056
	1,155.836	**988.224**

	Restated 31 Mar 2021*	31 Mar 2022
	£m	£m
Level 2		
Property - quoted pooled investment vehicles	26.892	32.769
Other quoted pooled investment vehicles	1,467.763	1,654.526
UK unquoted equities	1.315	1.315
UK unquoted bonds	0.685	0.685
	1,496.655	**1,689.295**
Level 3		
Property – unquoted pooled investment vehicles	154.854	161.437
Other unquoted pooled investment vehicles	2,280.640	2,773.376
UK freehold properties (non-financial instruments)	208.500	236.650
UK leasehold properties (non-financial instruments)	43.700	55.550
	2,687.694	**3,227.013**
Financial Assets at Amortised Cost		
Sterling cash deposits	20.139	20.449
Money market funds	60.000	120.000
Other Sterling short term loans	242.500	40.000
Foreign currency	2.489	1.630
Other investment balances	5.635	5.401
	330.763	**187.480**
Financial Assets	**5,670.948**	**6,092.012**
Financial Liabilities at Fair Value through Profit or Loss		
Level 2		
Currency hedging contracts	(1.472)	(0.592)
	(1.472)	**(0.592)**
Financial Liabilities at Amortised Cost		
Other investment balances	(2.676)	(2.388)
	(2.676)	(2.388)
Financial Liabilities	**(4.148)**	**(2.980)**
	5,666.800	**6,089.032**

*Reanalysed to correct the classification of a quoted Level 2 other quoted pooled investment vehicle originally included in Level 3 other unquoted pooled investment vehicles at 31 March 2021. This fund had a value of £348.746m at 31 March 2021.

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	Not required	Not required
Other quoted pooled investment vehicles	Level 2	Closing bid price where bid and offer prices are published	Not required	Not required
UK unquoted equities	Level 2	Fair value based on price or net asset value advised by the fund manager	Not required	Not required
UK unquoted bonds	Level 2	Fair value based on price or net asset value advised by the fund manager	Not required	Not required
Currency hedging contracts	Level 2	Published exchange prices at the year-end date	Not required	Not required

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

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 2021-22:

	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 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.

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 restated 2020-21 position was:

	Restated Value at 31 Mar 2020*	Purchases *	Sales*	Unrealised gains/ (losses)*	Realised gains/ (losses)	Restated Value at 31 Mar 2021*
	£m	£m	£m	£m	£m	£m
Financial Assets						
Level 3						
Pooled investment vehicles						
Property – unquoted	149.857	7.812	(4.932)	1.862	0.255	154.854
Other unquoted	1,494.012	639.529	(197.434)	339.781	4.752	2,280.640
Properties						
UK freehold (non-financial instruments)	191.550	13.760	0.000	3.190	0.000	208.500
UK leasehold (non-financial instruments)	48.100	0.281	0.000	(4.681)	0.000	43.700
	1,883.519	**661.382**	**(202.366)**	**340.152**	**5.007**	**2,687.694**

*Reanalysed 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.

The impact of the Covid-19 pandemic and the Russian invasion of Ukraine 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 2022 above are likely to be accurate to within the ranges set out in the sensitivity analysis below:

	Value at 31 Mar 2022 £m	Assessed valuation range %	Value on increase £m	Value on decrease £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**

The position at 31 March 2021 was:

	Restated Value at 31 Mar 2021* £m	Assessed valuation range %	Value on increase £m	Value on decrease £m
Level 3 sensitivity				
Direct property (non-financial instruments)	252.200	10.0	277.420	226.980
Diversified multi-asset credit funds	259.562	5.0	272.540	246.584
Equity index tracking funds	1,476.912	2.0	1,506.450	1,447.374
Indirect property	154.854	15.0	178.082	131.626
Infrastructure	268.601	12.5	302.176	235.026
Private debt	131.478	10.0	144.626	118.330
Private equity	144.087	15.0	165.700	122.474
	2,687.694	**5.8**	**2,846.994**	**2,528.394**

*Reanalysed 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.

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 2022 was:

	31 Mar 2021	31 Mar 2022
	£m	£m
Utmost Life and Pensions		
With profits fund	0.064	0.064
Unit-linked funds	0.428	0.438
Total Utmost Life and Pensions	0.492	0.502

	31 Mar 2021 £m	31 Mar 2022 £m
Standard Life		
Managed fund	0.740	0.735
Multi asset managed fund	0.130	0.113
Protection fund	0.057	0.060
Ethical fund	0.110	0.106
With profits fund	0.308	0.322
Total Standard Life	1.345	1.336
Prudential Assurance Company Ltd		
Deposit fund	2.182	1.983
With profits cash accumulation fund	4.586	5.057
Cash fund	0.362	0.539
Discretionary fund	0.871	0.742
Dynamic global equity passive fund	0.190	0.217
Dynamic growth funds	0.719	1.268
Fixed interest fund	0.157	0.184
Global equity fund	0.441	0.419
Index-linked fund	0.356	0.349
International equity fund	0.574	0.633
Long-term bond fund	0.020	0.027
Long-term gilt passive fund	0.229	0.237
Positive impact fund	0.177	0.219
Property fund	0.140	0.000
UK equity fund	0.244	0.278
UK equity passive fund	0.161	0.197
Total Prudential Assurance	*11.409*	*12.349*
Clerical Medical		
With profits fund	0.123	0.128
Unit linked fund	0.040	0.052
Total Clerical Medical	0.163	0.180
Total AVC Investments	***13.409***	***14.367***
Death in Service Cover		
Utmost Life and Pensions	**0.093**	**0.093**

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.

	Utmost Life £m	Prudential £m	Standard Life £m	Clerical Medical £m	Total £m
Value at 31 Mar 2021	**0.492**	**11.409**	**1.345**	**0.163**	**13.409**
Income					
Contributions received	0.000	2.006	0.021	0.002	2.029
Interest and bonuses and change in market value	0.033	0.978	0.071	0.015	1.097
Expenditure					
Retirement benefits	(0.023)	(0.171)	(0.101)	0.000	(0.295)
Full encashment	0.000	(1.753)	0.000	0.000	(1.753)
Asset transfer	0.000	(0.071)	0.000	0.000	(0.071)
Transfers out and withdrawals	0.000	(0.049)	0.000	0.000	(0.049)
Value at 31 Mar 2022	**0.502**	**12.349**	**1.336**	**0.180**	**14.367**

17. Current assets

	31 Mar 2021 £m	31 Mar 2022 £m
Employers' contributions due	8.289	8.787
Employees' contributions due	2.218	2.521
Sundry debtors	1.429	1.450
Cash balance	37.249	41.168
	49.185	**53.926**

Employers' and employees' contributions due at 31 March 2022 have been received since the year-end.

As at 31 March 2022, the Fund was owed rent totalling £0.556m in respect of 2021-22 (31 March 2021, the Fund was owed rent totalling £0.735m in respect of 2020-21). Whilst the Fund's discretionary direct property manager is actively managing the collection of this rent, the Covid-19 pandemic has had a significant impact on the trading and cash flows of some of the Fund's tenants, particularly those in the Retail and Leisure Sectors, albeit the impact eased slightly between 2020-21 and 2021-22, leading to a reduction in the level of rent owed. As a result, the Fund has provided a credit loss allowance of £0.195m against these rents (2020-21, £0.227m).

18. Current liabilities

	31 Mar 2021 £m	31 Mar 2022 £m
Unpaid benefits	1.556	1.925
Sundry creditors	3.343	4.495
Amounts owed to Derbyshire County Council	4.169	4.453
	9.068	**10.873**

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 2021-22 are charges from the Council of £2.853m (2020-21, £2.888m) for expenses incurred in respect of oversight and governance of the Fund, for Fund administration and for management of the Fund's in-house investments.

At 31 March 2022 the Fund owed the Council £4.453m (31 March 2021, the Fund owed the Council £4.169m).

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 32 and 33 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, of which the Council, as the administering authority for the Fund, is one of the shareholders.

The Fund, via Derbyshire County Council, invested £1.315m in share capital and £0.685m in a loan to LGPSC at 31 March 2022 (31 March 2021, £1.315m and £0.685m, respectively) and was owed interest of £0.032m on the loan to LGPSC on the same date (2020-21, £0.031m).

The Fund incurred costs of £0.087m 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 2021-22 (2020-21, £0.013m), of which £0.023m was payable to LGPSC at 31 March 2022 (31 March 2021, £0.005m). The charge excludes fees paid to the underlying investment managers of £0.990m in 2021-22 (2020-21, £0.338m), with the increase between 2020-21 and 2022-22 reflecting an increase in the level of investment assets managed through LGPSC products.

The Fund incurred £0.947m in respect of Governance, Operator Running and Product Development costs in connection with LGPSC in 2021-22 (2020-21, £0.988m), of which £0.240m was payable to LGPSC at 31 March 2022 (31 March 2021, £0.226m).

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 2021-22 amounted to £0.015m (2020-21, £0.015m). For the duration of the lease term, subsequent years' rentals will be subject to an annual increase of 2.8%.

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.

20. Investment commitments

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

	31 Mar 2021 £m	31 Mar 2022 £m
Unquoted investments	395.556	321.277
Direct property	0.000	19.325
Other Sterling short-term loans	70.000	35.000
	465.556	**375.602**

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 relates 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 is no provision or creditor for these amounts in the financial statements as the legal obligation to pay was not fulfilled at 31 March 2022. These commitments will be met using funds received from the maturity of earlier investments and therefore have no impact on the financial position reported.

There were five such commitments at 31 March 2022 (2021, eleven), which were secured to take advantage of higher rates available at that time.

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:

- **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 2022, the Fund was owed rent totalling £0.556m (31 March 2021, the Fund was owed rent totalling £0.735m). Whilst the Fund's discretionary direct property manager is actively managing the collection of this rent, the Covid-19 pandemic has had a significant impact on the trading and cash flows of some of the Fund's tenants, particularly those in the Retail and Leisure Sectors, albeit the impact eased slightly between 2020-21 and 2021-22, leading to a reduction in the level of rent owed. The Fund has provided a credit loss allowance of £0.195m (31 March 2021, £0.227m) 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.

	Rental Income Debt 31 Mar 2022 £m	General Loss Allowance £m	Total Loss Allowance 31 Mar 2022 £m
Property Rental Income	**0.556**	**0.195**	**0.195**

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 2022 is provided as follows:

	Value at 31 Mar 2021 £m	Change in average default risk rate £m	Value at 31 Mar 2022 £m
Credit Loss Allowance	**0.227**	**(0.032)**	**0.195**

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 2021-22 was approved by the Pensions and Investments Committee on 3 March 2021.

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 £223.247m (2021, £362.377m) 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 2022 that this was likely to occur. No breaches of the Fund's counterparty criteria occurred during the reporting period. At 31 March 2022, the Fund had £41.168m in its operational account with Lloyds Bank.

Forward currency contracts – Credit risk from forward currency contracts is minimised by limiting the extent of these contracts to managing the 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 5.1% (2021, 1.9%) 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 £309.258m (2021, one contract, with less than six months to expiry, with a gross contract value of £105.732m). The Fund does not expect any losses from non-performance by any of its counterparties in relation to these contracts. The investment liability 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 £0.592m.

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

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

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

Liquidity risk

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

The majority of the Fund's investments are readily marketable and may be easily realised, if required. Emphasis is placed on treasury deposits of up to 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 two derivative financial liabilities held at the year-end in respect of the currency hedging contracts referred to above (2021, one).

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.

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

	Value at 31 Mar 2022 £m	Benchmark duration Years	Change in prevailing market interest rate	Effect -100bps £m	Effect +100bps £m
Asset type					
Conventional gilts	271.433	11.1	±100bps	30.156	(30.156)
Index-linked bonds	347.380	20.4	±100bps	70.866	(70.866)
Non-Government investment grade bonds	378.001	7.5	±100bps	28.350	(28.350)
Short dated investment grade bonds	48.877	3.0	±100bps	1.466	(1.466)
Diversified multi-asset credit funds	264.752	1.0	±100bps	2.648	(2.648)
Total change in asset values	**1,310.443**			**133.486**	**(133.486)**

The position at 31 March 2021 was:

	Value at 31 Mar 2021 £m	Benchmark duration Years	Change in prevailing market interest rate	Effect -100bps £m	Effect +100bps £m
Asset type					
Conventional gilts	270.223	12.2	±100bps	32.967	(32.967)
Index-linked bonds	309.603	21.9	±100bps	67.803	(67.803)
Non-Government investment grade bonds	348.746	7.9	±100bps	27.551	(27.551)
Diversified multi-asset credit funds	259.561	1.0	±100bps	2.596	(2.596)
Total change in asset values	**1,188.133**			**130.917**	**(130.917)**

A 100 basis points increase in the prevailing market interest rate would reduce the aggregate value of the identified assets by an estimated £133.486m (2021, £130.917m), whereas a 100 basis points reduction in the prevailing market interest rate would increase the aggregate value of the identified assets by a comparable amount. It should also be noted that both non-Government investment grade bonds and diversified multi-asset credit funds are also sensitive to changes in the interest rate spread, which is the interest rate received relative to sovereign bonds, which can either increase (reducing asset values) or reduce (increasing asset values).

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

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

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

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

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

The impact of the Covid-19 pandemic and the Russian invasion of Ukraine 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 2022 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.

	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**

The position at 31 March 2021 was:

	Value at 31 Mar 2021 £m	Change %	Value on increase £m	Value on decrease £m
Underlying asset type				
UK Government bonds	228.085	5.01	239.512	216.658
UK index-linked bonds	249.045	8.37	269.890	228.200
Corporate bonds	349.431	7.57	375.883	322.979
Overseas index-linked bonds	60.558	7.23	64.936	56.180
Overseas bonds	40.666	4.62	42.545	38.787
UK equities	903.509	16.83	1,055.570	751.448
Overseas equities	2,101.338	13.86	2,392.583	1,810.093
Private equity	229.820	8.46	249.263	210.377
Infrastructure	351.277	4.35	366.558	335.996
Multi asset credit	391.038	6.04	414.657	367.419
Cash	325.128	0.13	325.551	324.705
Other investment balances	2.959	0.00	2.959	2.959
Properties (non-financial instruments)	433.946	2.26	443.753	424.139
Total investment assets and liabilities	**5,666.800**	**8.40**	**6,142.811**	**5,190.789**

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 2022 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 2022 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.

	Value at 31 Mar 2022 £m	Change %	Value on increase £m	Value on decrease £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**

The position at 31 March 2021 was:

	Value at 31 Mar 2021 £m	Change %	Value on increase £m	Value on decrease £m
Underlying asset type				
Overseas index-linked bonds	60.558	0.00	60.558	60.558
Overseas bonds	40.666	0.00	40.666	40.666
Overseas equities	2,101.338	7.26	2,253.895	1,948.781
Overseas private equities	93.520	6.83	99.903	87.137
Overseas infrastructure	163.850	6.77	174.949	152.751
Overseas multi asset credit	46.086	5.30	48.529	43.643
Overseas cash	2.489	8.60	2.703	2.275
Overseas properties (funds)	49.260	5.30	51.871	46.649
Overseas investment assets	**2,557.767**	**6.97**	**2,736.043**	**2,379.491**

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.

Present Value of Promised Retirement Benefits

	31 Mar 2021	31 Mar 2022
	£m	£m
Active members	*4,284.000*	*3,668.000*
Deferred members	*1,625.000*	*1,648.000*
Pensioners	*2,436.000*	*2,927.000*
Present Value of Promised Retirement Benefits	***8,345.000***	***8,243.000***

The promised retirement benefits at 31 March 2022 are based on the results of the 31 March 2022 funding valuation using the Fund's membership as at 31 March 2022.

The above figures 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.

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 2022 and 31 March 2021. I estimate that the impact of the change in financial assumptions to 31 March 2022 is to decrease the actuarial present value by £601m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £87m.

Financial assumptions

Year ended (% p.a.)	31 Mar 2021 %	31 Mar 2022 %
Pension Increase Rate (CPI)	*2.85*	*3.20*
Salary Increase Rate	*3.55*	*4.20*
Discount Rate	*2.00*	*2.70*

Demographic assumptions

Life expectancy is 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 improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

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

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

Please note that the longevity and other demographic assumptions are in line with 31 March 2022 funding valuation. The assumptions have changed since the previous IAS26 disclosure for the Fund as at 31 March 2021.

Sensitivity Analysis

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

Change in assumption at 31 March 2022	*Approximate increase to promised retirement benefits %*	*Approximate monetary amount £m*
0.1% p.a. decrease in the Discount Rate	*2*	*160*
1 year increase in member life expectancy	*4*	*330*
0.1% p.a. increase in the Salary Increase Rate	*0*	*21*
0.1% p.a. increase in the Pension Increase Rate (CPI)	*2*	*138*

Barry Dodds FFA

15 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 £8,243.000m at 31 March 2022, compared to the net assets available for benefits at that date of £6,132.085m. The actuarial valuation at 31 March 2022 has set contribution rates from 1 April 2023.

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:

	2020-21		2021-22	
	Benefits	**Contributions**	**Benefits**	**Contributions**
	£m	**£m**	**£m**	**£m**
Derbyshire County Council	80.384	71.166	85.909	75.052
Scheduled Bodies	86.765	113.813	92.468	112.417
Admission Bodies	6.309	5.827	7.201	6.067
	173.458	**190.806**	**185.578**	**193.536**

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 2022 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 2022 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

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

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

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 1DF

12 December 2023

Appendix 1: Governance Policy and Compliance Statement

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)
- 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 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 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 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 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 26 May 2021.

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:

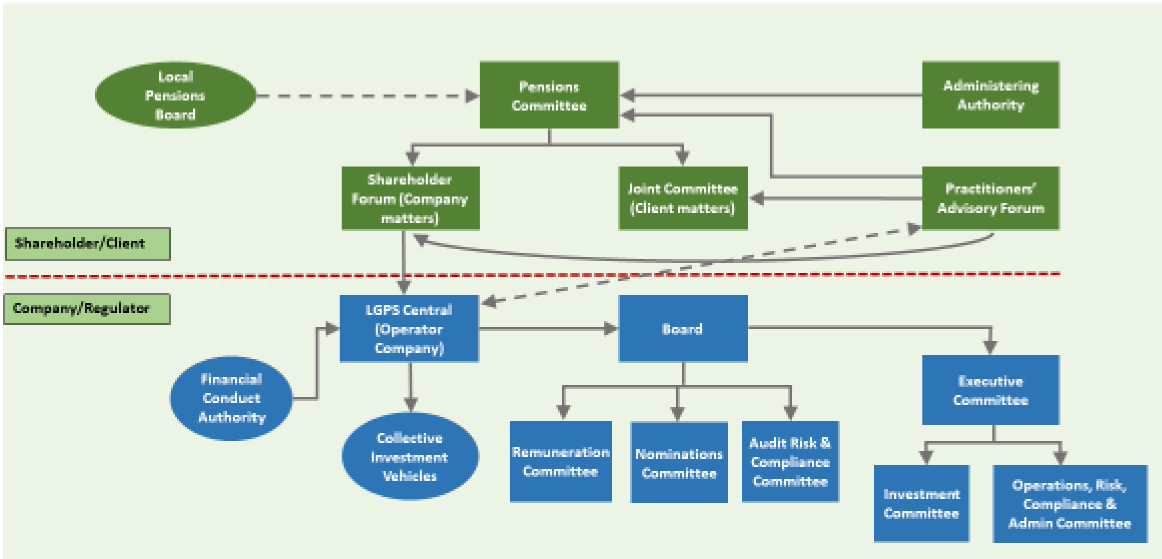
- Securing compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme
- Securing compliance with any requirements imposed by the Pensions Regulator in relation to the Scheme

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 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 one represents a District Council and the other position is vacant) 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 and 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 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** However, an annual Employers' Forum is held to which all employing bodies are invited.

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 Fund's website. Vacancies for Derbyshire Pension Board are advertised on the website.

Derbyshire Pension Fund

lgps

Appendix 2: Communications Policy

Background

Local Government Pension Scheme (LGPS) administering authorities are required to prepare, maintain and publish a statement of policy concerning communications with members, and scheme employers, under Regulation 61 of the LGPS Regulations 2013.

Derbyshire County Council (the Council) is the LGPS administering authority for Derbyshire Pension Fund (the Fund).

A communications policy is a written statement setting out how the Fund delivers the LGPS in relation to its communications with scheme members (and their representatives), prospective scheme members and scheme employers.

Regulation 61 requires that the policy covers:

- the provision of information and publicity about the 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.

Previously the Fund prepared a Communications Strategy as a separate document, which set out its aims to develop and improve its methods of communications with a view to encourage target audiences to engage with and understand their membership of (scheme members) or responsibilities in respect of (employers) the LGPS.

Rather than a separate document, this revised version of the Communications Policy incorporates the Fund's latest plans for developing its communications over the 3-year period 2021 to 2024.

This Communications 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.

The Pensions Regulator oversees pension schemes and provides guidance on how they should best be governed and administered. This includes guidance on communicating with scheme members in a way that, as well as being accurate, is clear and simple to understand and avoids jargon. Much of what the Fund is required to communicate to scheme members, and time limits on these communications are set out in regulation. To ensure compliance with these regulations, the Fund has internal controls in place. Failure to comply with the regulations could result in the need for the Fund to report a statutory breach to The Pensions Regulator.

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
- Representatives on 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

Each of these stakeholder groups requires the Fund to recognise their communications demands to encourage engagement and interaction. The Fund's overriding objective is to ensure that it delivers clear, timely and accessible communications to its stakeholders.

The Fund's policy aims to ensure that it delivers communications to its stakeholders which are:

- **Targeted** for 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** content where a technical explanation or summary of pension related issues is required, to promote understanding of, and engagement with, the subject in hand, particularly where pension related decisions are being made.

- **Accessible** to ensure that scheme members and other stakeholders with wide ranging disabilities (including visual, auditory, physical, speech, cognitive, language, learning, and neurological), will be able to access online content and communications, and enable devices such as screen readers to work for electronic communications.

Some examples of the Fund's communication-based objectives are to achieve the following:

- 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 customers and stakeholders informed about the management and administration of the Fund

- 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

- Communicate with stakeholders in a cost effective manner, utilising technology to its fullest potential

- 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

2. 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.

All print and electronic communications are designed with consideration for those with additional needs. The Fund offers a Pensions Helpline (phone contact number 01629 538704), which is available for anyone having trouble understanding any of the Fund's documents.

A distinct identity has been developed for Derbyshire Pension Fund to provide Fund members and other stakeholders with additional clarity on the role of the County Council as the administering authority.

3. Communication methods

The Fund has developed a variety of communication methods to ensure that all stakeholders are informed and up to date. 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 stakeholders:

Derbyshire Pension Fund website

The Fund's website derbyshirepensionfund.org.uk is its primary source of generic LGPS 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 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 go live 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.

My Pension Online

When the Fund's member self-service portal is live, scheme members will be able to access their pension account 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.

As part of the initial registration process, members will be required to provide their personal email address to the Fund by completing a secure online form on the Fund's website.

The portal will continue to be developed after its opening to members. It is expected that member uptake will take time to build, however, the Fund will be working extensively with employers towards encouraging active members to register.

The Fund's "My Pension Online" platform will be hosted by Aquila Heywood, who provide the Fund's pension administration system.

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) for members to contact the Fund.

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

Annual report

Administering authorities must prepare and publish an annual report each year.

The report sets out the governance, operational, financial and investment management arrangements of the Fund during the financial year. 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.

The annual report can be accessed on the Fund's website. A printed copy is available upon request. All participating employers are notified when the annual report has been published.

Funding and Investment Strategy Statements

The Funding Strategy Statement 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.

The Investment Strategy Statement sets out 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.

A core objective of the Fund is to ensure enough assets are available to meet members' benefit payments. These payments are guaranteed by regulations and will be met by contributions resulting from the funding strategy or asset returns and income resulting from the investment strategy. As important strategic documents both are made available to all stakeholders via the Fund's website and are reviewed regularly.

Interest from members, employers and the general Derbyshire public in the Fund's responsible investment strategy and its approach to Environmental, Social and Governance (ESG) issues has increased substantially, therefore, the public availability of documents such as the Investment Strategy Statement is vital.

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.

It is recognised that communication with each category requires a different, specific approach.

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 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.

Prior to the Coronavirus pandemic, face-to-face meetings with active members were arranged. These were 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 were delivered to help 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. The drop-in sessions were targeted to coincide with events, such as the issue of the annual benefit statements. The nature of the drop-in sessions meant that members could visit the team informally with any questions they may have about their pension at a convenient time for them.

Until it is deemed safe to resume face-to-face meetings with members, the Fund will provide opportunities for members to meet with members of the Fund's team or join virtual group sessions on Microsoft Teams.

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, 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.

Regarding domestic pensioners, 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 are issued each year to pensioners living abroad to ensure that they maintain eligibility for benefit (derbyshirepensionfund.org.uk/lifecertificate). The Fund has engaged a specialist tracing service, Target Professional Services, to aim to reduce the liabilities which result from pension overpayments following the death of pensioner members living overseas, via the use of secure electronic solutions. The arrangement with Target Professional Services commenced for an initial one year period in 2020. This is being monitored and reviewed before an extension to the arrangement is agreed.

Communication with prospective members

Communication with prospective scheme members is initially achieved by the Fund through their employers. Employers are supported in promoting the scheme to all their employees and information is provided by employers within contracts of employment directing employees to the Fund website and the benefits of LGPS membership.

Communications with scheme employers

The Fund's latest Pension Administration Strategy became operational on 1 April 2021. It sets out the standards of performance and best practice that the Fund and its employers should aim to meet when carrying out their LGPS related functions and responsibilities.

The Strategy also sets out the approach the Fund will take to underperformance by employers, including a structure for the charging of avoidable administration costs.

Before the Coronavirus pandemic, regular, large-scale employer events were provided at various venues, some aimed at all employers and others targeted at groups, such as academies. Site visits and workshops were also undertaken to assist individual employers with specific issues and / or provide direct training to their staff. The visits were often requested by employers, but the Fund was also proactive where it identified that an employer would benefit from assistance.

When it is deemed safe to do so, employer visits and events will resume, however, direct contact with employers has continued virtually through Microsoft Teams where requested by employers, or where the Fund considered it to be beneficial to the employer.

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. This is achieved via use of email, internal meetings, team briefings as well as internal and external training events on specific topics.

Communications with other key stakeholders

The Fund engages and communicates with several external bodies.

These include:

- LGPS Central – in respect of pooled investments
- Pension Fund Investment Managers and Advisers – in respect of investment activity and strategy on behalf of the Fund
- Actuaries – in respect of Funding levels, employers' contributions and valuation of the liabilities of the Fund
- various joint Pension Fund groups – in respect of administration, communications and investments

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

The Derbyshire Pension Board was set up in 2015 (in accordance with the Public Services Pensions Act 2013) to assist Derbyshire County Council in its role as the administering authority in complying with Scheme governance and administration responsibilities and complying with the requirements of the Pensions Regulator's code of practice for the governance and administration of public service pension schemes. The Board comprises a Chair, two Employer Representatives and two Fund Member Representatives. 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 Board members can 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

4. Plan for the development of communications 2021 – 2024

Communications is a fundamental feature of all Pension Fund activity.

The Fund's core objectives include aims specifically targeting effective communication with members, employers and other stakeholders.

- To ensure sound governance for the pension fund
- To ensure that sufficient assets are available to meet benefit payments
- To deliver a high quality service to scheme members and employers
- To enable employer contribution rates to be kept as constant as possible and at reasonable cost to the taxpayer
- To deliver clear, timely and relevant communication to all stakeholders

Meeting these objectives when LGPS legislation continues to become more complex, scrutiny against compliance with increasing governance related obligations increases and expectations of electronic solutions is high requires the Fund to continually improve and develop its communications.

Developing the delivery of improved clear, concise and effective communications will enable the Fund to meet its core objectives.

It is therefore critical that the Fund's plans for developing its communications identifies areas which will achieve the necessary improvements.

With assistance and support from Derbyshire Pension Board, the following have been identified as key targets:

- 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
- Consistency of communications
- Further development of employer engagement

Review of communications development since 2018

The Fund's previous Communications Strategy covering the period 2018 – 2020 identified the development of a member self-service portal, a distinct branding and livery for the Fund and its own bespoke website as the significant and important targets to achieve.

The development of the member self-service portal was delayed by the transfer to a new pensions administration system in 2019, however, following the completion of development work, the Fund's "My Pension Online" portal is due to open for registration in May 2021.

The Fund's own branding, logo and website have become established enabling fund members and employers to identify with it and understand its role as an LGPS administrator.

Implementation of My Pension Online

This is the member self-service portal to enable scheme members to see their annual benefit statement securely online at any time, along with the ability to submit changes to personal details via the portal.

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.

Other Funds and public service pension schemes report low initial take up numbers, therefore, the Fund is aiming for a 15% registration of active and deferred members in year 1, 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 live and up to date as well as further developing easy to understand user-friendly content and 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 help to improve 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 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 corporate style.

Writing simple, readable and understandable text tackling 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
- Improves communications between teams
- More efficient
- Prevent complaints
- Defines consistent voice
- Sets the tone for the fund
- Professional look and feel
- Builds confidence
- Easily accessible information
- Brand recognition
- Helps to identify redundant work

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

- Information which will reduce 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 provide efficient and timely data submissions to the Fund. 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

5. Communications Policy review

The Derbyshire Pension Fund Communications Policy Statement will be reviewed annually and revised if communications arrangements are required to be amended

Appendix 3: Investment Strategy Statement

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 at: [link]

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: [link]

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 minimized where possible but net investment returns after costs are the most important factor

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%** per annum 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%**	
Total Quoted Equities	*52.0%*	*+/- 8%*	*51.0%*	*+/- 8%*	
-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.

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.

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

[8] ***Source: Barclays Equity Gilt Study 2020***

(realised) following a period of business growth/transformation. Private equity offers access to a broader universe of companies than the publicly quoted space.

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 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.

Protection Assets

Sovereign & 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.

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:

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.

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.

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.

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.

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 repect of the Fund's Income Assets and Protection Assets is hedged back to sterling.

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 are in place to protect the security of the Fund's assets.

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.

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 authorization 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, scrutinizing 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.

Responsible Investment

The Fund's approach to responsible investment, together with the management of climate-related risks and oppourtunities, 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 at [link]

Appendix 4: Funding Strategy Statement

Prepared in collaboration with Hymans Robertson LLP

Approved by Pensions and Investments Committee 8 September 2021

1 Introduction

1.1 What is this document?

This is the Funding Strategy Statement (FSS) of the Derbyshire Pension Fund ("the Fund"), which is administered by Derbyshire County Council ("the Administering Authority").

It has been prepared by the Administering Authority in collaboration with the Fund's actuary, Hymans Robertson LLP, and after consultation with the Fund's employers and investment adviser. It is effective from 8 September 2021 and has been updated from the March 2020 version to accommodate regulatory changes in 2020 relating to exit credits and employer flexibilities – see 3.3 notes (f) and (j) in particular.

Further minor adjustments have been made to improve the accessibility of the document.

1.2 What is the Derbyshire Pension Fund?

The Fund is part of the national Local Government Pension Scheme (LGPS). The LGPS was set up by the UK Government to provide retirement and death benefits for local government employees, and those employed in similar or related bodies, across the whole of the UK. The Administering Authority runs the Derbyshire Fund, in effect the LGPS for the Derbyshire area, to make sure it:

- receives the proper amount of contributions from employees and employers, and any transfer payments;
- invests the contributions appropriately, with the aim that the Fund's assets grow over time with investment income and capital growth; and
- uses the assets to pay Fund benefits to the members (as and when they retire, for the rest of their lives), and to their dependants (as and when members die), as defined in the LGPS Regulations. Assets are also used to pay transfer values and administration costs.

The roles and responsibilities of the key parties involved in the management of the Fund are summarised in Appendix B.

1.3 Why does the Fund need a Funding Strategy Statement?

Employees' benefits are guaranteed by the LGPS Regulations, and do not change with market values or employer contributions. Investment returns will help pay for some of the benefits, but probably not all, and certainly with no guarantee. Employees' contributions are fixed in those Regulations also, at a level which covers only part of the cost of the benefits.

Therefore, employers need to pay the balance of the cost of delivering the benefits to members and their dependants.

The FSS focuses on how employer liabilities are measured, the pace at which these liabilities are funded, and how employers or pools of employers pay for their own liabilities. This statement sets out how the Administering Authority has balanced the conflicting aims of:

- affordability of employer contributions,

- transparency of processes,
- stability of employers' contributions, and
- prudence in the funding basis.

There are also regulatory requirements for an FSS, as given in Appendix A.

The FSS is a summary of the Fund's approach to funding its liabilities, and this includes reference to the Fund's other policies; it is not an exhaustive statement of policy on all issues. The FSS forms part of a framework which includes:

- the LGPS Regulations;
- the Rates and Adjustments Certificate (confirming employer contribution rates for the next three years) which can be found in an appendix to the formal valuation report;
- the Fund's policies on admissions, cessations and bulk transfers;
- actuarial factors for valuing individual transfers, early retirement costs and the costs of buying added service; and
- the Fund's Investment Strategy Statement (see Section 4)

1.4 How does the Fund and this FSS affect me?

This depends who you are:

- a member of the Fund, for example a current or former employee, or a dependant: the Fund needs to be sure it is collecting and holding enough money so that your benefits are always paid in full;
- an employer in the Fund (or which is considering joining the Fund): you will want to know how your contributions are calculated from time to time, that these are fair by comparison to other employers in the Fund, in what circumstances you might need to pay more and what happens if you cease to be an employer in the Fund. Note that the FSS applies to all employers participating in the Fund;
- an Elected Member whose council participates in the Fund: you will want to be sure that the council balances the need to hold prudent reserves for members' retirement and death benefits, with the other competing demands for council money;
- a Council Taxpayer: your council seeks to strike the balance above, and also to minimise cross-subsidies between different generations of taxpayers.

1.5 What does the FSS aim to do?

The FSS sets out the objectives of the Fund's funding strategy, such as:

- to ensure the long-term solvency of the Fund, using a prudent long-term view. This will ensure that sufficient funds are available to meet all members'/dependants' benefits as they fall due for payment;
- to ensure that employer contribution rates are reasonably stable where appropriate;
- to minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return (this will also minimise the costs to be borne by Council Tax payers);

- to reflect the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and
- to use reasonable measures to reduce the risk to other employers and ultimately to the Council Taxpayer from an employer defaulting on its pension obligations.

1.6 How do I find my way around this document?

In Section 2 there is a brief introduction to some of the main principles behind funding, and deciding how much an employer should contribute to the Fund from time to time.

In Section 3 we outline how the Fund calculates the contributions payable by different employers in different situations.

In Section 4 we show how the funding strategy is linked with the Fund's investment strategy.

In the Appendices we cover various issues in more detail if you are interested:

A. the regulatory background, including how and when the FSS is reviewed,

B. who is responsible for what,

C. what issues the Fund needs to monitor, and how it manages its risks,

D. some more details about the actuarial calculations required,

E. the assumptions which the Fund actuary currently makes about the future,

F. a glossary explaining the technical terms occasionally used here.

If you have any other queries please contact Dawn Kinley, Head of Pension Fund in the first instance at email address dawn.kinley@derbyshire.gov.uk.

2 Basic Funding issues

(More detailed and extensive descriptions are given in Appendix D).

2.1 How does the actuary calculate the required contribution rate?

In essence this is a three-step process:

- Calculate the funding target for that employer, which is the estimated amount of assets it should hold in order to be able to pay all its members' benefits. See Appendix E for more details of what assumptions we make to determine that funding target;
- Determine the time horizon over which the employer should aim to achieve that funding target. See the table in 3.3 and Note (c) for more details;
- Calculate the employer contribution rate such that it has at least a given likelihood of achieving that funding target over that time horizon, allowing for various possible economic outcomes over that time horizon. See 2.3 below, and the table in 3.3 Note (e) for more details.

2.2 What is each employer's contribution rate?

This is described in more detail in Appendix D. Employer contributions are normally made up of two elements:

a) the estimated cost of benefits being built up each year, after deducting the members' own contributions and including an allowance for administration expenses. This is referred to as the "Primary rate", and is expressed as a percentage of members' pensionable pay; plus

b) an adjustment for the difference between the Primary rate above, and the actual contribution the employer needs to pay, referred to as the "Secondary rate". In broad terms, payment of the Secondary rate is in respect of benefits already accrued at the valuation date. The Secondary rate may be expressed as a percentage of pay and/or a monetary amount in each year.

The rates for all employers are shown in the Fund's Rates and Adjustments Certificate, which forms part of the formal Actuarial Valuation Report. Employers' contributions are expressed as minima, with employers able to pay contributions at a higher rate. Account of any higher rate will be taken by the Fund actuary at subsequent valuations and will be reflected as a credit when next calculating the employer's contributions.

The Administering Authority may, at its absolute discretion, permit an employer to "prepay" its certified contributions in the Rates and Adjustments certificate, for a discounted sum (calculated by the Fund's actuary). Where this prepayment includes an element of contributions relating to a percentage of payroll, if the actual experienced payroll is subsequently higher than estimated when calculating the prepayment amount, a "top-up" payment may be required from the employer. For the avoidance of doubt, if the actual experienced payroll is subsequently 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.

2.3 What different types of employer participate in the Fund?

Historically the LGPS was intended for local authority employees only. However, over the years, with the diversification and changes to delivery of local services, many more types and numbers of employers now participate. There are currently more employers in the Fund than ever before, a significant part of this being due to new academies.

In essence, participation in the LGPS is open to public sector employers providing some form of service to the local community. Whilst the majority of members will be local authority employees (and ex-employees), the majority of participating employers are those providing services in place of (or alongside) local authority services such as academy schools, contractors, housing associations, charities,

The LGPS Regulations define various types of employer as follows:

Scheduled bodies - councils, and other specified employers such as academies and further education establishments. These must provide access to the LGPS in respect of their employees who are not eligible to join another public sector scheme (such as the Teachers' Pension Scheme). These employers are so-called because they are specified in a schedule to the LGPS Regulations.

It is now possible for Local Education Authority schools to convert to academy status, and for other forms of school (such as Free Schools) to be established under the academies legislation. All such academies (or Multi Academy Trusts), as employers of non-teaching staff, become separate new employers in the Fund. As academies are defined in the LGPS Regulations as "Scheduled Bodies", the Administering Authority has no discretion over whether to admit them to the Fund, and the academy has no discretion whether to continue to allow its non-teaching staff to join the Fund. There has also been guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) regarding the terms of academies' membership in LGPS Funds.

Designating employers - employers such as town and parish councils are able to participate in the LGPS via resolution (and the Fund cannot refuse them entry where the resolution is passed). These employers can designate which of their employees are eligible to join the scheme.

Other employers are able to participate in the Fund via an admission agreement and are referred to as 'admission bodies'. These employers are generally those with a "community of interest" with another scheme employer – community admission bodies ("CAB") or those providing a service on behalf of a scheme employer – transferee admission bodies ("TAB"). CABs will include housing associations and charities; TABs will generally be contractors. The Fund is able to set its criteria for participation by these employers and can refuse entry if the requirements as set out in the Fund's admissions policy are not met. The terminology CAB and TAB has been dropped from recent LGPS Regulations, which instead combine both under the single term 'admission bodies'; however, we have retained the old terminology here as we consider it to be helpful in setting funding strategies for these different employers.

2.4 How does the calculated contribution rate vary for different employers?

All three steps above are considered when setting contributions (more details are given in Section 3 and Appendix D).

1. The funding target is based on a set of assumptions about the future, (for example, investment returns, inflation, pensioners' life expectancies). If an employer is approaching the end of its participation in the Fund then its funding target may be set on a more prudent basis, so that its liabilities are less likely to be spread among other employers after its cessation;
2. The time horizon required is the period over which the funding target is achieved. Employers may be given a lower time horizon if they have a less permanent anticipated membership, or do not have tax-raising powers to increase contributions if investment returns under-perform; and

3. The likelihood of achieving the funding target over that time horizon will be dependent on the Fund's view of the strength of employer covenant and its funding profile. Where an employer is considered to be weaker, then the required likelihood will be set higher, which in turn will increase the required contributions (and vice versa).

For some employers it may be agreed to pool contributions, see 3.4.

Any costs of non-ill-health early retirements must be paid by the employer, see 3.6.

Costs of ill-health early retirements are covered in 3.7 and 3.8.

2.5 How is a funding level calculated?

An employer's "funding level" is defined as the ratio of:

- the market value of the employer's share of assets (see Appendix D, section D5, for further details of how this is calculated), to
- the value placed by the actuary on the benefits built up to date for the employer's employees and ex-employees (the "liabilities"). The Fund actuary agrees with the Administering Authority the assumptions to be used in calculating this value.

If this is less than 100% then it means the employer has a shortfall, which is the employer's "deficit"; if it is more than 100% then the employer is said to be in "surplus". The amount of deficit or shortfall is the difference between the asset value and the liabilities value.

It is important to note that the funding level and deficit/surplus are only measurements at a particular point in time, on a particular set of assumptions about the future. Whilst we recognise that various parties will take an interest in these measures, for most employers the key issue is how likely it is that their contributions will be sufficient to pay for their members' benefits (when added to their existing asset share and anticipated investment returns).

In short, funding levels and deficits are short term, high level risk measures, whereas contribution-setting is a longer term issue.

2.6 How does the Fund recognise that contribution levels can affect council and employer service provision, and council tax?

The Administering Authority and the Fund actuary are acutely aware that, all other things being equal, a higher contribution required to be paid to the Fund will mean less cash available for the employer to spend on the provision of services. For instance:

- Higher Pension Fund contributions may result in reduced council spending, which in turn could affect the resources available for council services, and/or greater pressure on council tax levels;
- Contributions which Academies pay to the Fund will therefore not be available to pay for providing education; and
- Other employers will provide various services to the local community, perhaps through housing associations, charitable work, or contracting council services. If they are required to pay more in pension contributions to the LGPS then this may affect their ability to provide the local services at a reasonable cost.

Whilst all this is true, it should also be borne in mind that:

- The Fund provides invaluable financial security to local families, whether to those who formerly worked in the service of the local community who have now retired, or to their families after their death;
- The Fund must have the assets available to meet these retirement and death benefits, which in turn means that the various employers must each pay their own way. Lower contributions today will mean higher contributions tomorrow: deferring payments does not alter the employer's ultimate obligation to the Fund in respect of its current and former employees;
- Each employer will generally only pay for its own employees and ex-employees (and their dependants), not for those of other employers in the Fund;
- The Fund strives to maintain reasonably stable employer contribution rates where appropriate and possible. However, a recent shift in regulatory focus means that solvency within each generation is considered by the Government to be a higher priority than stability of contribution rates;
- The Fund wishes to avoid the situation where an employer falls so far behind in managing its funding shortfall that its deficit becomes unmanageable in practice: such a situation may lead to employer insolvency and the resulting deficit falling on the other Fund employers. In that situation, those employers' services would in turn suffer as a result;
- Council contributions to the Fund should be at a suitable level, to protect the interests of different generations of council tax payers. For instance, underpayment of contributions for some years will need to be balanced by overpayment in other years; the council will wish to minimise the extent to which council tax payers in one period are in effect benefitting at the expense of those paying in a different period.

Overall, therefore, there is clearly a balance to be struck between the Fund's need for maintaining prudent funding levels, and the employers' need to allocate their resources appropriately. The Fund achieves this through various techniques which affect contribution increases to various degrees (see 3.1). In deciding which of these techniques to apply to any given employer, the Administering Authority takes a view on the financial standing of the employer, its ability to meet its funding commitments and the relevant time horizon.

The Administering Authority is building an employer risk assessment framework using a knowledge base which will be regularly monitored and kept up-to-date. This database will include such information as the type of employer, its membership profile and funding position, any guarantors or security provision, and any material changes anticipated

For instance, where the Administering Authority has reasonable confidence that an employer will be able to meet its funding commitments, then the Fund will permit options such as stabilisation (see 3.3 Note (b)), a longer time horizon relative to other employers, and/or a lower likelihood of achieving their funding target. Such options will temporarily produce lower contribution levels than would otherwise have applied. This is permitted in the expectation that the employer will still be able to meet its obligations for many years to come.

On the other hand, where there is doubt that an employer will be able to meet its funding commitments or withstand a significant change in its commitments, then a higher funding target, and/or a shorter time horizon relative to other employers, and/or a higher likelihood of achieving the target may be required.

The Fund actively seeks employer input, including to its funding arrangements, through various means: see Appendix A.

2.7 What approach has the Fund taken to dealing with uncertainty arising from the McCloud court case and its potential impact on the LGPS benefit structure?

- The LGPS benefit structure from 1 April 2014 is currently under review following the Government's loss of the right to appeal the McCloud and other similar court cases. The courts have ruled that the 'transitional protections' awarded to some members of public service pension schemes when the schemes were reformed (on 1 April 2014 in the case of the LGPS) were unlawful on the grounds of age discrimination. At the time of carrying out the 31 March 2019 formal actuarial valuation, the Ministry of Housing, Communities and Local Government (MHCLG) had not provided any details of changes as a result of the case. However, it was expected that benefits changes would be required, and they would likely increase the value of liabilities. At that time, the scale and nature of any increase in liabilities were unknown, which limited the ability of the Fund to make an accurate allowance.

The LGPS Scheme Advisory Board (SAB) issued advice to LGPS funds in May 2019. As there was no finalised outcome of the McCloud case by 31 August 2019, the Fund Actuary acted in line with SAB's advice and valued all member benefits in line with the current LGPS Regulations.

The Fund, in line with the advice in the SAB's note, considered how to allow for this risk in the setting of employer contribution rates. As the benefit structure changes that would arise from the McCloud judgement were uncertain, the Fund elected to allow for the potential impact in the assessment of employer contribution rates at the 2019 valuation by increasing the required likelihood of reaching the funding target.

The Fund has also considered the McCloud judgement in its approach to cessation valuations. Please see the paragraph titled "Allowance for McCloud on cessation" within note (j) to the table at 3.3 for further information.

2.8 What approach has the Fund taken to dealing with uncertainty arising from the Goodwin court case and its potential impact on the LGPS benefit structure?

The Goodwin tribunal was raised in the Teachers' scheme. It claimed members, or their survivors, were discriminated against due to their sexual orientation. The claim was because the Teachers' scheme provides a survivor's pension which is less favourable for a widower or surviving male partner, than for a widow or surviving female partner of a female scheme member. On 30 June 2020, the Tribunal found in favour of the claimant and agreed there was discrimination. This finding and remedy is expected to apply across all public service pension schemes, including the LGPS, however this is not certain, and the details are not yet known.

The impact, if any, of the Goodwin case on Fund liabilities is expected to be very small and will largely be an administrative issue. In the absence of a resolution or any guidance to this case, no allowance has been made for this within the 2019 formal valuation.

2.9 When will the next actuarial valuation be?

On 8 May 2019 MHCLG issued a consultation seeking views on (among other things) proposals to amend the LGPS valuation cycle in England and Wales from a three year (triennial) valuation cycle to a four year (quadrennial) valuation cycle.

The Fund intends to carry out its next actuarial valuation in 2022 (3 years after the 2019 valuation date) in line with MHCLG's desired approach in the consultation. The Fund has therefore instructed the Fund Actuary to certify contribution rates for employers for the period 1 April 2020 to 31 March 2023 as part of the 2019 valuation of the Fund.

3 Calculating contributions for individual Employers

3.1 General comments

A key challenge for the Administering Authority is to balance the need for stable, affordable employer contributions with the requirement to take a prudent, longer-term view of funding and ensure the solvency of the Fund. With this in mind, the Fund's three-step process identifies the key issues:

1. What is a suitably (but not overly) prudent funding target?
2. How long should the employer be permitted to reach that target? This should be realistic but not so long that the funding target is in danger of never actually being achieved.
3. What likelihood is required to reach that funding target? This will always be less than 100% as we cannot be certain of the future. Higher likelihood "bars" can be used for employers where the Fund wishes to reduce the risk that the employer ceases leaving a deficit to be picked up by other employers.

These and associated issues are covered in this Section.

The Administering Authority recognises that there may occasionally be particular circumstances affecting individual employers that are not easily managed within the rules and policies set out in the Funding Strategy Statement. Therefore, the Administering Authority reserves the right to direct the actuary to adopt alternative funding approaches on a case by case basis for specific employers.

3.2 The effect of paying lower contributions

In limited circumstances the Administering Authority may permit employers to pay contributions at a lower level than is assessed for the employer using the three-step out in 3.1. At its absolute discretion the Administering Authority may:

- extend the time horizon for targeting full funding;
- adjust the required likelihood of meeting the funding target;
- permit an employer to participate in the Fund's stabilisation mechanisms;
- permit extended phasing in of contribution rises or reductions;
- pool contributions amongst employers with similar characteristics; and/or
- accept some form of security or guarantee in lieu of a higher contribution rate than would otherwise be the case.

Employers which are permitted to use one or more of the above methods will often be paying, for a time, contributions less than required to meet their funding target, over the appropriate time horizon with the required likelihood of success. Such employers should appreciate that:

- their true long-term liability (the actual eventual cost of benefits payable to their employees and ex-employees) is not affected by the pace of paying contributions;
- lower contributions in the short term will result in a lower level of future investment returns on the employer's asset share. Thus, deferring a certain amount of contribution may lead to higher contributions in the long-term; and
- it may take longer to reach their funding target, all other things being equal.

Overleaf (3.3) is a summary of how the main funding policies differ for different types of employer, followed by more detailed notes where necessary.

Section 3.4 onwards deals with various other funding issues which apply to all employers.

3.3 The different approaches used for different employers

Type of employer	Scheduled Bodies				Designating employers	Community Admission Bodies		Transferee Admission Bodies*
Sub-type	Local Authorities, Police and Fire	Arm's Length Management Organisations, Peak District National Park and Chesterfield Crematorium	Academies	Universities and Colleges	Town and Parish Councils (pooled)	Open to new entrants	Closed to new entrants	(all)
Funding Target Basis used	Ongoing participation basis, assumes long-term Fund participation (see Appendix E)				Ongoing participation basis, assumes long-term Fund participation (see Appendix E)	Ongoing participation basis, but may move to "gilts exit basis" - see Note (a)		Ongoing participation basis, assumes fixed contract term in the Fund (see Appendix E)
Primary rate approach	(see Appendix D – D.2)							
Stabilised contribution rate?	Yes - see Note (b)	Yes - see Note (b)	Yes - see Note (b)	No	No	No	No	No
Maximum time horizon – Note (c)	19 years	19 years	19 years	15 years**	19 years	12 years	12 years	The lower of 12 years and the outstanding contract term
Secondary rate – Note (d)	Percentage of payroll and/or Monetary amount	Percentage of payroll and/or Monetary amount	Percentage of Payroll	Percentage of payroll and/or Monetary amount	Percentage of Payroll	Percentage of payroll and/or Monetary amount	Percentage of payroll and/or Monetary amount	Percentage of payroll and/or Monetary amount
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 19 years	Preferred approach: contributions kept at Primary rate. However, reductions may be permitted by the Admin. Authority		Reduce contributions by spreading the surplus over the lower of 12 years and the outstanding contract term
Likelihood of achieving target – Note (e)	70%	70%	70%	75%	70%	85% (50% if gilts exit basis)	85% (50% if gilts exit basis)	75%

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
Review of rates – Note (f)	Review of rates will be carried out in line with the Regulations and as set out in Note (f)							
New employer	n/a	n/a	Note (g)	n/a	n/a	Note (h)		Notes (h) & (i)
Cessation of participation: exit debt/credit payable	Cessation is assumed not to be generally possible, as Scheduled Bodies are legally obliged to participate in the LGPS. In the rare event of cessation occurring (machinery of Government changes for example), the cessation calculation principles applied would be as per Note (j).				Can be ceased. Exit debt/credit will be calculated on a basis appropriate to the circumstances of cessation – see Note (j).	Can be ceased subject to terms of admission agreement. Exit debt/credit will be calculated on a basis appropriate to the circumstances of cessation – see Note (j).		Participation is assumed to expire at the end of the contract. Cessation debt/credit calculated on the ongoing participation basis, unless the admission agreement is terminated early by the contractor or letting employer in which case the low risk exit basis may apply. Letting employer will be liable for future deficits and contributions arising. See Note (j) for further details

* 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. Further detail on fixed contribution rate agreements is set out in note (i).

** The time horizon for universities and colleges has been reduced from that used at the 31 March 2016 valuation as a means of recognising the potential shortening of these bodies' lifetimes within the Fund. In addition, 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.

Note (a) (Gilts exit basis for CABs and Designating Employers closed to new entrants)

In the circumstances where:

- the employer is a Designating Employer, or an Admission Body but not a Transferee Admission Body, and
- the employer has no guarantor, and
- the admission agreement is likely to terminate, or the employer is likely to lose its last active member, within a timeframe considered appropriate by the Administering Authority to prompt a change in funding,

the Administering Authority may set a higher funding target (for example, based on the return from long-term gilt yields) by the time the agreement terminates or the last active member leaves, in order to protect other employers in the Fund. This policy will increase regular contributions and reduce, but not entirely eliminate, the possibility of a final deficit payment being required from the employer when a cessation valuation is carried out.

The Administering Authority also reserves the right to adopt the above approach in respect of those Designating Employers and Admission Bodies with no guarantor, where the strength of covenant is considered to be weak but there is no immediate expectation that the admission agreement will cease or that the Designating Employer will alter its designation.

Note (b) (Stabilisation)

Stabilisation is a mechanism where employer contribution rate variations from year to year are kept within a pre-determined range, thus allowing those employers' rates to be relatively stable. In the interests of stability and affordability of employer contributions, the Administering Authority, on the advice of the Fund Actuary, believes that stabilising contributions can still be viewed as a prudent longer-term approach. However, employers whose contribution rates have been "stabilised" (and may therefore be paying less than their theoretical contribution rate) should be aware of the risks of this approach and should consider making additional payments to the Fund if possible. This stabilisation mechanism allows short term investment market volatility to be managed so as not to cause volatility in employer contribution rates, on the basis that a long term view can be taken on net cash inflow, investment returns and strength of employer covenant.

The current stabilisation mechanism applies if:

- the employer satisfies the eligibility criteria set by the Administering Authority (see below) and;
- there are no material events which cause the employer to become ineligible, for example, significant reductions in active membership (due to outsourcing or redundancies), or changes in the nature of the employer (perhaps due to Government restructuring), or changes in the security of the employer.

On the basis of extensive modelling carried out for the 2019 valuation exercise the stabilised details are as follows:

Stabilisation – 2019 valuation

Type of employer	Local Authorities, Police and Fire	Arm's Length Management Organisations, Peak District National Park and Chesterfield Crematorium	Academies
Max cont. increase	1%	1%	1%
Max cont. decrease	0%	0%	-1%

The stabilisation criteria and limits will be reviewed at the next formal valuation. However, the Administering Authority reserves the right to review the stabilisation criteria and limits at any time before then, on the basis of membership and/or employer changes as described in this section.

Note (c) (Maximum time horizon)

The maximum time horizon starts at the commencement of the revised contribution rate (1 April 2020 for the 2019 valuation). The Administering Authority would normally expect the same period to be used at successive triennial valuations but would reserve the right to propose alternative time horizons, for example where there were no new entrants.

Note (d) (Secondary rate)

For some employers where stabilisation is not being applied, the Secondary contribution rate for each employer covering the period until the next formal valuation will often be set as a percentage of salaries. However, the Administering Authority reserves the right to amend these rates between formal valuations and/or to require these payments in monetary terms instead, for instance where:

- the employer is relatively mature, and has a large Secondary contribution rate (for example, above 15% of payroll), or
- there has been a significant reduction in payroll due to outsourcing or redundancy exercises, or
- the employer has closed the Fund to new entrants.

Note (e) (Likelihood of achieving funding target)

Each employer has its funding target calculated, and a relevant time horizon over which to reach that target. Contributions are set such that, combined with the employer's current asset share and anticipated market movements over the time horizon, the funding target is achieved with a given minimum likelihood. A higher required likelihood bar will give rise to higher required contributions, and vice versa.

The way in which contributions are set using these three steps, and relevant economic projections, is described in further detail in Appendix D.

Different likelihoods are set for different employers depending on their nature and circumstances: in broad terms, a higher likelihood will apply due to one or more of the following:

- the Fund believes the employer poses a greater funding risk than other employers,
- the employer does not have tax-raising powers;
- the employer does not have a guarantor or other sufficient security backing its funding position; and/or
- the employer is likely to cease participation in the Fund in the short or medium term.

The Fund reserves the right to use a different likelihood of achieving target than is specified in the table in section 3.3 for any employer, to take into account its specific circumstances.

Note (f) (Interim Reviews)

- Under the Regulations the Fund may amend contribution rates between valuations where there has been "significant change" to the liabilities or covenant of an employer. The Fund would consider the following circumstances as a potential trigger for review:

- in the opinion of an 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 scheme within the next two years and before completion of the next valuation;
- an employer agrees to pay increased contributions to meet the cost of an award of additional pension, under Regulation 31(3) of the Regulations;
- there are changes to the benefit structure set out in the LGPS Regulations including the outcomes of the McCloud case and cost sharing mechanisms (if permitted in Regulation at that time) which have not been allowed for at the last valuation;
- it appears likely to the Administering Authority that the amount of the liabilities arising or likely to arise for an employer or employers has changed significantly since 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; or
- where an employer has failed to pay contributions or has not arranged appropriate security as required by the Administering Authority.

Where the Administering Authority determines that an employer's circumstances prompt the need for a review of its funding position and contribution rate, the costs of the review will be met by the employer.

The Administering Authority will also consider a request from any employer to review contributions where the employer has undertaken to meet the costs of that review and sets out the reasoning for the review (which would be expected to fall into one of the above categories, such as a belief that their covenant has changed materially or they are going through a significant restructuring impacting their membership). The employer would be expected to provide evidence to back up its request for a review, for example, report and accounts, financial forecasts and budgets. The Administering Authority will provide a timescale for completion of the review subject to receipt of satisfactory evidence, and will monitor any change in an employer's circumstances on a regular basis following any change in contribution rate and may require further information from the employer to support this monitoring process.

Except in circumstances such as an employer nearing cessation, the Administering Authority will not consider market volatility or changes to asset values as a basis for a change in contributions outside a formal valuation.

The Administering Authority will consider the proximity to the next formal valuation before agreeing to undertake a review of an employer's contribution rate.

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.

The decision on whether to amend an employer's contribution rate rests with the Administering Authority following consultation with the Fund's actuary.

It should be noted that any review may require increased contributions. The Administering Authority may need to consult other fund employers for example, where they act as guarantor, as part of a review.

Note (g) (New Academy conversions)

At the time of writing, the Fund's policies on academies' funding issues are as follows:

i. The new academy will be regarded as a separate employer in its own right and will not be pooled with other employers in the Fund. The only exception is where the academy is part of a Multi Academy Trust (MAT) in which case the academy's figures will be calculated as below but can be combined, for the purpose of setting contribution rates, with those of the other academies in the MAT;

ii. The new academy's past service liabilities on conversion will be calculated based on its active Fund members on the day before conversion. For the avoidance of doubt, these liabilities will include all past service of those members, but will exclude the liabilities relating to any ex-employees of the school who have deferred or pensioner status;

iii. The new academy will be allocated an initial asset share from the ceding council's assets in the Fund. This asset share will be calculated using the estimated funding position of the ceding council at the date of academy conversion. The share will be based on the active members' funding level, having first allocated assets in the council's share to fully fund deferred and pensioner members. The assets allocated to the academy will be limited if necessary, so that its initial funding level is subject to a maximum of 100%. The asset allocation will be based on market conditions and the academy's active Fund membership on the day prior to conversion;

iv. The new academy will pay contributions initially linked to the ceding Council's contribution rate;

v. At the next formal actuarial valuation, the new academy's calculated contribution rate will be based on the time horizon and likelihood of achieving funding target outlined for Academies in the table in Section 3.3 above;

vi. It is possible for an academy to leave one MAT and join another. If this occurs, all active, deferred and pensioner members of the academy transfer to the new MAT.

The Fund's policies on academies are subject to change in the light of any amendments to MHCLG and/or Department for Education (DfE) guidance (or removal of the formal guarantee currently provided to academies by the DfE). Any changes will be notified to academies and will be reflected in a subsequent version of this FSS. In particular, policies (iv) and (v) above will be reconsidered at each valuation.

Note (h) (New Admission Bodies)

With effect from 1 October 2012, the LGPS 2012 Miscellaneous Regulations introduced mandatory new requirements for all Admission Bodies brought into the Fund from that date. Under these Regulations, all new Admission Bodies will be required to provide some form of security, such as a guarantee from the letting employer, an indemnity or a bond. The security is required to cover some or all of the following:

- the strain cost of any redundancy early retirements resulting from the premature termination of the contract;
- allowance for the risk of asset underperformance;
- allowance for the risk of a greater than expected rise in liabilities;
- allowance for the possible non-payment of employer and member contributions to the Fund; and/or
- the current deficit.

Transferee Admission Bodies: For all TABs, the security must be to the satisfaction of the Administering Authority as well as the letting employer and will be reassessed on a regular basis. See also Note (i) below.

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, who also guarantee their liabilities.

The above approaches reduce the risk, to other employers in the Fund, of potentially having to pick up any shortfall in respect of Admission Bodies ceasing with an unpaid deficit.

Note (i) (New Transferee Admission Bodies)

A new TAB usually joins the Fund as a result of the letting/outsourcing of some services from an existing employer (normally a Scheduled Body such as a council or academy) to another organisation (a “contractor”). This involves the TUPE transfer of some staff from the letting employer to the contractor. Consequently, for the duration of the contract, the contractor is a new participating employer in the Fund so that the transferring employees maintain their eligibility for LGPS membership. At the end of the contract the employees revert to the letting employer or to a replacement contractor.

Ordinarily, the TAB would be set up in the Fund as a new employer with responsibility for all the accrued benefits of the transferring employees; in this case, the contractor would usually be assigned an initial asset allocation equal to the past service liability value of the employees’ Fund benefits. The quid pro quo is that the contractor is then expected to ensure that its share of the Fund is also fully funded at the end of the contract: see Note (j).

Risk Sharing

Employers which “outsource” have flexibility in the way that they can deal with the pension risk potentially taken on by the contractor. In particular there are three different routes that such employers may wish to adopt. Clearly as the risk ultimately resides with the employer letting the contract, it is for them to agree the appropriate route with the contractor:

i) Pooling

Under this option the contractor is pooled with the letting employer. In this case, the contractor pays the same rate as the letting employer, which may be under a stabilisation approach. On cessation, the contractor would not normally pay any exit debt or receive an exit credit.

ii) Letting employer retains pre-contract risks

Under this option the letting employer would retain responsibility for assets and liabilities in respect of service accrued prior to the contract commencement date. The contractor would be responsible for the future liabilities that accrue in respect of transferred staff. The contractor’s contribution rate could vary from one valuation to the next. It would be liable for any deficit (or entitled to any surplus) at the end of the contract term in respect of assets and liabilities attributable to service accrued during the contract term. Please note, the level of exit credit (if any) payable on cessation would be determined by the Administering Authority in accordance with the Regulations, its policy on exit credits which is included in the Fund’s Admission, Cessation and Bulk Transfer Policy, and this FSS.

iii) Fixed contribution rate agreed

Under this option the contractor pays a fixed contribution rate throughout its participation in the Fund and on cessation would not normally pay any exit debt or receive an exit credit. In other words, the pensions risks “pass through” to the letting employer.

The Administering Authority is willing to administer any of the above options as long as the approach is documented in the Admission Agreement as well as the transfer agreement.

Alternatively, letting employers and Transferee Admission Bodies may operate any of the above options by entering into a separate Side Agreement. The Administering Authority would not necessarily be a party to this side agreement but may treat the Admission Agreement as if it incorporates the side agreement terms where this is permitted by legislation or alternatively agreed by all parties.

Any risk sharing agreement should ensure that some element of risk transfers to the contractor where it relates to their decisions and it is unfair to burden the letting employer with that risk. For example, the contractor should typically be responsible for pension costs that arise from:

- above average pay increases, including the effect in respect of service prior to contract commencement even if the letting employer takes on responsibility for the latter under (ii) above; and
- redundancy and early retirement decisions.

Note (j) (Ceasing Employers Exiting the Fund)

Notwithstanding the provisions of any Admission Agreement, the Administering Authority may consider any of the following as triggers for the cessation of an employer's participation within the Fund:

- Last active member ceasing participation in the Fund (recent LGPS Regulation changes mean that the Administering Authority has the discretion to defer taking action for up to three years, so that if the employer acquires one or more active Fund members during that period then cessation is not triggered. The current Fund policy is that this is left as a discretion and may or may not be applied in any given case);
- The insolvency, winding up or liquidation of the employer;
- Any breach by an Admission Body of any of its obligations under the Admission Agreement that they have failed to remedy to the satisfaction of the Fund;
- A failure by the employer to pay any sums due to the Fund within the period required by the Fund; or
- The failure by an employer to renew or adjust the level of any required bond or indemnity, or to confirm an appropriate alternative guarantor, as required by the Fund; or
- On termination of a deferred debt agreement.

On cessation, the Administering Authority will instruct the Fund Actuary to carry out a cessation valuation to determine whether there is any deficit or surplus. The Administering Authority reserves the right to put in place a Deferred Debt Agreement (as described in Regulation 64 (7A)).This is covered in further detail on page 22.

Payment of cessation debt

Where there is a debt, payment of this amount in full would normally be sought from the ceasing employer. The Fund's normal policy is that this cessation debt is paid in full as a single lump sum and this remains the Fund's default position. However, subject to actuarial, covenant, legal and any other advice as necessary, in line with the Regulations and when in the best interests of all parties, the Fund may agree for this payment to be spread over an agreed period.

The decision on whether to enter into an exit debt spreading agreement with an employer rests with the Administering Authority; it will be evidence based and take into account advice from the Fund's actuary and any other relevant professional advice.

Repayments may be subject to an interest charge and any spreading would always be discussed in advance and agreed with the employer. Such agreement would only be permitted at the Fund's discretion, where the employer can demonstrate that payment of the debt in a single immediate lump sum could be shown to be materially detrimental to its normal operations.

The employer would need also to provide all the necessary information requested by the Administering Authority to determine the strength of the employer's covenant over the term of the Debt Spreading Agreement.

The Fund will provide a timetable for carrying out a debt spreading review on receipt of the relevant evidence from the employer.

In cases where payment is spread, the Fund reserves the right to require that the ceasing employer provides some form of security (such as a charge over assets, bond indemnity or guarantee) relating to the unpaid amount of debt at any given time. The length of any spreading period will depend on the employer's financial circumstances and on the strength of any security provided, and ordinarily would not exceed 5 years. The Fund will confirm the spreading period, annual repayments including any interest, and any other costs (for example, actuarial or legal) payable by the employer prior to the repayments starting. The Fund will monitor the employer's circumstances regularly during the spreading period and may request updated financial information that could trigger a review of the arrangement and repayments.

Consideration of surplus / exit credit

Where there is a surplus, the Administering Authority will determine the amount of exit credit to be paid in accordance with the Regulations. In making this determination, the Administering Authority will consider:

i. the extent of any surplus,

ii. the proportion of surplus arising as a result of the employer's contributions,

iii. any representations (such as risk sharing agreements or guarantees) made by the exiting employer and any employer providing a guarantee (or some other form of employer assistance/support) and

iv. any other factors the Administering Authority deem relevant.

The Fund's policy on exit credits is set out in the Fund's Admission, Cessation and Bulk Transfer Policy (available on the Fund's website).

Allowance for McCloud on cessation

As discussed in Section 2.7, the LGPS benefit structure from 1 April 2014 is currently under review following the Government's loss of the right to appeal the McCloud and other similar court cases. The Fund has considered how it will reflect the current uncertainty regarding the outcome of this judgement in its approach to cessation valuations. For cessation valuations that are carried out before any changes to the LGPS benefit structure (from 1 April 2014) are confirmed, the Fund's policy is that the actuary will apply a 1% uplift to the ceasing employer's total cessation liability, as an estimate of the possible impact of resulting benefit changes.

Allowance for expenses on cessation

The Fund Actuary charges a fee for carrying out an employer's cessation valuation, and there will be other Fund administration expenses associated with the cessation. The Fund's default approach is to recharge these costs to the employer via an invoice. 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.

Actuarial basis on cessation

For non-Transferee Admission Bodies whose participation is voluntarily ended either by themselves or the Fund, or where a cessation event has been triggered, the Administering Authority must look to protect the interests of other ongoing employers. The actuary will therefore adopt an approach which, to the extent reasonably practicable, protects the other employers from the likelihood of any material loss emerging in future:

a) Where a guarantor does not exist then, in order to protect other employers in the Fund, the cessation liabilities and final surplus/deficit will normally be calculated using a "gilts exit basis", which is more prudent than the ongoing participation basis. This has no allowance for potential future investment outperformance above gilt yields and has added allowance for future improvements in life expectancy. This could give rise to significant cessation debts being required.

b) Where there is a guarantor for future deficits and contributions, the details of the guarantee will be considered prior to the cessation valuation being carried out. In some cases, the guarantor is simply guarantor of last resort and therefore the cessation valuation will be carried out consistently with the approach taken had there been no guarantor in place. Alternatively, where the guarantor is not simply guarantor of last resort, the cessation may be calculated using the ongoing participation basis as described in Appendix E;

c) Again, depending on the nature of any guarantee, it may be possible to simply transfer a ceasing employer's liabilities and assets to its guarantor, without needing to crystallise any deficit or surplus. This approach may be adopted where the employer cannot pay the contributions due, and this is within the terms of the guarantee.

Under (a) and (c), any shortfall would usually be levied on the ceasing employer as a single lump sum payment. If this is not possible then the Fund may spread the payment subject to there being some security in place for the employer such as a bond indemnity or guarantee.

In the event that the Fund is not able to recover the required payment in full, then the unpaid amounts fall to be shared amongst all of the other employers in the Fund. This may require an immediate revision to the Rates and Adjustments Certificate affecting other employers in the Fund, or instead be reflected in the contribution rates set at the next formal valuation following the cessation date.

Deferred Debt Agreement ("DDA") alternative to immediate cessation

As an alternative, where the ceasing employer is continuing in business, the Administering Authority may enter into a written agreement with the employer to defer its obligations to make an exit payment and continue to make Secondary contributions (a 'Deferred Debt Agreement' as described in Regulation 64 (7A)). The adoption of this approach will continue to expose the employer to stock market and other funding risks during the deferment period, leading to changes in the size of the debt, rather than crystallising the size of the debt at the point of cessation.

The deferred employer must meet all requirements on Scheme employers and pay the Secondary rate of contributions as determined by the Fund Actuary until the termination of the DDA. Any such agreement would always be discussed in advance with any letting employer or guarantor and the ceasing employer, whether at its request or not.

The decision on whether to enter into a deferred debt agreement with an employer rests with the Administering Authority; it will be evidence based and take into account advice from the Fund's Actuary and any other relevant professional advice.

The Fund will provide a timetable for considering a DDA on receipt of all relevant evidence from the employer as outlined below.

The Administering Authority will consider DDA's in the following circumstances:

- The employer requests the Fund to consider a DDA;
- The employer is expected to have a deficit when the cessation valuation is carried out;
- The employer is expected to be a going concern; and
- The covenant of the employer is considered sufficient by the Administering Authority. Evidence may be required from the employer to back this up for example, report and accounts, financial forecasts and budgets.

The Administering Authority will normally require:

- Security to be put in place covering the employer's deficit on its cessation basis;
- Regular monitoring of the contribution requirements and security requirements;
- All costs of the arrangement to be met by the employer, such as the cost of actuarial or legal advice to the Fund, ongoing monitoring of the arrangement and correspondence on any ongoing contribution and security requirements. Estimates of these would be notified to the employer.

A DDA will normally terminate on the first date on which one of the following events occurs:

- the deferred employer enrols new active Fund members;
- the period specified, or as varied, under the DDA elapses;
- the take-over, amalgamation, insolvency, winding up or liquidation of the deferred employer;
- the Administering Authority serves a notice on the deferred employer that the Administering Authority is reasonably satisfied that the deferred employer's ability to meet the contributions payable under the DDA has weakened materially or is likely to weaken materially in the next 12 months;
- the Fund Actuary assesses that the deferred employer has paid sufficient secondary contributions to cover all (or almost all) of the exit payment due if the employer becomes an ceasing employer on the calculation date (that is the ceasing employer is now largely fully funded on its cessation basis); or

- The deferred employer requests early termination of the agreement and settles the exit payment in full as calculated by the Fund Actuary on the calculation date (meaning that the employer pays its outstanding cessation debt on its cessation basis).

On the termination of a DDA, the deferred employer will become an exiting employer and a cessation valuation will be completed in line with this FSS.

3.4 Pooled contributions

From time to time, with the advice of the Actuary, the Administering Authority may set up pools for employers with similar or complementary characteristics. This will always be in line with its broader funding strategy. The current pools in place within the Fund are as follows:

- Schools generally are also pooled with their funding Council. However, there may be exceptions for specialist or independent schools.
- Smaller Transferee Admission Bodies may be pooled with the letting employer, provided all parties (particularly the letting employer) agree.
- Town and Parish Councils Pre and Post 2001 Pools are generally pooled as a way of sharing experience and smoothing out the effects of costly but relatively rare events such as ill-health retirements or deaths in service.

The intention of the pool is to minimise contribution rate volatility which would otherwise occur when, for example, members join, leave, take early retirement, or receive pay rises markedly different from expectations, Such events can cause large changes in contribution rates for very small employers in particular, unless these are smoothed out for instance by pooling across a number of employers.

It is recognised that pooling can result in cross subsidies from one employer to another over time. This can arise from the different membership profiles of the different employers within a pool and from different experience. Over longer time periods, it would be expected that the experience will even out between employers and that each employer, will on average, pay a fair level of contributions. The pools will be reviewed at each valuation to determine if the membership remains appropriate.

On the other hand, it should be noted that the employers in the pool will still have their own individual funding positions tracked by the Actuary. This may show that if they were a stand-alone employer then some employers would be much better funded, and others much more poorly funded, than the pool average. This therefore means that if any given employer was funding on a stand-alone basis, as opposed to being in the pool, then its contribution rate could be much higher or lower than the pool contribution rate.

It should also be noted that, if an employer is considering ceasing from the Fund, its required contributions would be based on its own funding position (rather than the pool average), and the cessation terms would also apply: this would mean potentially very different (and in particular possibly much higher) contributions would be required from the employer in that situation.

Those employers which have been pooled are identified in the Rates and Adjustments Certificate.

Employers who are permitted to enter (or remain in) a pool at the 2019 valuation will not normally be advised of their individual contribution rate unless agreed by the Administering Authority.

Community Admission Bodies that are deemed by the Administering Authority to have closed to new entrants are not usually permitted to participate in a pool.

3.5 Additional flexibility in return for added security

The Administering Authority may permit greater flexibility to the employer's contributions if the employer provides added security to the satisfaction of the Administering Authority.

Such flexibility includes a reduced rate of contribution, an extended time horizon, or permission to join a pool with another body (for example, the Local Authority).

Such security may include, but is not limited to, a suitable bond, a legally binding guarantee from an appropriate third party, or security over an employer asset of sufficient value.

The degree of flexibility given may take into account factors such as:

- the extent of the employer's deficit;
- the amount and quality of the security offered;
- the employer's financial security and business plan; and
- whether the admission agreement is likely to be open or closed to new entrants.

3.6 Non-ill health early retirement costs

It is assumed that members' benefits are payable from the earliest age that the employee could retire without incurring a reduction to their benefit (and without requiring their employer's consent to retire). (the relevant age may be different for different periods of service, following the benefit changes from April 2008 and April 2014). Employers are required to pay additional contributions ('strain') wherever an employee retires before attaining this age. The actuary's funding basis makes no allowance for premature retirement except on grounds of ill-health.

Strain costs would ordinarily be paid in full in the year in which the strain is incurred.

3.7 Ill health early retirement costs

In the event of a member's early retirement on the grounds of ill-health, a funding strain will usually arise, which can be very large. Such strains are currently met by each employer, although individual employers may elect to take external insurance (see 3.8).

To mitigate this risk, individual employers may elect to use external insurance, which has been made available by the Fund (see 3.8).

3.8 Ill health risk management

The Fund recognises ill health early retirement costs can have a significant impact on an employer's funding and contribution rate, which could ultimately jeopardise their continued operation.

The Administering Authority is currently reviewing its policy on managing ill health early retirement costs.

If an employer provides satisfactory evidence to the Administering Authority of a current external insurance policy covering ill health early retirement strains, then:

- the employer's contribution to the Fund each year is reduced by the amount of that year's insurance premium, so that the total contribution is unchanged, and
- there is no need for monitoring of ill health allowances versus experience (as typically required for some employers).

When an active member retires on ill health early retirement the claim amount will be paid directly from the insurer to the insured employer. This amount should then be paid to the Fund to allow the employer's asset share to be credited.

The employer must keep the Administering Authority notified of any changes in the insurance policy's coverage or premium terms, or if the policy is ceased.

3.9 Employers with no remaining active members

In general an employer ceasing in the Fund, due to the departure of the last active member, will pay a cessation debt or receive an exit credit on an appropriate basis (see 3.3, Note (j)) and consequently have no further obligation to the Fund. Thereafter it is expected that one of three situations will eventually arise:

a) The employer's asset share runs out before all its ex-employees' benefits have been paid. In this situation the other Fund employers will be required to contribute to pay all remaining benefits: this will be done by the Fund actuary apportioning the remaining liabilities on a pro-rata basis at successive formal valuations;

b) The last ex-employee or dependant dies before the employer's asset share has been fully utilised. In this situation the remaining assets would be apportioned pro-rata by the Fund's actuary to the other Fund employers.

c) In exceptional circumstances the Fund may permit an employer with no remaining active members and a cessation deficit to continue contributing to the Fund. This would require the provision of a suitable security or guarantee, as well as a written ongoing commitment to fund the remainder of the employer's obligations over an appropriate period. The Fund would reserve the right to invoke the cessation requirements in the future, however. The Administering Authority may need to seek legal advice in such cases, as the employer would have no contributing members.

3.10 Policies on bulk transfers

The Fund has a separate written policy which covers bulk transfer payments into, out of and within the Fund. Each case will be treated on its own merits, but in general:

- The Fund will not pay bulk transfers greater than the lesser of (a) the asset share of the transferring employer in the Fund, and (b) the value of the past service liabilities of the transferring members;
- The Fund will not grant added benefits to members bringing in entitlements from another Fund unless the asset transfer is sufficient to meet the added liabilities; and
- The Fund may permit shortfalls to arise on bulk transfers if the Fund employer has suitable strength of covenant and commits to meeting that shortfall in an appropriate period. This may require the employer's Fund contributions to increase between valuations.

3.11 Policies on intra-fund transfers

- Where members transfer between employers within the 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:
  - Note (g) to Table 3.3 explains how assets will be allocated to new academy schools when members transfer from the ceding employer at the academy conversion date;

- Note (i) to Table 3.3 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.

4 Funding strategy and links to investment strategy

4.1 What is the Fund's investment strategy?

The Fund has built up assets over the years and continues to receive contribution and other income. All of this must be invested in a suitable manner, which is the investment strategy.

Investment strategy is set by the Administering Authority, after consultation with the employers and after taking investment advice. The precise mix, manager make up and target returns are set out in the Investment Strategy Statement, which is available to members and employers.

The investment strategy is set for the long-term but is reviewed from time to time. Normally a full review is carried out as part of each actuarial valuation and is kept under review annually between actuarial valuations to ensure that it remains appropriate to the Fund's liability profile.

The same investment strategy is currently followed for all employers.

4.2 What is the link between funding strategy and investment strategy?

The Fund must 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). To the extent that investment returns or income fall short, then higher cash contributions are required from employers, and vice versa

Therefore, the funding and investment strategies are inextricably linked.

4.3 How does the funding strategy reflect the Fund's investment strategy?

In the opinion of the Fund actuary, the current funding policy is consistent with the current investment strategy of the Fund. The actuary's assumptions for future investment returns (described further in Appendix E) are based on the current benchmark investment strategy of the Fund. The future investment return assumptions underlying each of the fund's three funding bases include a margin for prudence, and are therefore also considered to be consistent with the requirement to take a "prudent longer-term view" of the funding of liabilities as required by the UK Government (see Appendix A1).

In the short term – such as the three yearly assessments at formal valuations – there is the scope for considerable volatility in asset values. However, the actuary takes a long-term view when assessing employer contribution rates and the contribution rate setting methodology takes into account this potential variability.

The Fund does not hold a contingency reserve to protect it against the volatility of equity investments.

4.4 Does the Fund monitor its overall funding position?

The Administering Authority will monitor the relative funding position, and changes in the relationship between asset values and the liabilities value, on an annual basis. It will report this to the regular Pensions and Investments Committee meetings, and also to employers through newsletters and Employers Forums.

5 Statutory reporting and comparison to other LGPS Funds

5.1 Purpose

Under Section 13(4)(c) of the Public Service Pensions Act 2013 (Section 13), the Government Actuary's Department must, following each triennial actuarial valuation, report to MHCLG on each of the LGPS Funds in England & Wales. This report will cover whether, for each Fund, the rate of employer contributions are set at an appropriate level to ensure both the solvency and the long term cost efficiency of the Fund.

This additional MHCLG oversight may have an impact on the strategy for setting contribution rates at future valuations.

5.2 Solvency

For the purposes of Section 13, the rate of employer contributions shall be deemed to have been set at an appropriate level to ensure solvency if:

(a) the rate of employer contributions is set to target a funding level for the Fund of 100%, over an appropriate time period and using appropriate actuarial assumptions (where appropriateness is considered in both absolute and relative terms in comparison with other funds); and either

(b) employers collectively have the financial capacity to increase employer contributions, and/or the Fund is able to realise contingent assets should future circumstances require, in order to continue to target a funding level of 100%; or

(c) there is an appropriate plan in place should there be, or if there is expected in future to be, a material reduction in the capacity of fund employers to increase contributions as might be needed.

5.3 Long Term Cost Efficiency

The rate of employer contributions shall be deemed to have been set at an appropriate level to ensure long term cost efficiency if:

i. the rate of employer contributions is sufficient to make provision for the cost of current benefit accrual,

ii. an appropriate adjustment is made to that rate for any surplus or deficit in the Fund.

In assessing whether the above condition is met, MHCLG may have regard to various absolute and relative considerations. A relative consideration is primarily concerned with comparing LGPS pension funds with other LGPS pension funds. An absolute consideration is primarily concerned with comparing Funds with a given objective benchmark.

Relative considerations include:

1. the implied deficit recovery period; and

2. the investment return required to achieve full funding after 20 years.

Absolute considerations include:

1. the extent to which the contributions payable is sufficient to cover the cost of current benefit accrual and the interest cost on any deficit;
2. how the required investment return under “relative considerations” above compares to the estimated future return being targeted by the Fund’s current investment strategy;
3. the extent to which contributions actually paid have been in line with the expected contributions based on the extant rates and adjustment certificate; and
4. the extent to which any new deficit recovery plan can be directly reconciled with, and can be demonstrated to be a continuation of, any previous deficit recovery plan, after allowing for actual Fund experience.

MHCLG may assess and compare these metrics on a suitable standardised market-related basis, for example where the local funds’ actuarial bases do not make comparisons straightforward.

Appendix A – Regulatory framework

A1 Why does the Fund need an FSS?

The Ministry of Housing, Communities and Local Government (MHCLG) has stated that the purpose of the FSS is:

- "to establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward;
- to support the regulatory framework to maintain as nearly constant employer contribution rates as possible; and
- to take a prudent longer-term view of funding those liabilities."

These objectives are desirable individually but may be mutually conflicting.

The requirement to maintain and publish a FSS is contained in LGPS Regulations which are updated from time to time. In publishing the FSS the Administering Authority has to have regard to any guidance published by Chartered Institute of Public Finance and Accountancy (CIPFA) (most recently in 2016) and to its Statement of Investment Principles / Investment Strategy Statement.

This is the framework within which the Fund's actuary carries out triennial valuations to set employers' contributions and provides recommendations to the Administering Authority when other funding decisions are required, such as when employers join or leave the Fund. The FSS applies to all employers participating in the Fund.

A2 Does the Administering Authority consult anyone on the FSS?

Yes. This is required by LGPS Regulations. It is covered in more detail by the most recent CIPFA guidance, which states that the FSS must first be subject to "consultation with such persons as the authority considers appropriate", and should include "a meaningful dialogue at officer and elected member level with council tax raising authorities and with corresponding 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 26 July 2021, with comments invited from all of the Fund's stakeholders; a link to the website was issued to all participating employers and members of the Derbyshire Pension Board;

b) Comments were requested by 22 August 2021;

c) Following the end of the consultation period the FSS was updated where required and then published on the Derbyshire Pension Fund website in September 2021.

A3 How is the FSS published?

The FSS is made available through the following routes:

- Published on the website
- A copy sent by e-mail to each participating employer in the Fund;
- A copy sent by e-mail to the members of the Derbyshire Pension Board.
- A link to the FSS is included in the annual report and accounts of the Fund;
- A copy sent by email to the Fund's independent investment adviser;

- Copies made 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 triennial valuation (which may move to every four years in future – see Section 2.8). This version is expected to remain unaltered until it is consulted upon as part of the formal process for the next valuation.

It is possible that (usually slight) amendments may be needed within the three-year period. These would be needed to reflect any regulatory changes, or alterations to the way the Fund operates (for example, to accommodate a new class of employer). Any such amendments would be consulted upon as appropriate:

- trivial amendments would be simply notified at the next round of employer communications,
- amendments affecting only one class of employer would be consulted with those employers,
- other more significant amendments would be subject to full consultation.

In any event, changes to the FSS would need agreement by the Pensions and Investments Committee and would be included in the relevant Committee Meeting minutes.

A5 How does the FSS fit into other Fund documents?

The FSS is a summary of the Fund's approach to funding liabilities. It is not an exhaustive statement of policy on all issues, for example there are a number of separate statements published by the Fund including the

- Investment Strategy Statement,
- Admissions, Cessations and Bulk Transfers policy
- Governance Policy and Compliance, and
- Communications Policy

In addition, the Fund publishes an Annual Report and Accounts with up to date information on the Fund.

These documents can be found on the Fund's website: www.derbyshirepensionfund.org.uk

Appendix B – Responsibilities of key parties

The efficient and effective operation of the Fund needs various parties to each play their part.

B1 The Administering Authority should:-

- operate the Fund as per the LGPS Regulations;
- effectively manage any potential conflicts of interest arising from its dual role as Administering Authority and a Fund employer;
- collect employer and employee contributions, and investment income and other amounts due to the Fund;
- ensure that cash is available to meet benefit payments as and when they fall due;
- pay from the Fund the relevant benefits and entitlements that are due;
- invest surplus monies such as contributions and other income which are not immediately needed to pay benefits) in accordance with the Fund's Investment Strategy Statement (ISS) and LGPS Regulations;
- communicate appropriately with employers so that they fully understand their obligations to the Fund;
- take appropriate measures to safeguard the Fund against the consequences of employer default;
- manage the valuation process in consultation with the Fund's actuary;
- provide data and information as required by the Government Actuary's Department to carry out their statutory obligations (see Section 5);
- prepare and maintain a FSS and an ISS, after consultation;
- notify the Fund's actuary of material changes which could affect funding (this is covered in a separate agreement with the actuary); and
- monitor all aspects of the fund's performance and funding and amend the FSS and ISS as necessary and appropriate.

B2 The Individual Employer should:-

- deduct contributions from employees' pay correctly;
- pay all contributions, including their own as determined by the actuary, promptly by the due date;
- have a policy and exercise discretions within the regulatory framework;
- make additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of scheme benefits, early retirement strain; and
- notify the Administering Authority promptly of all changes to its circumstances, prospects or membership, which could affect future funding.

B3 The Fund Actuary should:-

- prepare valuations, including the setting of employers' contribution rates. This will involve agreeing assumptions with the Administering Authority, having regard to the FSS and LGPS Regulations, and targeting each employer's solvency appropriately;

- provide data and information as required by the Government Actuary's Department to carry out their statutory obligations (see Section 5 of this document);
- provide advice relating to new employers in the Fund, including the level and type of bonds or other forms of security (and the monitoring of these);
- prepare advice and calculations in connection with bulk transfers and individual benefit-related matters;
- assist the Administering Authority in considering possible changes to employer contributions between formal valuations, where circumstances suggest this may be necessary;
- advise on the termination of employers' participation in the Fund; and
- fully reflect actuarial professional guidance and requirements in the advice given to the Administering Authority.

B4 Other parties:-

- investment advisers (either internal or external) should ensure the Fund's ISS remains appropriate, and consistent with this FSS;
- investment managers, custodians and bankers should all play their part in the effective investment (and dis-investment) of Fund assets, in line with the ISS;
- auditors should comply with their auditing standards, ensure Fund compliance with all requirements, monitor and advise on fraud detection, and sign off annual reports and financial statements as required;
- governance advisers may be appointed to advise the Administering Authority on efficient processes and working methods in managing the Fund;
- legal advisers (either internal or external) should ensure the Fund's operation and management remains fully compliant with all regulations and broader local government requirements, including the Administering Authority's own procedures;
- MHCLG (assisted by the Government Actuary's Department) and the Scheme Advisory Board, should work with LGPS Funds to meet Section 13 requirements.

Appendix C – Key risks and controls

C1 Types of risk

The Administering Authority has an active risk management programme in place. The measures that it has in place to control key risks are summarised under the following headings:

- Financial risks;
- Demographic risks;
- Regulatory risks; and
- Governance risks.

C2 Financial risks

Risk	Summary of Control Mechanisms
Fund assets fail to deliver returns in line with the anticipated returns underpinning the valuation of liabilities and contribution rates over the long-term.	Only anticipate long-term returns on a relatively prudent basis to reduce risk of under-performing. Assets invested on the basis of specialist advice, in a suitably diversified manner across asset classes, geographies and managers. Analyse progress at three yearly valuations for all employers. Inter-valuation roll-forward of liabilities between valuations at whole Fund level.
Inappropriate long-term investment strategy.	Overall investment strategy options considered as an integral part of the funding strategy. Used asset liability modelling to measure 4 key outcomes. Chosen option considered to provide the best balance.
Active investment manager under-performance relative to benchmark.	Quarterly investment monitoring analyses market performance and active managers relative to their index benchmark.
Pay and price inflation significantly more than anticipated.	The focus of the actuarial valuation process is on real returns on assets, net of price and pay increases. Inter-valuation monitoring gives early warning. Some investment in bonds also helps to mitigate this risk. Employers pay for their own salary awards and should be mindful of the geared effect on pension liabilities of any bias in pensionable pay rises towards longer-serving employees.

Risk	Summary of Control Mechanisms
Effect of possible increase in employer's contribution rate on service delivery and admission/scheduled bodies	An explicit stabilisation mechanism has been agreed as part of the funding strategy. Other measures are also in place to limit sudden increases in contributions.
Orphaned employers give rise to added costs for the Fund	The Fund seeks a cessation debt (or security/guarantor) to minimise the risk of this happening in the future. If it occurs, the Actuary calculates the added cost spread pro-rata among all employers – (see 3.9).
Effect of possible asset underperformance as a result of climate change	Climate change risk is monitored via the Fund's risk register. The impact of climate change on long term funding has been modelled and considered as part of the formal 2019 actuarial valuation.

C3 Demographic risks

Risk	Summary of Control Mechanisms
Pensioners living longer, thus increasing cost to Fund.	Set mortality assumptions with some allowance for future increases in life expectancy. The Fund Actuary has direct access to the experience of over 50 LGPS funds which allows early identification of changes in life expectancy that might in turn affect the assumptions underpinning the valuation.
Maturing Fund –meaning that a proportion of actively contributing employees declines relative to retired employees.	Continue to monitor at each valuation, consider seeking monetary amounts rather than % of pay and consider alternative investment strategies.
Deteriorating patterns of early retirements	Employers are charged the extra cost of non-ill-health retirements following each individual decision. Employer ill health retirement experience is monitored as part of each formal actuarial valuation, and insurance is an option.
Reductions in payroll causing insufficient deficit recovery payments	In many cases this may not be sufficient cause for concern and will in effect be caught at the next formal valuation. However, there are protections where there is concern, as follows:

Risk	Summary of Control Mechanisms
	Employers in the stabilisation mechanism may be brought out of that mechanism to permit appropriate contribution increases (see Note (b) to 3.3). For other employers, review of contributions is permitted in general between valuations (see Note (f) to 3.3) and may require a move in deficit contributions from a percentage of payroll to fixed monetary amounts.

C4 Regulatory risks

Risk	Summary of Control Mechanisms
Changes to national pension requirements and/or HMRC rules, for example, changes arising from public sector pensions reform.	The Administering Authority considers all consultation papers issued by the Government and comments where appropriate. The Administering Authority is monitoring the progress on the McCloud court case and will consider an interim valuation or other appropriate action once more information is known. The government's long-term preferred solution to GMP indexation and equalisation - conversion of GMPs to scheme benefits - was built into the 2019 valuation.
Time, cost and/or reputational risks associated with any MHCLG intervention triggered by the Section 13 analysis (see Section 5 of this document).	Take advice from Fund Actuary on position of Fund as at prior valuation, and consideration of proposed valuation approach relative to anticipated Section 13 analysis.
Changes by Government to particular employer participation in LGPS Funds, leading to impacts on funding and/or investment strategies.	The Administering Authority considers all consultation papers issued by the Government and comments where appropriate. Take advice from Fund Actuary on impact of changes on the Fund and amend strategy as appropriate.

C5 Governance risks

Risk	Summary of Control Mechanisms
Administering Authority unaware of structural changes in an employer's membership (for example, large fall in employee members, large number of retirements) or not advised of an employer closing to new entrants.	The Administering Authority has a close relationship with employing bodies and communicates required standards for example, for submission of data. The Actuary may revise the rates and Adjustments certificate to increase an employer's contributions between triennial valuations Deficit contributions may be expressed as monetary amounts.
Actuarial or investment advice is not sought, or is not heeded, or proves to be insufficient in some way	The Administering Authority maintains close contact with its specialist advisers. Advice is delivered via formal meetings involving Elected Members and recorded appropriately. Actuarial advice is subject to professional requirements such as peer review.
Administering Authority failing to commission the Fund Actuary to carry out a termination valuation for a departing Admission Body.	The Administering Authority requires employers with Best Value contractors to inform it of forthcoming changes. Community Admission Bodies' memberships are monitored and, if active membership decreases, steps will be taken to minimise the risk of the employer leaving behind an unpaid debt if it were to exit.
An employer ceasing to exist with insufficient funding or adequacy of a bond.	The Administering Authority believes that it would normally be too late to address the position if it was left to the time of departure. The risk is mitigated by: Seeking a funding guarantee from another scheme employer, or external body, where possible (see Notes (h) and (j) to 3.3). Alerting the prospective employer to its obligations and encouraging it to take independent actuarial advice. Vetting prospective employers before admission. Where permitted under the regulations requiring a bond to protect the Fund from various risks.

Risk	Summary of Control Mechanisms
	Requiring new Community Admission Bodies to have a guarantor. Reviewing bond or guarantor arrangements at regular intervals (see Note (f) to 3.3). Reviewing contributions well ahead of cessation if thought appropriate (see Note (a) to 3.3).
An employer ceasing to exist resulting in an exit credit being payable	The Administering Authority regularly monitors admission bodies coming up to cessation. The Administering Authority invests in liquid assets to ensure that exit credits can be paid when required.

Appendix D – The calculation of Employer contributions

In Section 2 there was a broad description of the way in which contribution rates are calculated. This Appendix considers these calculations in much more detail.

As discussed in Section 2, the actuary calculates the required contribution rate for each employer using a three-step process:

- Calculate the funding target for that employer, meaning the estimated amount of assets it should hold in order to be able to pay all its members' benefits. See Appendix E for more details of what assumptions we make to determine that funding target;
- Determine the time horizon over which the employer should aim to achieve that funding target. See the table in 3.3 and Note (c) for more details;
- Calculate the employer contribution rate such that it has at least a given likelihood of achieving that funding target over that time horizon, allowing for various possible economic outcomes over that time horizon. See the table in 3.3 Note (e) for more details.

The calculations involve actuarial assumptions about future experience, and these are described in detail in Appendix E.

D1 What is the difference between calculations across the whole Fund and calculations for an individual employer?

Employer contributions are normally made up of two elements:

a) the estimated cost of ongoing benefits being accrued, referred to as the "Primary contribution rate" (see D2 below); plus

b) an adjustment for the difference between the Primary rate above, and the actual contribution the employer needs to pay, referred to as the "Secondary contribution rate" (see D3 below).

The contribution rate for each employer is measured as above, appropriate for each employer's assets, liabilities and membership. The whole Fund position, including that used in reporting to MHCLG (see section 5), is calculated in effect as the sum of all the individual employer rates. MHCLG currently only regulates at whole Fund level, without monitoring individual employer positions.

D2 How is the Primary contribution rate calculated?

The Primary element of the employer contribution rate is calculated with the aim that these contributions will meet benefit payments in respect of members' future service in the Fund. This is based upon the cost (in excess of members' contributions) of the benefits which employee members earn from their service each year.

The Primary rate is calculated separately for all the employers, although employers within a pool will pay the contribution rate applicable to the pool as a whole. The Primary rate is calculated such that it is projected to:

1. meet the required funding target for all future years' accrual of benefits*, excluding any accrued assets,
2. within the determined time horizon (see note 3.3 Note (c) for further details),

3. with a sufficiently high likelihood, as set by the Fund's strategy for the category of employer (see 3.3 Note (e) for further details).

* The projection is for the current active membership where the employer no longer admits new entrants, or additionally allows for new entrants where this is appropriate.

The projections are carried out using an economic modeller (the "Economic Scenario Service") developed by the Fund's actuary Hymans Robertson: this allows for a wide range of outcomes as regards key factors such as asset returns (based on the Fund's investment strategy), inflation, and bond yields. Further information about this model is included in Appendix E. The measured contributions are calculated such that the proportion of outcomes meeting the employer's funding target (at the end of the time horizon) is equal to the required likelihood.

The approach includes expenses of administration to the extent that they are borne by the Fund and includes allowances for benefits payable on death in service and on ill health retirement.

D3 How is the Secondary contribution rate calculated?

The Fund aims for the employer to have assets sufficient to meet 100% of its accrued liabilities at the end of its funding time horizon based on the employer's funding target assumptions (see Appendix E).

The Secondary rate is calculated as the balance over and above the Primary rate, such that the total contribution rate is projected to:

- meet the required funding target relating to combined past and future service benefit accrual, including accrued asset share (see D5 below)
- at the end of the determined time horizon (see 3.3 Note (c) for further details)
- with a sufficiently high likelihood, as set by the Fund's strategy for the category of employer (see 3.3 Note (e) for further details).

The projections are carried out using an economic modeller (the "Economic Scenario Service") developed by the Fund Actuary Hymans Robertson: this allows for a wide range of outcomes as regards key factors such as asset returns (based on the Fund's investment strategy), inflation, and bond yields. Further information about this model is included in Appendix E. The measured contributions are calculated such that the proportion of outcomes meeting the employer's funding target (at the end of the time horizon) is equal to the required likelihood.

D4 What affects a given employer's valuation results?

The results of these calculations for a given individual employer will be affected by:

1. past contributions relative to the cost of accruals of benefits;
2. different liability profiles of employers (for example, a mix of members by age, gender, service versus. salary);
3. the effect of any differences in the funding target, meaning the valuation basis used to value the employer's liabilities at the end of the time horizon;
4. any different time horizons;
5. the difference between actual and assumed rises in pensionable pay;
6. the difference between actual and assumed increases to pensions in payment and deferred pensions;

7. the difference between actual and assumed retirements on grounds of ill-health from active status;
8. the difference between actual and assumed amounts of pension ceasing on death;
9. the additional costs of any non-ill-health retirements relative to any extra payments made; and/or
10. differences in the required likelihood of achieving the funding target.

D5 How is each employer's asset share calculated?

The Administering Authority does not operate separate bank accounts or investment mandates for each employer. Therefore, it cannot account for each employer's assets separately. Instead, the Fund Actuary must apportion the assets of the whole Fund between the individual employers. There are broadly two ways to do this:

1) A technique known as "analysis of surplus" in which the Fund actuary estimates the surplus/deficit of an employer at the current valuation date by analysing movements in the surplus/deficit from the previous actuarial valuation date. The estimated surplus/deficit is compared to the employer's liability value to calculate the employer's asset value. The actuary will quantify the impact of investment, membership and other experience to analyse the movement in the surplus/deficit. This technique makes a number of simplifying assumptions due to the unavailability of certain items of information. This leads to a balancing, or miscellaneous, item in the analysis of surplus, which is split between employers in proportion to their asset shares.

2) A 'cashflow approach' in which an employer's assets are tracked over time allowing for cashflows paid in (for example, contributions, transfers in.), cashflows paid out (for example, benefit payments, transfers out) and investment returns on the employer's assets.

Until 31 March 2016 the Administering Authority used the 'analysis of surplus' approach to apportion the Fund's assets between individual employers.

Since then, the Fund has adopted a cashflow approach for tracking individual employer assets.

The Fund Actuary tracks employer assets on an annual basis. Starting with each employer's assets from the previous year end, cashflows paid in/out and investment returns achieved on the Fund's assets over the course of the year are added to calculate an asset value at the year end. The approach has some simplifying assumptions in that all cashflows and investment returns are assumed to have occurred uniformly over the course of the year. As the actual timing of cashflows and investment returns are not allowed for, the sum of all employers' asset values will deviate from the whole fund asset total over time (the deviation is expected to be minor). The difference is split between employers in proportion to their asset shares at each triennial valuation.

D6 How does the Fund adjust employer asset shares when an individual member moves from one employer in the Fund to another?

Under the cashflow approach for tracking employer asset shares, the Fund has allowed for any individual members transferring from one employer in the Fund to another, via the transfer of a sum from the ceding employer's asset share to the receiving employer's asset share. This sum is equal to the member's Cash Equivalent Transfer Value (CETV) as advised by the Fund's administrators.

Appendix E – Actuarial assumptions

E1 What are the actuarial assumptions used to calculate employer contribution rates?

These are expectations of future experience used to place a value on future benefit payments ("the liabilities") and future asset values. Assumptions are made about the amount of benefit payable to members (the financial assumptions) and the likelihood or timing of payments (the demographic assumptions). For example, financial assumptions include investment returns, salary growth and pension increases; demographic assumptions include life expectancy, probabilities of ill-health early retirement, and proportions of member deaths giving rise to dependants' benefits.

Changes in assumptions will affect the funding target and required contribution rate. However, different assumptions will not of course affect the actual benefits payable by the Fund in future.

For instance, taking pension increases (which follow price inflation) as an example:

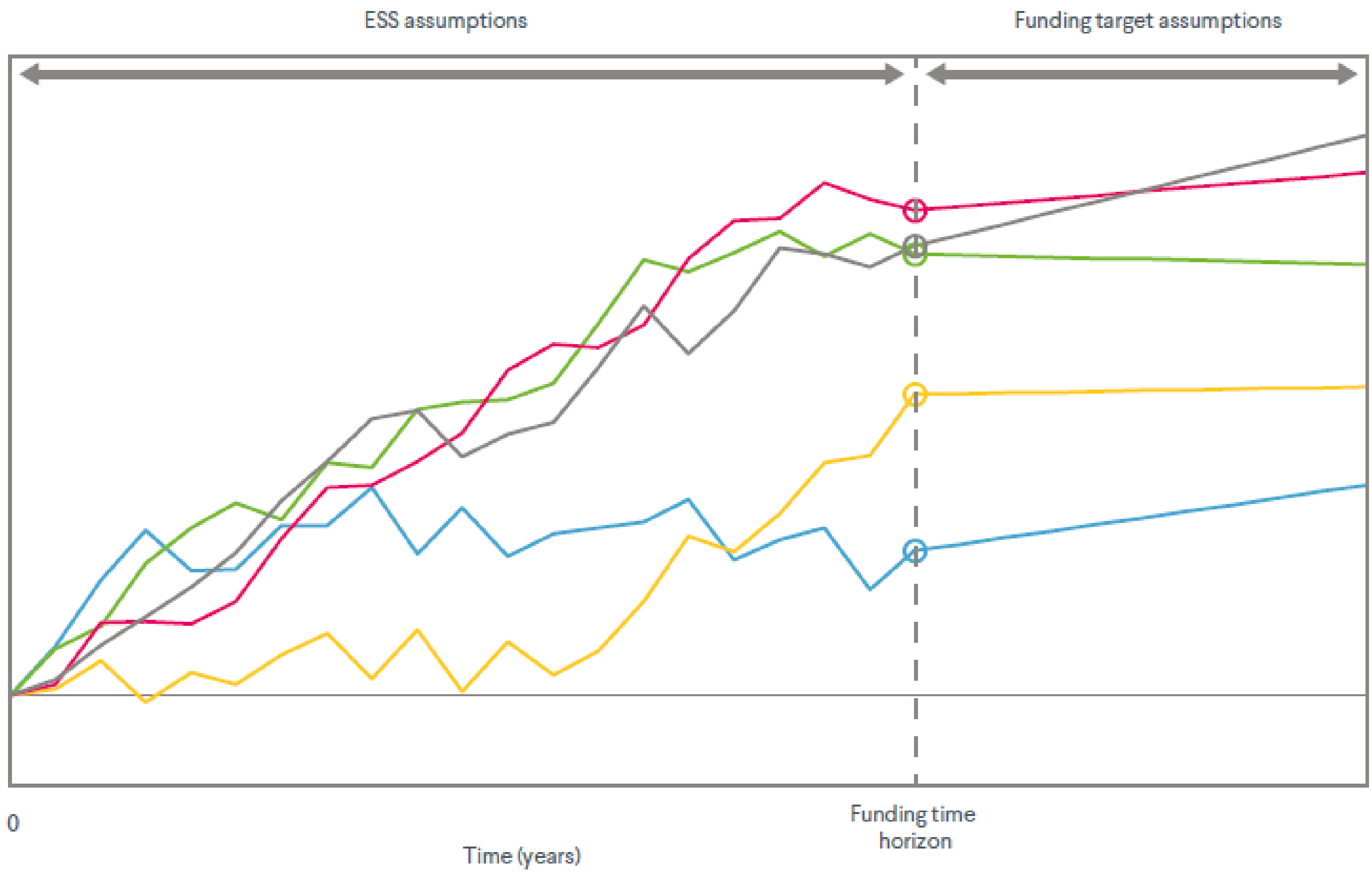
- a higher assumed rate of increase will give higher assumed costs and hence higher calculated contributions;
- the actual cost of pensions will vary by the rate of actual price inflation, not what had been assumed in the past.

The actuary's approach to calculating employer contribution rates involves the projection of each employer's future benefit payments, contributions and investment returns into the future under 5,000 possible economic scenarios. Future inflation (and therefore benefit payments) and investment returns for each asset class (and therefore employer asset values) are variables in the projections. By projecting the evolution of an employer's assets and benefit payments 5,000 times, a contribution rate can be set that results in a sufficient number of these future projections (determined by the employer's required likelihood) being successful at the end of the employer's time horizon. In this context, a successful contribution rate is one which results in the employer having met its funding target at the end of the time horizon.

Setting employer contribution rates therefore requires two types of assumptions to be made about the future:

1. Assumptions to project the employer's assets, benefits and cashflows to the end of the funding time horizon. For this purpose, the actuary uses Hymans Robertson's proprietary stochastic economic model - the Economic Scenario Service ("ESS").

2. Assumptions to assess whether, for a given projection, the funding target is satisfied at the end of the time horizon. For this purpose, the Fund has two different funding bases – see E3.



Details on the ESS assumptions and funding target assumptions are included in E2 and E3 respectively.

E2 What assumptions are used in the ESS?

The actuary uses Hymans Robertson's ESS model to project a range of possible outcomes for the future behaviour of asset returns and economic variables. With this type of modelling, there is no single figure for an assumption about future inflation or investment returns. Instead, there is a range of what future inflation or returns will be which leads to likelihoods of the assumption being higher or lower than a certain value.

The ESS is a complex model to reflect the interactions and correlations between different asset classes and wider economic variables. The table below shows the calibration of the model as at 31 March 2019. All returns are shown net of fees and are the annualised total returns over 5, 10 and 20 years, except for the yields which refer to the simulated yields at that time horizon.

		Annualised total returns									
		Cash	Index Linked Gilts (medium)	Fixed Interest Gilts (medium)	UK Equity	Overseas Equity	Property	A rated corporate bonds (medium)	RPI inflation expectation	17 year real govt bond yield	17 year govt bond yield
5 years	16th %'ile	-0.4%	-2.3%	-2.9%	-4.1%	-4.1%	-3.5%	-2.7%	1.9%	-2.5%	0.8%
	50th %'ile	0.7%	0.5%	0.3%	4.0%	4.1%	2.4%	0.8%	3.3%	-1.7%	2.1%
	84th %'ile	2.0%	3.3%	3.4%	12.7%	12.5%	8.8%	4.0%	4.9%	-0.8%	3.6%
10 years	16th %'ile	-0.2%	-1.8%	-1.3%	-1.5%	-1.4%	-1.5%	-0.9%	1.9%	-2.0%	1.2%
	50th %'ile	1.3%	0.0%	0.2%	4.6%	4.7%	3.1%	0.8%	3.3%	-0.8%	2.8%
	84th %'ile	2.9%	1.9%	1.7%	10.9%	10.8%	7.8%	2.5%	4.9%	0.4%	4.8%
20 years	16th %'ile	0.7%	-1.1%	0.1%	1.2%	1.3%	0.6%	0.7%	2.0%	-0.7%	2.2%
	50th %'ile	2.4%	0.3%	1.0%	5.7%	5.8%	4.3%	1.9%	3.2%	0.8%	4.0%
	84th %'ile	4.5%	2.0%	2.0%	10.3%	10.4%	8.1%	3.0%	4.7%	2.2%	6.3%
	Volatility (Disp) (1 yr)	1%	7%	10%	17%	17%	14%	11%	1%		

E3 What assumptions are used in the funding target?

At the end of an employer's funding time horizon, an assessment will be made – for each of the 5,000 projections – of how the assets held compare to the value of assets required to meet the future benefit payments (the funding target). Valuing the cost of future benefits requires the actuary to make assumptions about the following financial factors:

- Benefit increases and Career Average Revalued Earnings (CARE) revaluation
- Salary growth
- Investment returns (the "discount rate")

Each of the 5,000 projections represents a different prevailing economic environment at the end of the funding time horizon and so a single, fixed value for each assumption is unlikely to be appropriate for every projection. For example, a high assumed future investment return (discount rate) would not be prudent in projections with a weak outlook for economic growth. Therefore, instead of using a fixed value for each assumption, the actuary references economic indicators to ensure the assumptions remain appropriate for the prevailing economic environment in each projection. The economic indicators the actuary uses are future inflation expectations and the prevailing risk free rate of return (the yield on long term UK government bonds is used as a proxy for this rate).

The Fund has two funding bases which will apply to different employers depending on their type. Each funding basis has a different assumption for future investment returns when determining the employer's funding target.

Funding basis	Ongoing participation basis	Low risk exit basis
Employer type	All employers except closed Community Admission Bodies	Community Admission Bodies that are closed to new entrants
Investment return assumption underlying the employer's funding target (at the end of its time horizon)	Long term government bond yields plus an asset outperformance assumption (AOA) of 1.8% per annum.	Long term government bond yields with no allowance for outperformance on the Fund's assets.

E4 What other assumptions apply?

The following assumptions are those of the most significance used in both the projection of the assets, benefits and cashflows and in the funding target.

a) Salary growth

After discussion with Fund officers, the salary increase assumption at the 2019 valuation has been set to be a blended rate combined of:

1. 2% per annum. until 31 March 2022, followed by
2. the retail prices index (RPI) thereafter.

This gives a single "blended" assumption of CPI plus 0.7%. This is a change from the previous valuation, which assumed a blended assumption of CPI plus 0.6%. The change has led to a reduction in the funding target (all other things being equal).

b) Pension increases

Since 2011 the consumer prices index (CPI), rather than RPI, has been the basis for increases to public sector pensions in deferment and in payment. Note that the basis of such increases is set by the Government and is not under the control of the Fund or any employers.

At this valuation, we have continued to assume that CPI is 1.0% per annum lower than RPI. (Note that the reduction is applied in a geometric, not arithmetic, basis).

c) Life expectancy

The demographic assumptions are intended to be best estimates of future experience in the Fund based on past experience of LGPS funds which participate in Club Vita, the longevity analytics service used by the Fund, and endorsed by the actuary.

The longevity assumptions that have been adopted at this valuation are a bespoke set of "VitaCurves", produced by the Club Vita's detailed analysis, which are specifically tailored to fit the membership profile of the Fund. These curves are based on the data provided by the Fund for the purposes of this valuation.

Allowance has been made in the ongoing valuation basis for future improvements in line with the 2018 version of the Continuous Mortality Investigation model published by the Actuarial Profession and a 1.25% per annum minimum underpin to future reductions in mortality rates. This updated allowance for future improvements will generally result in lower life expectancy assumptions and hence a reduced funding target (all other things being equal).

d) General

The same financial assumptions are adopted for most employers (on the ongoing participation basis identified above), in deriving the funding target underpinning the Primary and Secondary rates: as described in (3.3), these calculated figures are translated in different ways into employer contributions, depending on the employer's circumstances.

The demographic assumptions, in particular the life expectancy assumption, in effect vary by type of member and so reflect the different membership profiles of employers.

Appendix F – Glossary

Administering Authority	The council with statutory responsibility for running the Fund, in effect the Fund's "trustees".
Admission Bodies	Employers where there is an Admission Agreement setting out the employer's obligations. These can be Community Admission Bodies or Transferee Admission Bodies. For more details (see 2.3).
Covenant	The assessed financial strength of the employer. A strong covenant indicates a greater ability (and willingness) to pay for pension obligations in the long run. A weaker covenant means that it appears that the employer may have difficulties meeting its pension obligations in full over the longer term.
Designating Employer	Employers such as town and parish councils that are able to participate in the LGPS via resolution. These employers can designate which of their employees are eligible to join the Fund.
Employer	An individual participating body in the Fund, which employs (or used to employ) members of the Fund. Normally the assets and funding target values for each employer are individually tracked, together with its Primary rate at each valuation.
Funding basis	The combined set of assumptions made by the actuary, regarding the future, to calculate the value of the funding target at the end of the employer's time horizon. The main assumptions will relate to the level of future investment returns, salary growth, pension increases and longevity. More prudent assumptions will give a higher funding target, whereas more optimistic assumptions will give a lower funding target.
Gilt	A UK Government bond, (a promise by the Government to pay interest and capital as per the terms of that particular gilt, in return for an initial payment of capital by the purchaser. Gilts can be "fixed interest", where the interest payments are level throughout the gilt's term, or "index-linked" where the interest payments vary each year in line with a specified index (usually RPI). Gilts can be bought as assets by the Fund but are also used in funding as an objective measure of a risk-free rate of return)
Guarantee / guarantor	A formal promise by a third party (the guarantor) that it will meet any pension obligations not met by a specified employer. The presence of a guarantor will mean, for instance, that the Fund can consider the employer's covenant to be as strong as its guarantor's.
Letting employer	An employer which outsources or transfers a part of its services and workforce to another employer (usually a contractor). The contractor will pay towards the LGPS benefits accrued by the transferring members, but ultimately the obligation to pay for these benefits will revert to the letting employer. A letting employer will usually be a local authority but can sometimes be another type of employer such as an Academy.
LGPS	The Local Government Pension Scheme, a public sector pension arrangement put in place via Government Regulations, for workers in local

	government. These Regulations also dictate eligibility (particularly for Scheduled Bodies), members' contribution rates, benefit calculations and certain governance requirements. The LGPS is divided into 100 Funds which map the UK. Each LGPS Fund is autonomous to the extent not dictated by Regulations, for example, regarding investment strategy, employer contributions and choice of advisers.
Maturity	A general term to describe a Fund (or an employer's position within a Fund) where the members are closer to retirement (or more of them already retired) and the investment time horizon is shorter. This has implications for investment strategy and, consequently, funding strategy.
Members	The individuals who have built up (and may still be building up) entitlement in the Fund. They are divided into actives (current employee members), deferreds (ex-employees who have not yet retired) and pensioners (ex-employees who have now retired, and dependants of deceased ex-employees).
Primary contribution rate	The employer contribution rate required to pay for ongoing accrual of active members' benefits (including an allowance for administrative expenses). See Appendix D for further details.
Profile	The profile of an employer's membership or liability reflects various measurements of that employer's members, (current and former employees. This includes: the proportions which are active, deferred or pensioner; the average ages of each category; the varying salary or pension levels; the lengths of service of active members vs their salary levels, etc. A membership (or liability) profile might be measured for its maturity also.)
Rates and Adjustments Certificate	A formal document required by the LGPS Regulations, which must be updated at the conclusion of the formal valuation. This is completed by the actuary and confirms the contributions to be paid by each employer (or pool of employers) in the Fund for the period until the next valuation is completed.
Scheduled Bodies	Types of employer explicitly defined in the LGPS Regulations whose employees must be offered membership of their local LGPS Fund. These include Councils, colleges, universities, academies, police and fire authorities other than employees who have entitlement to a different public sector pension scheme for example, teachers, police and fire officers, university lecturers).
Secondary contribution rate	The difference between the employer's actual and Primary contribution rates. See Appendix D for further details.
Stabilisation	Any method used to smooth out changes in employer contributions from one year to the next. This is very broadly required by the LGPS Regulations, but in practice is particularly employed for large stable employers in the Fund.
Valuation	A risk management exercise to review the Primary and Secondary contribution rates, and other statutory information for a Fund, and usually individual employers too.

Appendix 5: Actuarial Valuation Report 2019

1 Introduction

Background to the actuarial valuation

We have been commissioned by Derbyshire County Council ("the Administering Authority") to carry out an actuarial valuation of the Derbyshire Pension Fund ("the Fund") as at 31 March 2019 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 ("the Regulations").

The actuarial valuation is a risk management exercise with the purpose of reviewing the current funding plans and setting contribution rates for the Fund's participating employers for the period from 1 April 2020 to 31 March 2023. This report summarises the outcomes of the valuation and the underlying advice provided to the Administering Authority throughout the valuation process.

This summary report is the culmination of other communications in relation to the valuation, in particular:

- Our 2019 valuation toolkit which sets out the methodology used when reviewing funding plans:
- Our papers dated March 2019 and August 2019 which discuss the valuation assumptions;
- Our Initial Results Report dated November 2019 which outlines the whole fund results and inter-valuation experience;
- The Funding Strategy Statement which details the approach taken to adequately fund the current and future benefits due to members.

Reliances and Limitations

This report has been prepared for the sole use of Derbyshire County Council in its role as Administering Authority of the Fund to provide an actuarial valuation of the Fund as required under the Regulations. 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.

Hymans Robertson LLP is the owner of all intellectual property rights in this report. All such rights are reserved.

The totality of our advice complies with the Regulations as they relate to actuarial valuations. The following Technical Actuarial Standards[9] are applicable in relation to this report and have been complied with where material:

- TAS 100 – Principles for technical actuarial work;
- TAS 300 – Pensions.

[9] Technical Actuarial Standards (TASs) are issued by the Financial Reporting Council (FRC) and set standards for certain items of actuarial work.

Use of this report by other parties

This report is addressed to the Administering Authority of the Fund only. We appreciate that other parties may also seek information about the 2019 valuation process and methodology. We would encourage such parties to refer to the following publicly available documents for further information:

- The Fund's Funding Strategy Statement;
- The Fund's Investment Strategy Statement;
- Published meeting papers and minutes for the quarterly meetings of the Fund's Pensions Committee.

Considering these papers alongside this valuation report will provide a more complete view of the Fund's funding strategy and decision-making process surrounding this. These documents are available on the Fund's website or on request.

2 Valuation approach

Employer contribution rates

The purpose of the valuation is to review the current funding strategy and ensure the Fund has a contribution plan and investment strategy in place that will enable it to pay members' benefits as they fall due.

Valuations for open defined benefit multi-employer pension funds such as the Derbyshire Pension Fund are complex. Firstly, the time horizons are very long; benefits earned in the LGPS today will be paid out over a period of the next 80 years or more, and new members will continue to join in the future. Secondly, as they depend on unknowns such as future inflation and life expectancy, the actual value of future benefit payments is uncertain. Finally, to keep contributions affordable, the Fund invests in return seeking assets which have higher levels of future volatility.

Given the above and that the future cannot be predicted with certainty, employer contribution rates can only ever be an estimate. However, the valuation approach adopted uses an understanding of the Fund, and the uncertainties and risks discussed above, to quantify the likelihood of the contribution plan and investment strategy for each employer being sufficient to fund future benefits.

This is achieved in practice by following the process outlined below.

Step 1: The Fund sets a funding target (or funding basis) for each employer which defines the estimated amount of assets to be held to meet the future benefit payments.

Step 2: The Fund sets the funding time horizon over which the funding target is to be achieved.

Step 3: The Fund sets contributions that give a sufficiently high likelihood of meeting the funding target over the set time horizon.

These three steps are central to the "risk-based" approach to funding which is described in Guide 5 of our 2019 valuation toolkit[10].

The risk-based approach uses an Asset Liability Model (described in Guide 6) of the 2019 valuation toolkit) to project each employer's future benefit payments, contributions and investment returns into the future under 5,000 possible economic scenarios. Future inflation (and therefore benefit payments) and investment returns for each asset class (and therefore asset values) are variables in the projections. Further details of these variables are provided in Appendix 2. The investment strategy underlying the projection of employer asset values is provided in Appendix 1.

By projecting the evolution of an employer's assets and benefit payments 5,000 times, a contribution rate can be set that results in a sufficient number of the future projections being successful i.e. meeting the funding target by the funding time horizon.

The risk-based approach to setting employer contributions allows the Fund and its employers to understand and quantify the level of risk inherent in funding plans, something that is not possible using a single set of assumptions alone.

Further detail on the approach to calculating contributions for individual employers, including the parameters used in the three steps for each type of employer, is set out in the Funding Strategy Statement dated March 2020.

Funding position as at 31 March 2019

[10] https://www.hymans.co.uk/media/uploads/LGPS_2019_Valuation_Toolkit_Guides.pdf

The valuation also offers an opportunity to measure the Fund's funding position as at 31 March 2019. Whilst this measurement has limited insight into understanding the long term ability to be able to pay members' benefits, it is a useful summary statistic.

For the purposes of this valuation we have adopted a "mark to market" approach, for measuring the funding position, meaning that the Fund's assets have been taken into account at their market value and the liabilities have been valued by reference to a single set of assumptions based on market indicators at the valuation date. These assumptions are detailed in Appendix 2. As we have taken a market-related approach to the valuation of both the assets and the liabilities, we believe that they have been valued on a consistent basis.

Significant events

The figures in this report are based on our understanding of the benefit structure of the LGPS in England and Wales as at 31 March 2019. Details can be found at http://www.lgpsregs.org/.

McCloud ruling

The LGPS benefit structure is currently under review following the Government's loss of the right to appeal the McCloud and other similar court cases. At the time of writing, the format and scope of any benefit changes in light of the McCloud ruling is still unknown. In line with the advice issued by the Scheme Advisory Board in May 2019, the following allowance has been made at the valuation for the McCloud ruling:

- Employer contribution rates: additional prudence in funding plans via an increase in the likelihood of success (step 3) when setting contribution rates;
- Measurement of funding position at 31 March 2019: no allowance.

Further details of the approach taken are set out in Section 2.7 of the Funding Strategy Statement.

Indexation and equalisation of Guaranteed Minimum Pensions (GMP)

As a result of the Government's introduction of a single-tier state pension (STP) there is currently uncertainty around who funds certain elements of increases on GMPs for members reaching State Pension Age after 6 April 2016.

As part of the introduction of STP, the Government confirmed that public service pension schemes, including the LGPS, will be responsible for funding all increases on GMP as an 'interim solution'. In their January 2018 consultation response, HM Treasury confirmed that the 'interim solution' will continue to remain in place up to 5 April 2021. Thereafter the Government's preferred approach is to convert GMP to scheme pension.

For the 2019 valuation, given the Government's preference for conversion to scheme benefits, we have assumed that all increases on GMPs for members reaching State Pension Age after 6 April 2016 will be paid for by LGPS employers. This has served to increase the value placed on the liabilities.

The Government have also stated that their preferred long term indexation solution of converting GMP to scheme pension will also meet the requirements of equalisation.

3 Valuation results

Employer contribution rates

The key objective of the Fund is to set employer contributions that are likely to be sufficient to meet both the cost of new benefits accruing and to address any funding surplus or deficit relative to the funding target over the agreed time horizon. A secondary objective is to maintain relatively stable employer contribution rates.

In order to meet the above objectives, the methodology set out in Section 2 has been used to set employer contributions from 1 April 2020.

Employer contributions are made up of two elements:

a) the estimated cost of future benefits being built up each year, after deducting members' own contributions and including an allowance for the Fund's administration expenses. This is referred to as the "*Primary rate*", and is expressed as a percentage of members' pensionable pay; plus

b) an adjustment for the difference between the Primary rate above, and the total contribution the employer needs to pay, referred to as the "*Secondary rate*". In broad terms, the Secondary rate is in respect of benefits already accrued at the valuation date. The Secondary rate may be expressed as a percentage of pay and/or a monetary amount in each year.

The Primary rate and Secondary rate for every contributing employer in the Fund is set out in the Rates and Adjustments Certificate in Appendix 3.

Each employer has been certified primary and secondary contributions that are appropriate for that employer's circumstances and which reflects that employer's experience. However, broadly speaking:

- Primary contribution rates have been subject to some upwards pressure as a result of a weaker outlook for future investment returns and the additional prudence built into funding plans to allow for the McCloud ruling;
- Secondary contributions have decreased as employer assets have increased since 31 March 2016, reducing any extra contributions required in respect of benefits accrued to the valuation date. The impact of this on secondary contributions has been partially offset by the additional prudence built into funding plans to allow for the McCloud ruling.

The table below summarises the whole fund Primary and Secondary Contribution rates at this valuation. 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 Regulations and CIPFA guidance. The whole fund Primary and Secondary contributions calculated at the 2016 valuation of the Fund are shown for comparison.

	Last Valuation 31 March 2016		This Valuation 31 March 2019	
Primary Rate (% of pay)	17.1%		18.5%	
Secondary Rate (£)	2017/18 2018/19 2019/20	19,396,000 19,316,000 19,224,000	2020/21 2021/22 2022/23	17,432,000 17,752,000 18,079,000

The Primary rate includes an allowance of 0.4% of pensionable pay for the Fund's expenses (0.3% at the 2016 valuation).

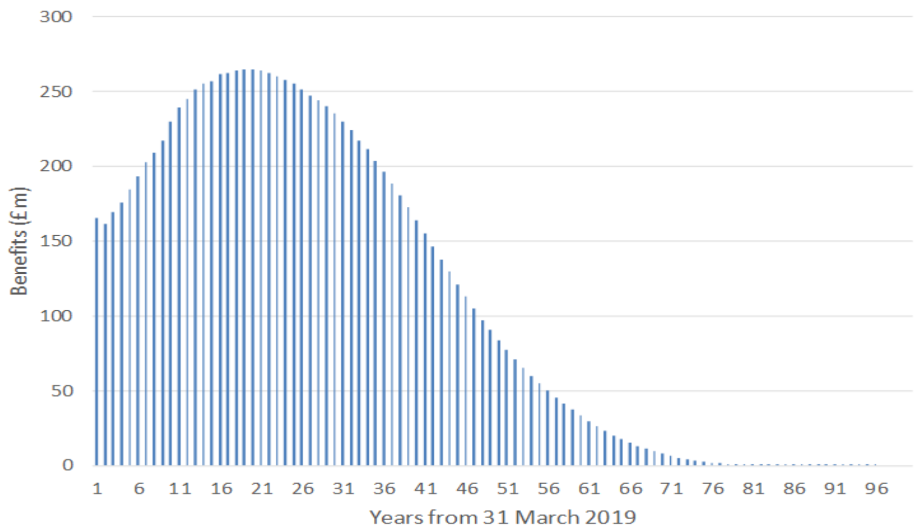
The total expected contributions to be received by the Fund over the period 1 April 2020 to 31 March 2023 is higher overall in monetary terms than the expected contributions over the period 1 April 2017 to 31 March 2020.

The average employee contribution rate is 6.3% of pensionable pay (6.1% at the 2016 valuation).

Funding position as at 31 March 2019

The funding position is a summary statistic often quoted to give an indication of the health of the fund. It is limited as it provides only a snapshot in time and is based on a single set of assumptions about the future. To measure the funding position at 31 March 2019, we compare the value of the Fund's assets on that date against the expected cost (including an allowance for future investment returns) of all the future benefit payments accrued up to the valuation date (the liabilities).

The chart below details the projected future benefit payments based on the membership data summarised in Appendix 1 and the demographic, salary and benefit increases assumptions summarised in appendix 2.

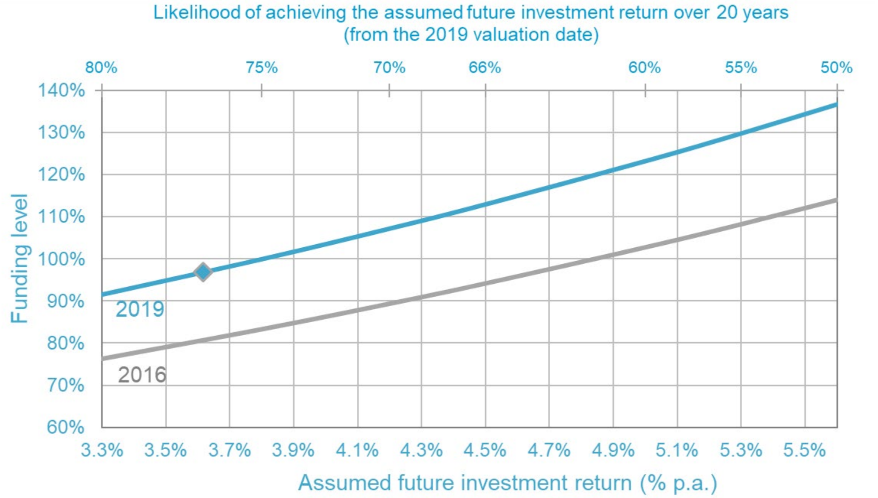


Using an assumption about the future investment return generated from the Fund's assets then allows a value to be placed on these payments in today's money; the liabilities. The higher the assumed investment return, the lower the liability value and therefore the higher the funding level.

The value placed on the liabilities is extremely sensitive to the investment return assumption. Based on the Fund's current investment strategy (detailed in Appendix 1) and the same model used in the contribution rate calculations, it is estimated that:

- There is a 50% likelihood of the Fund's investments achieving at least an annual return of 5.6% p.a. over the next 20 years;
- There is a 75% likelihood of the Fund's investments achieving at least an annual return of 3.8% p.a. over the next 20 years; and
- There is an 80% likelihood of the Fund's investments achieving at least an annual return of 3.3% p.a. over the next 20 years.

The following chart shows how the funding level varies with the future investment return assumption (blue line). For comparison, the funding level associated with the same choice of investment return assumption at the 2016 valuation is also shown (grey line).



From this chart, we can see that:

- Regardless of the investment return assumption used, there has been a genuine improvement in the funding position at 31 March 2019 compared to the last valuation, reflecting an increase in the assets held today per pound of benefit to be paid out in future;
- The funding position would be 100% if future investment returns were around 3.8% p.a. (at 2016, the investment return would have needed to be 4.9% p.a.). The likelihood of the Fund's assets yielding at least this return is around 75%.
- If future investment returns were 5.6% p.a. then the Fund currently holds sufficient assets to meet 135% of the accrued liabilities. The likelihood of the Fund's assets yielding at least this return is 50%. 135% can therefore be considered the "best estimate" funding position.

Reported funding position

The valuation outputs are more meaningful when stakeholders can understand the likelihood, and hence the level of prudence, attached to them. The above chart does this for the measurement of the funding position.

However, there is still a requirement to report a single funding position at 31 March 2019. This reported position must include a margin of prudence.

For the purpose of reporting a funding level and an associated funding surplus/deficit for the 2019 valuation, an investment return of 3.6% p.a. has been used. It is estimated that the Fund's assets have a 77% likelihood of achieving this return.

The resulting funding position is as follows:

Valuation Date	31 March 2016	31 March 2019
Past Service Liabilities	**(£m)**	**(£m)**
Employees	1,703	2,019
Deferred Pensioners	758	923
Pensioners	1,776	2,150
Total Liabilities	**4,236**	**5,092**
Assets	**3,672**	**4,929**
Surplus / (Deficit)	**(564)**	**(163)**
Funding Level	**87%**	**97%**

There has been an improvement in the reported funding level since 31 March 2016 from 87% to 97% and a reduction in the funding deficit from £564m to £163m.

A breakdown of the key factors that have influenced the reported funding position from 31 March 2016 to 31 March 2019 are detailed overleaf.

Change in the surplus/deficit position	Assets (£m)	Liabilities (£m)	Surplus / (Deficit) (£m)
Last valuation at 31 March 2016	**3,672**	**4,236**	**(564)**
Cashflows			
Employer contributions paid in	393		393
Employee contributions paid in	116		116
Benefits paid out	(464)	(464)	0
Net transfers into / out of the Fund*	(5)		(5)
Other cashflows (e.g. Fund expenses)	(8)		(8)
Expected changes in membership			
Interest on benefits already accrued		536	(536)
Accrual of new benefits		530	(530)
Membership experience vs expectations			
Salary increases less than expected		(6)	6
Benefit increases less than expected		(1)	1
Early retirement strain (and contributions)	6	5	1
Ill health retirement gain		(24)	24
Early leavers greater than expected		(4)	4
Pensions ceasing greater than expected		(13)	13
Commutation greater than expected		(5)	5
Other membership experience		(20)	19
Changes in market conditions			
Investment returns on the Fund's assets	1,219		1,219
Changes in future inflation expectations		132	(132)
Changes in actuarial assumptions			
Change in demographic assumptions (excl. longevity)		(17)	17
Change in longevity assumptions		(164)	164
Change in salary increase assumption		14	(14)
Change in discount rate		356	(356)
This valuation at 31 March 2019	**4,929**	**5,092**	**(163)**

*We have insufficient data to value the impact on the liabilities as a result of all transfers in / out.

Note that figures may not sum due to rounding

Since the previous valuation, various events have taken place which affect the value placed on the liabilities, including:

- There is an interest cost of £536m. This is broadly three years of compound interest (or expected investment returns) at 4.0% p.a. applied to the previous valuation liability value of £4,236m. The benefits that have been accrued to the valuation date are three years closer to payment at 31 March 2019 than they were at 31 March 2016, meaning there is a shorter period for future investment returns to help meet this cost. This serves to increase the value placed on the liabilities;
- The areas of membership experience that have had the greatest impact on the surplus/deficit position of the Fund are set out below, together with their impact on the liabilities:

	Expected	Actual	Difference	Impact on Liabilities
Pre-retirement experience				
Early leavers (no of lives)	9,512	11,327	1,815	Positive
Ill health retirements (no of lives)	321	135	(186)	Positive
Salary increases (p.a.)	3.3%	3.1%	(0.2%)	Positive
Post-retirement experience				
Benefit increases (p.a.)	2.1%	2.1%	(0.0%)	Broadly neutral
Pensions ceasing (£m)	8,593	9,394	801	Positive

- The changes to the longevity assumptions used for the valuation have resulted in a modest reduction in life expectancies. This has served to reduce the liabilities by £164m;
- The assumed rate of future CPI inflation has increased from 2.1% p.a. at 31 March 2016 to 2.3% p.a. at 31 March 2019. This has increased the value of the liabilities by £132m;
- The assumed rate of future investment returns has decreased from 4.0% p.a. to 3.6% p.a. This has increased the value of the liabilities by £356m.

There has been a large increase in the value of the Fund's assets since the previous valuation because:

- The investment return on the Fund's assets for the period 31 March 2016 to 31 March 2019 was 33.3%. This has increased the value of the assets by £1,219m.

Projection of the funding position

The progression of the funding position will depend on various factors including future asset performance, economic conditions and membership movements. If the financial and demographic assumptions made at this valuation are borne out in practice, and there are no changes to the valuation assumptions, we project that the funding level at the 2022 valuation date will be approximately the same as at 31 March 2019. This allows for contributions to be paid as described in Appendix 3.

4 Sensitivity analysis

The results set out in this report are based on assumptions about the future. The actual cost of providing the benefits will depend on the actual experience of the Fund, which could be significantly better or worse than assumed. This section discusses the sensitivity of the results to some of the key assumptions.

Sensitivity of contribution rates to changes in assumptions

The approach to setting employer contribution rates mitigates the limitation of relying on one particular set of assumptions about the future by recognising the uncertainty around future investment returns and inflation. 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.

Sensitivity of the funding position to changes in assumptions

The reported valuation funding position is based on one set of actuarial assumptions about the future of the Fund. If all of the assumptions made were exactly borne out in practice then the liability value presented in this report would represent the actual cost of providing accrued benefits from the Fund as it stands at 31 March 2019.

Sensitivity of the funding position to future investment returns The chart in Section 3 details how the funding position varies with the future assumed investment return.

Sensitivity of the funding position to future inflation

Pensions (both in payment and in deferment) in the LGPS increase annually in line with CPI. Furthermore, benefits accrued in the CARE scheme are revalued annually in line with CPI. If future CPI inflation is higher than the assumed rate of 2.3% p.a. then the cost of the benefits will be higher than we have set out in Section 3.

The table quantifies the impact on the funding position of varying the benefit increases and CARE revaluation (CPI) assumption below.

CPI Assumption	Surplus/(Deficit)	Funding Level
% pa	(£m)	%
2.1%	(31)	99%
2.3%	(163)	97%
2.5%	(295)	94%

Sensitivity of the funding position to life expectancy

The main area of demographic risk is people living longer than expected. If long term mortality rates fall at a rate of 1.5% p.a. (compared to the assumed 1.25% p.a.) then members will live slightly longer than we have assumed in this valuation. The impact on the funding position is detailed below.

Long term rate of improvement	Surplus/(Deficit)	Funding Level
% pa	(£m)	%
1.25%	(163)	97%
1.50%	(205)	96%

Other demographic risks to consider

There are other risk factors which would have an impact on the funding position. Examples of these include the level of ill health retirements, withdrawals from the scheme and take up of the 50:50 option. These are probably unlikely to change in such a way that would rank them as amongst the highest risks facing the Fund and therefore there has been no further quantification of their risk.

Comment on sensitivity analysis

Note that the tables above show the effect of changes to each assumption in isolation. In reality, it is perfectly possible for the experience of the Fund to deviate from more than one of the assumptions simultaneously and so the precise effect on the funding position is therefore more complex. Furthermore, the range of assumptions shown here is by no means exhaustive and should not be considered as the limits of how extreme experience could actually be.

Other risks to consider

Regulatory, Administration and Governance risks

As well as financial and demographic risks, the Fund also faces:

- Regulatory risks – central government legislation could significantly change the cost of the scheme in the future; and
- Administration and governance risk – failures in administration processes could lead to incorrect data and inaccuracies in the actuarial calculations.

These risks are considered and monitored by the Fund as part of its ongoing risk management framework.

Resource and environment risks

The Fund is exposed to risks relating to future resource constraints and environmental changes. These risks may prove to be material.

Climate change is a complex issue for the Fund. Adverse future climate change outcomes will have an impact on future longevity, inflation, government and corporate bond yields and equity returns.

Whilst there has been no explicit increase in certified employer contribution related to climate change, these risks have been considered by the Administering Authority when assessing the output from contribution rate (‘comPASS’) modelling. These risks were explored further as part of the stabilisation modelling commissioned by the Awarding Authority.

Risk management

Employers participating in the Fund are exposed to a number of risks. These include, but are not limited to:

- Investment risk;
- Market risks;
- Demographic risks;
- Regulatory risks;
- Administration and Governance risks;
- Resource and Environmental risks.

The Funding Strategy Statement has further details about these risks and what actions the Fund takes to monitor, mitigate and manage each one.

Post calculation events

There has recently been significant volatility in the financial markets as a result of the economic uncertainty associated with the COVID-19 pandemic. At 29 March 2020, we estimate that the whole fund investment return since 31 March 2019 would be in the region of -5% to -10%.

As an open scheme, with a strong covenant, the LGPS as a whole is able to take a long term outlook when considering the general funding implications of such external events. For employers who have a very short time horizon, recent market falls may be more immediately impactful and the administering authority may take steps to engage individually with these employers about the deteriorated funding position.

At the time of writing, it is very uncertain how this will affect the long term economy and investment returns. Therefore no allowance has been made for this ongoing volatility in the 2019 valuation results or contribution rates detailed in the Rates & Adjustments Certificate. This situation will be monitored closely to understand what impact it may have on the Fund and participating employers.

5 Final comments

The Fund's valuation operates within a broader framework, and this document should therefore 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 Pension Board, decisions delegated to officers, the Fund's business plan, etc;
- the Fund's risk register; and
- the information the Fund holds about the participating employers.

Intervaluation employer events

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 us in accordance with Regulation 64 of the 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 nonLGPS pension arrangement; should be referred to us to consider the impact on the Fund.

Valuation frequency

Under the provisions of the LGPS regulations, the next formal valuation of the Fund is due to be carried out as at 31 March 2022 where contribution rates payable from 1 April 2023 will be set.

Barry Dodds

Richard Warden

Fellows of the Institute and Faculty of Actuaries

For and on behalf of Hymans Robertson LLP

31 March 2020

Appendix 1 – Data

Membership data as at 31 March 2019

A summary of the membership data provided by the Administering Authority for the purposes of the valuation at 31 March 2019 is shown below. The corresponding membership data from the previous valuation is also shown for reference.

Whole Fund Membership Data	Last Valuation 31 March 2016	This Valuation 31 March 2019
Employee members Number	34,762	37,033
Total Actual Pay (£000)	574,275	626,894
Total Accrued Pension (£000) (80ths)	-	33,246
Total Accrued Pension (£000) (60ths)	-	31,786
Total Accrued Pension (£000) (CARE)	20,328	49,826
Average Age (liability weighted)	51.4	51.7
Future Working Lifetime (years)	9.2	8.2
Deferred pensioners		
Number	33,131	36,160
Total Accrued Pension (£000)	43,586	50,035
Average Age (liability weighted)	50.7	50.9
Pensioners Number	26,513	29,860
Total pensions in payment (£000)	110,609	131,207
Average Age (liability weighted)	68.0	68.3
Average duration of liabilities	16.7	18.2

Benchmark investment strategy

The following investment strategy, extracted from the Fund's Investment Strategy Statement, has been used to assess employer contribution rates and to set the future investment return assumption as at 31 March 2019:

% allocation	Current strategy
UK equities	16%
Overseas equities	37%
Infrastructure	8%
Private equity	4%
Total growth assets	65%
Cash	2%
Index-linked gilts	6%
Fixed interest gilts	6%
UK Corporate Bonds	6%
Total protection assets	20%
Multi asset credit	6%
Property	9%
Total income generating assets	15%
Grand total	100%

Other data used in this valuation

We have also relied upon asset and accounting data from the Fund's published 2016/17, 2017/18 and 2018/19 Annual Report and Accounts. Employer level cashflow data was provided by the Administering Authority and reconciled against the information shown in these documents.

Comment on data quality

The results of the valuation are dependent on the quality of the data provided to us by the Administering Authority for the specific purpose of this valuation. We have carried out validations on the membership data provided to ensure it is fit for the purpose of the valuation. Further details can be found in our report issued to the Administering Authority entitled "Data report for 2019 valuation", dated March 2020. We believe the membership data is fit for the purposes of this valuation.

Appendix 2 – Assumptions

Financial assumptions used to set employer contribution rates

Projection of assets and benefit payments

The approach to setting employer contribution rates does not rely on a single set of assumptions but involves the projection of an employer's future benefit payments, contributions and investment returns under 5,000 future economic scenarios. In this modelling, inflation (and therefore benefit payments) and investment returns for each asset class (and employer asset values) are variables and take different values in each projection.

The model underlying these projections is Hymans Robertson's proprietary economic model, the Economic Scenario Service (ESS). The ESS is a complex model to reflect the interactions and correlations between different asset classes and wider economic variables. The table below shows the calibration of the model as at 31 March 2019. All returns are shown net of fees and are the annualised total returns over 5, 10 and 20 years, except for the yields which refer to simulated yields at that time horizon.

		Annualised total returns									
		Cash	Index Linked Gilts (medium)	Fixed Interest Gilts (medium)	UK Equity	Overseas Equity	Property	Corp Medium A	Inflation	17 year real yield	17 year yield
5 years	16th %'ile	-0.4%	-2.3%	-2.9%	-4.1%	-4.1%	-3.5%	-2.7%	1.9%	-2.5%	0.8%
	50th %'ile	0.7%	0.5%	0.3%	4.0%	4.1%	2.4%	0.8%	3.3%	-1.7%	2.1%
	84th %'ile	2.0%	3.3%	3.4%	12.7%	12.5%	8.8%	4.0%	4.9%	-0.8%	3.6%
10 years	16th %'ile	-0.2%	-1.8%	-1.3%	-1.5%	-1.4%	-1.5%	-0.9%	1.9%	-2.0%	1.2%
	50th %'ile	1.3%	0.0%	0.2%	4.6%	4.7%	3.1%	0.8%	3.3%	-0.8%	2.8%
	84th %'ile	2.9%	1.9%	1.7%	10.9%	10.8%	7.8%	2.5%	4.9%	0.4%	4.8%
20 years	16th %'ile	0.7%	-1.1%	0.1%	1.2%	1.3%	0.6%	0.7%	2.0%	-0.7%	2.2%
	50th %'ile	2.4%	0.3%	1.0%	5.7%	5.8%	4.3%	1.9%	3.2%	0.8%	4.0%
	84th %'ile	4.5%	2.0%	2.0%	10.3%	10.4%	8.1%	3.0%	4.7%	2.2%	6.3%
Volatility (Disp) (1 yr)		1%	7%	10%	17%	17%	14%	11%	1%		

Funding target

At the end of an employer's funding time horizon, an assessment is made – for each of the 5,000 projections – of how the assets held compare to the value of assets required to meet the future benefit payments (the funding target). To value the cost of future benefits, assumptions are made about the following financial factors:

- Benefit increases and CARE revaluation;
- Salary growth;
- Investment returns (the "discount rate").

Each of the 5,000 projections represents a different prevailing economic environment at the end of the funding time horizon and so a single, fixed value for each assumption is not appropriate for every projection. Therefore, instead of using a fixed value, each assumption is set with reference to an economic indicator. The economic indicators used are:

Assumption	Economic Indicator
Benefit increases	Future CPI inflation expectations
CARE revaluation	Future CPI inflation expectations
Salary increases	As above plus 0.7% p.a.
Future investment returns	Prevailing risk free rate of return plus margin

The Fund has two funding bases which will apply to different employers depending on their type. Each funding basis uses a different margin in the future investment return assumption.

Funding Basis	Margin above risk-free rate
Ongoing participation	1.8%
Gilts exit	0%

Financial assumptions used to assess the funding position

Salary and Benefit Increases

Financial Assumptions (p.a.)	31 March 2016	31 March 2019
Benefit increases and CARE revaluation (CPI)	2.1%	2.3%
Salary increases	2.7%*	3.0%**

*CPI plus 0.6%
**CPI plus 0.7%

Investment Return

The reported funding position is based on an assumed future investment return of 3.6% p.a.. The derivation of this assumption is set out in Section 3. The equivalent assumption at the 2016 valuation was 4.0% p.a.. This was derived in a different way, please see the 2016 valuation report for further details.

Demographic assumptions

The same demographic assumptions are used in setting contribution rates and assessing the current funding position.

Longevity

As the fund is a member of Club Vita, the baseline longevity assumptions are a bespoke set of Vita Curves that are tailored to fit the membership profile of the Fund. These curves are based on the data the Fund has provided us with for the purposes of this valuation.

We have also allowed for future improvements in mortality based on the CMI 2018 model with an allowance for smoothing of recent mortality experience and a long term rate of improvement of 1.25% p.a. for both women and men.

Longevity Assumptions	31 March 2016	31 March 2019
Baseline Longevity	Club Vita	Club Vita
Future Improvements	CMI2013, Peaked, 1.25% p.a. long term	CMI2018, Smoothed, 1.25% p.a. long term

Full details are available on request.

The longevity assumptions result in the following typical future life expectancies from age 65 (figures for 2016 shown for comparison):

Assumed Life Expectancy		31 March 2016	31 March 2019
Male			
	Pensioners	21.9 years	21.6 years
	Non-pensioners	23.9 years	22.6 years
Female			
	Pensioners	24.4 years	23.7 years
	Non-pensioners	26.5 years	25.1 years

Non-pensioners are assumed to be aged 45 at the valuation date

Other demographic assumptions

We are in the unique position of having a very large local authority data set from which to derive our other demographic assumptions. We have analysed the trends and patterns that are present in the membership of local authority funds and tailored our demographic assumptions to reflect LGPS experience. The resulting demographic assumptions are as follows:

Demographic Assumptions	
Retirements in normal health	We have adopted the retirement age pattern assumption as used for the purpose of the 2016 LGPS cost cap valuation. Further details are available on request.
Death in Service	See sample rates below
Retirements in ill health	See sample rates below
Withdrawals	See sample rates below
Promotional salary increases	See sample increases below
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 dependant of a female member is assumed to be 3 years older than her.
Commutation	50% of future retirements elect to exchange pension for additional tax free cash up to HMRC limits for service to 1 April 2008 (equivalent 75% for service from 1 April 2008).
50:50 option	0.5% of members (uniformly distributed across the age, service and salary range) will choose the 50:50 option.

Sample rates for demographic assumptions

Males

		Incidence per 1000 active members per annum							
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	0.21	252.69	527.36	0.00	0.00	0.00	0.00	
25	117	0.21	166.91	348.34	0.00	0.00	0.00	0.00	
30	131	0.26	118.43	247.12	0.00	0.00	0.00	0.00	
35	144	0.30	92.53	193.05	0.10	0.07	0.02	0.01	
40	150	0.51	74.50	155.38	0.16	0.12	0.03	0.02	
45	157	0.85	69.98	145.92	0.35	0.27	0.07	0.05	
50	162	1.36	57.68	120.15	0.90	0.68	0.23	0.17	
55	162	2.13	45.42	94.66	3.54	2.65	0.51	0.38	
60	162	3.83	40.49	84.34	6.23	4.67	0.44	0.33	
65	162	6.38	0.00	0.00	11.83	8.87	0.00	0.00	

Females

		Incidence per 1000 active members per annum							
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	0.12	204.63	290.53	0.00	0.00	0.00	0.00	
25	117	0.12	137.69	195.46	0.07	0.07	0.02	0.01	
30	131	0.18	115.42	163.82	0.09	0.10	0.03	0.02	
35	144	0.30	99.62	141.34	0.18	0.19	0.05	0.04	
40	150	0.48	82.91	117.60	0.27	0.29	0.08	0.06	
45	157	0.77	77.37	109.72	0.36	0.39	0.10	0.08	
50	162	1.13	65.23	92.41	0.68	0.73	0.24	0.18	
55	162	1.49	48.67	69.02	2.51	2.69	0.52	0.39	
60	162	1.90	39.23	55.55	4.00	4.28	0.54	0.40	
65	162	2.44	0.00	0.00	7.18	7.69	0.00	0.00	

Prudence in assumptions

We are required to include a degree of prudence within the valuation. This has been achieved position in both the setting of contributions and assessment of funding

Contribution rates

- Employer funding plans have been set such that the likelihood the employer's funding target is met by the end of the funding time horizon is more than 50%. The actual likelihood varies by employer. Further detail in is the Funding Strategy Statement.

Funding position

- The Fund's investments have a 77% likelihood of returning at least the assumed return.

All other assumptions represent our "best estimate" of future experience.

The assumptions used in this valuation have been agreed with the Administering Authority and are set out in the Fund's Funding Strategy Statement dated 08 January 2020.

Appendix 3 – Rates and Adjustments certificate

In accordance with regulation 62(4) of the Regulations we have made an assessment of the contributions that should be paid into the Fund by participating employers for the period 1 April 2020 to 31 March 2023 in order to maintain the solvency of the Fund.

The method and assumptions used to calculate the contributions set out in the Rates and Adjustments certificate are detailed in the Funding Strategy Statement dated 08 January 2020 and in Appendix 2 of our report on the actuarial valuation dated 31 March 2020. 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 2020 to 31 March 2023. 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 Regulations and CIPFA guidance.

Whole Fund Contribution Rate		
Primary Rate (% of pay)	18.5%	
Secondary Rate (£)	2020/21 2021/22 2022/23	17,432,000 17,752,000 18,079,000

The required minimum contribution rates for each employer in the Fund are set out below.

Employer code	Employer/Pool name	Contributions currently in payment 2019/2020	Primary Rate % 1 April 2020 - 31 March 2023	Secondary Rate						Total Contribution Rate		
				2020/2021		2021/2022		2022/2023		2020/2021	2021/2022	2022/2023
				% of pay	£	% of pay	£	% of pay	£			
Councils												
	Derbyshire County Council[1]	14.5% plus £15,536,000	18.2%	-2.7%	£15,536,000	-2.7%	£15,536,000	-2.7%	£15,536,000	15.5% plus £15,536,000	15.5% plus £15,536,000	15.5% plus £15,536,000
	Derby City Council	13.5% plus £6,981,000	17.6%	-3.1%	£6,981,000	-3.1%	£6,981,000	-3.1%	£6,981,000	14.5% plus £6,981,000	14.5% plus £6,981,000	14.5% plus £6,981,000
460	ENGIE Services Ltd[2]	20.6%	28.0%	-3.0%	£0	-3.0%	£0	-3.0%	£0	25.1%	25.1%	25.1%
479	Action For Children[2]	28.1%	28.6%	-12.1%	£0	-12.1%	£0	-12.1%	£0	16.5%	16.5%	16.5%
	High Peak Borough Council	12.4% plus £1,833,000	18.3%	-4.9%	£1,833,000	-4.9%	£1,833,000	-4.9%	£1,833,000	13.4% plus £1,833,000	13.4% plus £1,833,000	13.4% plus £1,833,000
485	Alliance Environmental Services	16.9%	18.3%	0.0%	£0	0.0%	£0	0.0%	£0	18.3%	18.3%	18.3%
	Erewash Borough Council	13.1% plus £1,125,000	17.8%	-3.7%	£999,000	-3.7%	£999,000	-3.7%	£999,000	14.1% plus £999,000	14.1% plus £999,000	14.1% plus £999,000
499	Parkwood Leisure (Erewash)[2]	27.2%	28.1%	-1.3%	£0	-1.3%	£0	-1.3%	£0	26.8%	26.8%	26.8%
	Derbyshire Dales District Council	13.6% plus £645,000	17.6%	-3.0%	£561,000	-3.0%	£561,000	-3.0%	£561,000	14.6% plus £561,000	14.6% plus £561,000	14.6% plus £561,000
493	Wealden Leisure Ltd (Freedom Leisure)[2]	24.5%	26.9%	-1.2%	£0	-1.2%	£0	-1.2%	£0	25.8%	25.8%	25.8%
131	Bolsover District Council	13.9% plus £962,000	18.1%	-3.2%	£962,000	-3.2%	£962,000	-3.2%	£962,000	14.9% plus £962,000	14.9% plus £962,000	14.9% plus £962,000
	Chesterfield Borough Council	14.2% plus £1,991,000	17.7%	-2.5%	£1,991,000	-2.5%	£1,991,000	-2.5%	£1,991,000	15.2% plus £1,991,000	15.2% plus £1,991,000	15.2% plus £1,991,000
136	North East Derbyshire District Council	13.7% plus £1,527,000	18.0%	-3.3%	£1,527,000	-3.3%	£1,527,000	-3.3%	£1,527,000	14.7% plus £1,527,000	14.7% plus £1,527,000	14.7% plus £1,527,000
	South Derbyshire District Council	13.8% plus £678,000	17.6%	-2.8%	£678,000	-2.8%	£678,000	-2.8%	£678,000	14.8% plus £678,000	14.8% plus £678,000	14.8% plus £678,000
130	Amber Valley Borough Council	14.0% plus £1,057,000	18.3%	-3.3%	£1,057,000	-3.3%	£1,057,000	-3.3%	£1,057,000	15.0% plus £1,057,000	15.0% plus £1,057,000	15.0% plus £1,057,000
	Town and Parish Councils (Pre 2001)	23.8%	18.4%	-0.2%	£0	-0.2%	£0	-0.2%	£0	18.2%	18.2%	18.2%
	Town and Parish Councils (Post 2001)	17.2%	19.1%	-0.3%	£0	-0.3%	£0	-0.3%	£0	18.8%	18.8%	18.8%
Other Scheduled Bodies												
40	Peak District National Park Authority	14.0% plus £224,000	18.0%	-3.0%	£224,000	-3.0%	£224,000	-3.0%	£224,000	15.0% plus £224,000	15.0% plus £224,000	15.0% plus £224,000
123	Derby Homes Ltd	13.4% plus £290,000	17.5%	-3.1%	£290,000	-3.1%	£290,000	-3.1%	£290,000	14.4% plus £290,000	14.4% plus £290,000	14.4% plus £290,000
	Rykneld Homes	16.4%	17.6%	-0.2%	£0	-0.2%	£0	-0.2%	£0	17.4%	17.4%	17.4%
139	Chesterfield Crematorium	17.8% plus £29,000	18.0%	0.8%	£29,000	0.8%	£29,000	0.8%	£29,000	18.8% plus £29,000	18.8% plus £29,000	18.8% plus £29,000
	Police and Crime Commissioner for Derbyshire	12.9% plus £1,465,000	17.3%	-3.4%	£1,465,000	-3.4%	£1,465,000	-3.4%	£1,465,000	13.9% plus £1,465,000	13.9% plus £1,465,000	13.9% plus £1,465,000
403	Derbyshire Fire & Rescue	13.2% plus £170,000	17.5%	-3.3%	£170,000	-3.3%	£170,000	-3.3%	£170,000	14.2% plus £170,000	14.2% plus £170,000	14.2% plus £170,000
Further Education Establishments												
	University of Derby	12.7% plus £745,000	21.0%	-4.7%	£0	-3.6%	£0	-2.6%	£0	16.3%	17.4%	18.4%
	Derby College	13.7% plus £441,000	21.6%	-5.1%	£350,000	-4.1%	£360,000	-3.1%	£371,000	16.5% plus £350,000	17.5% plus £360,000	18.5% plus £371,000
	Chesterfield College	12.9% plus £158,000	21.5%	-6.5%	£166,000	-5.2%	£171,000	-3.9%	£176,000	15.0% plus £166,000	16.3% plus £171,000	17.6% plus £176,000
Community Admission Bodies												
120	Futures Housing (Amber Valley Housing)	23.9% plus £103,000	33.4%	0.0%	£95,000	0.0%	£95,000	0.0%	£95,000	33.4% plus £95,000	33.4% plus £95,000	33.4% plus £95,000
185	Belper Leisure Centre Ltd	31.4%	33.3%	0.0%	£1,000	0.0%	£1,000	0.0%	£1,000	33.3% plus £1,000	33.3% plus £1,000	33.3% plus £1,000
404	Derbyshire Student Residences Ltd	25.8%	27.7%	0.0%	£0	0.0%	£0	0.0%	£0	27.7%	27.7%	27.7%
457	Derby Museums & Art Trust	19.2%	28.0%	-5.9%	£0	-5.9%	£0	-5.9%	£0	22.1%	22.1%	22.1%
467	Derby County Community Trust	23.1%	35.5%	0.0%	£8,000	0.0%	£8,000	0.0%	£8,000	35.5% plus £8,000	35.5% plus £8,000	35.5% plus £8,000
Transferee Admission Bodies												
	Leisure Amber Valley	13.8%	30.2%	-16.5%	£0	-16.5%	£0	-16.5%	£0	13.8%	13.8%	13.8%
124	East Midlands Homes (Three Valleys Housing Ltd)	22.3% plus £161,000	28.4%	-7.3%	£0	-7.3%	£0	-7.3%	£0	21.1%	21.1%	21.1%
128	Waterloo Housing Group	28.1% plus £18,000	30.2%	-18.8%	£0	-18.8%	£0	-18.8%	£0	11.4%	11.4%	11.4%
170	Crich Tramway Museum	24.0% plus £15,000	30.8%	0.0%	£0	0.0%	£0	0.0%	£0	30.8%	30.8%	30.8%
184	Chesterfield Care Group	25.2%	28.8%	-25.5%	£0	-25.5%	£0	-25.5%	£0	3.3%	3.3%	3.3%
414	Veolia (Chesterfield Refuse)	17.5%	31.2%	-22.9%	£0	-22.9%	£0	-22.9%	£0	8.3%	8.3%	8.3%

Employer code	Employer/Pool name	Contributions currently in payment 2019/2020	Primary Rate % 1 April 2020 - 31 March 2023	Secondary Rate						Total Contribution Rate		
				2020/2021		2021/2022		2022/2023		2020/2021	2021/2022	2022/2023
				% of pay	£	% of pay	£	% of pay	£			
Transferee Admission Bodies continued												
416	VINCI (ex Norwest Holst)	33.0%	33.8%	-24.2%	£0	-24.2%	£0	-24.2%	£0	9.5%	9.5%	9.5%
417	Veolia (Amber Valley Refuse)	6.1%	31.9%	-31.9%	£0	-31.9%	£0	-31.9%	£0	0.0%	0.0%	0.0%
418	Interserve Integrated Services	7.1%	33.2%	-12.4%	£0	-12.4%	£0	-12.4%	£0	20.8%	20.8%	20.8%
419	Interserve Catering Services	20.2%	32.8%	-8.5%	£0	-8.5%	£0	-8.5%	£0	24.4%	24.4%	24.4%
424	Balfour Beatty Living Places(Balfour Beatty PLC)	16.5%	32.2%	-14.8%	£0	-14.8%	£0	-14.8%	£0	17.3%	17.3%	17.3%
425	MacIntyre Care	2.0%	30.1%	-30.1%	£0	-30.1%	£0	-30.1%	£0	0.0%	0.0%	0.0%
443	Mitie Facilities Services Ltd	37.7%	32.5%	-2.3%	£0	-2.3%	£0	-2.3%	£0	30.2%	30.2%	30.2%
444	Compass Services (DCC)	16.5%	31.7%	-13.2%	£0	-13.2%	£0	-13.2%	£0	18.5%	18.5%	18.5%
446	Active Nation	28.2% plus £2,000	31.8%	-12.0%	£0	-12.0%	£0	-12.0%	£0	19.8%	19.8%	19.8%
451	Compass Services (City)	10.3%	31.6%	-14.7%	£0	-14.7%	£0	-14.7%	£0	17.0%	17.0%	17.0%
453	Clean Slate (Pottery)	30.4% plus £600	32.7%	-16.3%	£0	-16.3%	£0	-16.3%	£0	16.4%	16.4%	16.4%
466	Anato Public Services Ltd (Derbyshire Dales)	13.8%	29.6%	-29.6%	£0	-29.6%	£0	-29.6%	£0	0.0%	0.0%	0.0%
468	Aspens Services Ltd	28.2% plus £1,000	30.4%	-1.9%	£0	-1.9%	£0	-1.9%	£0	28.5%	28.5%	28.5%
470	VINCI Contruction UK LTD (Ashcroft & Portway)	31.7%	33.4%	-2.6%	£0	-2.6%	£0	-2.6%	£0	30.8%	30.8%	30.8%
471	NSL Limited	22.3%	30.1%	-9.9%	£0	-9.9%	£0	-9.9%	£0	20.3%	20.3%	20.3%
472	Mellors Catering Services Ltd	25.7%	32.3%	-32.3%	£0	-32.3%	£0	-32.3%	£0	0.0%	0.0%	0.0%
475	Connex Community Support	13.3%	34.4%	-13.4%	£0	-34.4%	£0	-34.4%	£0	21.0%	0.0%	0.0%
478	Taylor Shaw Ltd (Edwards and Blake, Elior)	34.7%	31.9%	-7.5%	£0	-7.5%	£0	-7.5%	£0	24.4%	24.4%	24.4%
480	CSE Educational Systems	29.0%	32.4%	-6.1%	£0	-6.1%	£0	-6.1%	£0	26.3%	26.3%	26.3%
481	Mellors (Murray Park)	31.7%	34.0%	-3.9%	£0	-3.9%	£0	-3.9%	£0	30.0%	30.0%	30.0%
482	Derbyshire Building Control Partnership Limited	23.2%	28.2%	-0.4%	£0	-0.4%	£0	-0.4%	£0	27.8%	27.8%	27.8%
483	Amber Valley School Sports Partnership	21.0%	24.1%	-1.1%	£0	-1.1%	£0	-1.1%	£0	23.0%	23.0%	23.0%
484	Caterlink Ltd (Lea Primary)	30.2%	27.6%	-14.8%	£0	-14.8%	£0	-14.8%	£0	12.9%	12.9%	12.9%
486	Insight Services Ltd- Tibshelf Infant School - (KCLS Ltd)	34.4%	34.1%	-27.2%	£0	-27.2%	£0	-27.2%	£0	6.9%	6.9%	6.9%
488	Caterlink (Shirebrook Stubbin Wood)	30.8%	31.4%	-15.4%	£0	-15.4%	£0	-15.4%	£0	16.0%	16.0%	16.0%
490	Caterlink (Swanwick Hall)	29.8%	31.7%	25.7%	£0	25.7%	£0	25.7%	£0	57.4%	57.4%	57.4%
491	Caterlink (St Mary's Chesterfield)	29.1%	31.8%	1.6%	£0	1.6%	£0	1.6%	£0	33.4%	33.4%	33.4%
492	Caterlink (Reigate Primary)	27.9%	27.0%	31.9%	£0	31.9%	£0	31.9%	£0	58.9%	58.9%	58.9%
494	Caterlink (Abercrombie)	27.8%	31.0%	-2.2%	£0	-2.2%	£0	-2.2%	£0	28.8%	28.8%	28.8%
495	Caterlink Ltd (St Mary's High School)	31.8%	30.6%	0.5%	£0	0.5%	£0	0.5%	£0	31.2%	31.2%	31.2%
497	Churchill Contract Services Ltd (St Mary's Chesterfield)	32.0%	31.8%	8.2%	£0	8.2%	£0	8.2%	£0	40.0%	40.0%	40.0%
500	Caterlink Ltd (De Ferrers Trust)	30.2%	30.5%	1.3%	£0	1.3%	£0	1.3%	£0	31.7%	31.7%	31.7%
502	Caterlink Ltd (Cavendish Learning Trust)	28.3%	30.5%	-0.8%	£0	-0.8%	£0	-0.8%	£0	29.6%	29.6%	29.6%
503	Parkwood Leisure (HPBC - Buxton Pavilion)	24.3%	24.0%	0.3%	£0	0.3%	£0	0.3%	£0	24.3%	24.3%	24.3%
505	Accuro FM Ltd	32.4%	28.9%	3.5%	£0	3.5%	£0	3.5%	£0	32.4%	32.4%	32.4%
Academies												
	Cavendish Learning Trust	19.3%	18.5%	2.5%	£0	2.5%	£0	2.5%	£0	21.1%	21.1%	21.1%
	Djanogly Learning Trust	21.0%	19.3%	-1.4%	£0	-1.4%	£0	-1.4%	£0	17.9%	17.9%	17.9%
	Esteem Multi-Academy Trust	21.0%	18.1%	-1.5%	£0	-1.5%	£0	-1.5%	£0	16.6%	16.6%	16.6%
	Odyssey Collaborative Trust	21.0%	17.8%	1.9%	£0	1.9%	£0	1.9%	£0	19.7%	19.7%	19.7%
	Ormiston Ilkeston Enterprise Authority	23.7%	19.2%	5.5%	£0	6.5%	£0	7.5%	£0	24.7%	25.7%	26.7%
	Peak Multi-Academy Trust	20.9%	18.8%	1.6%	£0	1.6%	£0	1.6%	£0	20.3%	20.3%	20.3%
	Queen Elizabeth Grammar School Multi-Academy Trust	21.6%	18.1%	4.5%	£0	5.5%	£0	6.5%	£0	22.6%	23.6%	24.6%
	Frederick Gent School	21.0%	18.5%	-0.2%	£0	-0.2%	£0	-0.2%	£0	18.3%	18.3%	18.3%
487	RM Education Ltd[2]	28.8%	30.3%	3.3%	£0	3.3%	£0	3.3%	£0	33.7%	33.7%	33.7%
199	Derby Manufacturing University Technical College	21.1%	17.9%	2.2%	£0	1.2%	£0	0.2%	£0	20.1%	19.1%	18.1%
336	The Ecclesbourne School	22.6%	18.5%	5.1%	£0	6.1%	£0	7.1%	£0	23.6%	24.6%	25.6%
337	Kirk Hallam Community Academy	18.4%	18.0%	1.4%	£0	2.4%	£0	3.4%	£0	19.4%	20.4%	21.4%
338	John Port Spencer Academy	20.4%	18.2%	3.2%	£0	4.2%	£0	5.2%	£0	21.4%	22.4%	23.4%
340	Brookfield Academy	20.0%	18.4%	2.6%	£0	3.6%	£0	4.6%	£0	21.0%	22.0%	23.0%
341	The Long Eaton School	19.9%	17.8%	3.1%	£0	4.1%	£0	5.1%	£0	20.9%	21.9%	22.9%
342	West Park School	21.2%	18.5%	3.7%	£0	4.7%	£0	5.7%	£0	22.2%	23.2%	24.2%
345	Hope Valley College	23.3%	18.0%	6.3%	£0	7.3%	£0	8.3%	£0	24.3%	25.3%	26.3%

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				% of pay	£	% of pay	£	% of pay	£			
Academies continued												
347	Pennine Way Junior Academy	19.7%	18.7%	2.0%	£0	3.0%	£0	4.0%	£0	20.7%	21.7%	22.7%
348	Heanor Gate Science College	20.5%	19.0%	2.5%	£0	3.5%	£0	4.5%	£0	21.5%	22.5%	23.5%
349	Lees Brook Community School	19.7%	17.8%	2.9%	£0	3.9%	£0	4.9%	£0	20.7%	21.7%	22.7%
351	Redhill Academy	20.7%	19.2%	2.5%	£0	3.5%	£0	4.5%	£0	21.7%	22.7%	23.7%
352	St John Houghton Catholic Voluntary Academy	20.6%	16.6%	5.0%	£0	6.0%	£0	7.0%	£0	21.6%	22.6%	23.6%
353	Allestree Woodlands School	19.9%	17.8%	3.1%	£0	4.1%	£0	5.1%	£0	20.9%	21.9%	22.9%
354	Grampian Primary Academy	19.2%	16.6%	3.6%	£0	4.6%	£0	5.6%	£0	20.2%	21.2%	22.2%
360	Saint Benedict Voluntary Catholic Academy	22.0%	19.0%	4.0%	£0	5.0%	£0	6.0%	£0	23.0%	24.0%	25.0%
361	St Mary's Catholic High School, a Catholic Voluntary Academy	21.4%	18.7%	3.7%	£0	4.7%	£0	5.7%	£0	22.4%	23.4%	24.4%
362	St John fisher Catholic Voluntary Academy	21.7%	19.4%	3.3%	£0	4.3%	£0	5.3%	£0	22.7%	23.7%	24.7%
363	St Georges Voluntary Catholic Academy	20.1%	17.9%	3.2%	£0	4.2%	£0	5.2%	£0	21.1%	22.1%	23.1%
364	Wyndham Primary Academy	16.7%	17.7%	0.0%	£0	1.0%	£0	2.0%	£0	17.7%	18.7%	19.7%
365	The Bolsover School	20.9%	19.1%	2.8%	£0	3.8%	£0	4.8%	£0	21.9%	22.9%	23.9%
366	Landau Forte Academy Moorhead (Landau Forte Charitable Trust)	19.6%	18.5%	2.1%	£0	3.1%	£0	4.1%	£0	20.6%	21.6%	22.6%
367	Derby Pride Academy	15.5%	15.8%	0.7%	£0	1.7%	£0	2.7%	£0	16.5%	17.5%	18.5%
368	Merrill Academy	22.5%	18.1%	5.4%	£0	6.4%	£0	7.4%	£0	23.5%	24.5%	25.5%
371	English Martyrs Catholic Voluntary Academy	18.5%	18.8%	0.7%	£0	1.7%	£0	2.7%	£0	19.5%	20.5%	21.5%
372	Newbold Church of England Primary School	17.3%	17.7%	0.6%	£0	1.6%	£0	2.6%	£0	18.3%	19.3%	20.3%
373	Bishop Lonsdale Church of England Primary School & Nursery	25.8%	19.3%	5.5%	£0	4.5%	£0	3.5%	£0	24.8%	23.8%	22.8%
374	Zaytouna Primary School	20.0%	17.6%	2.4%	£0	2.4%	£0	2.4%	£0	20.0%	20.0%	20.0%
375	The Ripley Academy	25.0%	19.0%	7.0%	£0	8.0%	£0	9.0%	£0	26.0%	27.0%	28.0%
376	St Joseph's Catholic Primary School A Voluntary Academy(Mansfield)	17.6%	18.1%	0.5%	£0	1.5%	£0	2.5%	£0	18.6%	19.6%	20.6%
377	Dovedale Primary School	20.9%	17.8%	3.1%	£0	3.1%	£0	3.1%	£0	20.9%	20.9%	20.9%
378	Sawley Infant and Nursery School	20.0%	19.2%	1.8%	£0	2.8%	£0	3.8%	£0	21.0%	22.0%	23.0%
379	Sawley Junior School	21.2%	18.5%	2.7%	£0	2.7%	£0	2.7%	£0	21.2%	21.2%	21.2%
380	Shardlow Primary School	23.3%	19.7%	2.6%	£0	1.6%	£0	0.6%	£0	22.3%	21.3%	20.3%
381	Immaculate Conception Catholic Primary	20.7%	17.7%	2.0%	£0	1.0%	£0	0.0%	£0	19.7%	18.7%	17.7%
382	Allenton Primary School	27.9%	17.8%	9.1%	£0	8.1%	£0	7.1%	£0	26.9%	25.9%	24.9%
383	Outwood Academy Newbold	20.2%	18.4%	2.8%	£0	3.8%	£0	4.8%	£0	21.2%	22.2%	23.2%
384	Turnditch Church of England Primary School	20.2%	18.0%	3.2%	£0	4.2%	£0	5.2%	£0	21.2%	22.2%	23.2%
385	William Gilbert Endowed (C of E) Primary School	21.2%	20.1%	2.1%	£0	3.1%	£0	4.1%	£0	22.2%	23.2%	24.2%
386	St Laurence CofE VA Primary School	21.2%	18.4%	2.8%	£0	2.8%	£0	2.8%	£0	21.2%	21.2%	21.2%
387	Akaal Primary School	19.5%	17.5%	1.0%	£0	0.0%	£0	-1.0%	£0	18.5%	17.5%	16.5%
388	Inkersall Primary School	20.2%	18.1%	3.1%	£0	4.1%	£0	5.1%	£0	21.2%	22.2%	23.2%
389	St Philip Howard Catholic Voluntary Academy	20.2%	17.4%	2.8%	£0	2.8%	£0	2.8%	£0	20.2%	20.2%	20.2%
390	St Giles CofE Aided Primary School (Matlock)	20.3%	17.6%	3.7%	£0	4.7%	£0	5.7%	£0	21.3%	22.3%	23.3%
391	Walter Evans CofE Primary & Nursery School	21.0%	18.3%	2.9%	£0	2.9%	£0	2.9%	£0	21.1%	21.1%	21.1%
392	Swanwick Hall School	20.2%	18.6%	2.6%	£0	3.6%	£0	4.6%	£0	21.2%	22.2%	23.2%
393	John Flamsteed Community School	20.2%	18.6%	2.6%	£0	3.6%	£0	4.6%	£0	21.2%	22.2%	23.2%
395	David Nieper Academy	17.8%	18.2%	0.6%	£0	1.6%	£0	2.6%	£0	18.8%	19.8%	20.8%
396	Christ Church Primary School	21.5%	19.0%	2.5%	£0	2.5%	£0	2.5%	£0	21.5%	21.5%	21.5%
422	Landau Forte College Derby (Landau Forte Charitable Trust)	12.3% plus £3,000	16.6%	-3.1%	£0	-2.1%	£0	-1.1%	£0	13.5%	14.5%	15.5%
439	Shirebrook Academy	20.4%	18.0%	3.4%	£0	4.4%	£0	5.4%	£0	21.4%	22.4%	23.4%
601	Holbrook CE Primary School	22.4%	18.6%	3.8%	£0	3.8%	£0	3.8%	£0	22.4%	22.4%	22.4%
602	St Edwards Catholic Academy	20.0%	18.7%	1.3%	£0	1.3%	£0	1.3%	£0	20.0%	20.0%	20.0%
603	St Joseph's Catholic Primary School (Matlock)	20.0%	19.5%	1.5%	£0	2.5%	£0	3.5%	£0	21.0%	22.0%	23.0%
604	Mary Swanwick Primary School	21.0%	19.0%	1.2%	£0	1.2%	£0	1.2%	£0	20.2%	20.2%	20.2%
605	Brimington Manor Infant School	18.9%	19.6%	0.3%	£0	1.3%	£0	2.3%	£0	19.9%	20.9%	21.9%
606	Brimington Junior School	18.3%	19.2%	0.1%	£0	1.1%	£0	2.1%	£0	19.3%	20.3%	21.3%
607	Noel-Baker Academy	21.0%	18.7%	4.8%	£0	4.8%	£0	4.8%	£0	23.5%	23.5%	23.5%
608	All Saints CofE Infant School (Matlock)	21.0%	18.1%	-0.3%	£0	-0.3%	£0	-0.3%	£0	17.8%	17.8%	17.8%
609	St Giles CE Primary School (Killamarsh)	21.0%	17.7%	-0.8%	£0	-0.8%	£0	-0.8%	£0	16.9%	16.9%	16.9%
612	All Saints Junior School (Matlock)	21.0%	19.1%	0.0%	£0	0.0%	£0	0.0%	£0	19.1%	19.1%	19.1%
613	Heritage High	21.0%	18.6%	-0.6%	£0	-0.6%	£0	-0.6%	£0	18.0%	18.0%	18.0%
614	New Whittington Primary	21.0%	18.4%	-2.2%	£0	-2.2%	£0	-2.2%	£0	16.2%	16.2%	16.2%
615	Eckington Juniors	19.4%	19.1%	0.3%	£0	0.3%	£0	0.3%	£0	19.4%	19.4%	19.4%

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				2020/2021		2021/2022		2022/2023		2020/2021	2021/2022	2022/2023
				% of pay	£	% of pay	£	% of pay	£			
Academies continued												
616	Darley Churchtown Primary School	21.0%	18.1%	-0.6%	£0	-0.6%	£0	-0.6%	£0	17.5%	17.5%	17.5%
617	Temple Normanton Junior Academy	21.0%	20.2%	4.6%	£0	4.6%	£0	4.6%	£0	24.8%	24.8%	24.8%
618	Da Vinci Academy	21.0%	18.1%	6.0%	£0	6.0%	£0	6.0%	£0	24.1%	24.1%	24.1%
619	The Pingle Academy	21.0%	19.0%	-0.1%	£0	-0.1%	£0	-0.1%	£0	18.9%	18.9%	18.9%
621	Derwent Community Primary School	21.0%	17.9%	2.9%	£0	2.9%	£0	2.9%	£0	20.8%	20.8%	20.8%
622	Breadsall Hill Top Primary	21.0%	18.6%	1.8%	£0	1.8%	£0	1.8%	£0	20.4%	20.4%	20.4%
623	Pear Tree Junior School	21.0%	19.1%	2.5%	£0	2.5%	£0	2.5%	£0	21.6%	21.6%	21.6%
624	Granville Academy	21.0%	17.2%	-1.7%	£0	-1.7%	£0	-1.7%	£0	15.5%	15.5%	15.5%
625	St Georges CofE Primary (New Mills)	21.0%	18.9%	0.3%	£0	0.3%	£0	0.3%	£0	19.2%	19.2%	19.2%
626	Scargill CofE Primary	21.0%	19.5%	0.4%	£0	0.4%	£0	0.4%	£0	19.9%	19.9%	19.9%
627	Cavendish Close Junior Academy	21.0%	18.2%	1.3%	£0	1.3%	£0	1.3%	£0	19.5%	19.5%	19.5%
628	Cloudside Academy	21.0%	18.8%	-1.4%	£0	-1.4%	£0	-1.4%	£0	17.4%	17.4%	17.4%
629	Somercotes Infants	21.0%	18.4%	-2.3%	£0	-2.3%	£0	-2.3%	£0	16.1%	16.1%	16.1%
630	Somerlea Park Junior	21.0%	19.3%	0.7%	£0	0.7%	£0	0.7%	£0	20.0%	20.0%	20.0%
631	Bolsover CofE Junior School	21.0%	18.3%	-0.4%	£0	-0.4%	£0	-0.4%	£0	17.9%	17.9%	17.9%
633	Firs Primary School	21.0%	18.6%	-0.1%	£0	-0.1%	£0	-0.1%	£0	18.5%	18.5%	18.5%
634	Hardwick Primary School	21.0%	17.6%	1.8%	£0	1.8%	£0	1.8%	£0	19.4%	19.4%	19.4%
635	Derby Moor Academy	21.0%	16.9%	0.5%	£0	0.5%	£0	0.5%	£0	17.4%	17.4%	17.4%
636	John King Infant Academy	21.0%	18.0%	-0.7%	£0	-0.7%	£0	-0.7%	£0	17.3%	17.3%	17.3%
637	Longwood Infant Academy	21.0%	18.4%	-2.1%	£0	-2.1%	£0	-2.1%	£0	16.3%	16.3%	16.3%
639	Kirkstead Junior Academy	21.0%	18.4%	-0.4%	£0	-0.4%	£0	-0.4%	£0	18.0%	18.0%	18.0%
641	Ironville and Codnor Park Primary School	21.0%	17.9%	-0.9%	£0	-0.9%	£0	-0.9%	£0	17.0%	17.0%	17.0%
644	Chaddesden Park Primary School	21.0%	18.6%	4.7%	£0	4.7%	£0	4.7%	£0	23.3%	23.3%	23.3%
645	Eckington School	21.0%	19.0%	0.2%	£0	0.2%	£0	0.2%	£0	19.2%	19.2%	19.2%
646	Village Primary Academy	21.0%	18.0%	2.1%	£0	2.1%	£0	2.1%	£0	20.1%	20.1%	20.1%
647	Street Lane Primary School	21.0%	19.7%	-0.7%	£0	-0.7%	£0	-0.7%	£0	19.0%	19.0%	19.0%
648	Ash Croft Primary Academy	21.0%	18.9%	1.5%	£0	1.5%	£0	1.5%	£0	20.4%	20.4%	20.4%
649	Langwith Bassett Junior Academy	21.0%	18.2%	-2.1%	£0	-2.1%	£0	-2.1%	£0	16.1%	16.1%	16.1%
650	Friesland School	21.0%	18.7%	-2.2%	£0	-2.2%	£0	-2.2%	£0	16.5%	16.5%	16.5%
657	All Saints Catholic Voluntary Academy (Glossop)	21.0%	17.2%	-1.2%	£0	-1.2%	£0	-1.2%	£0	16.0%	16.0%	16.0%
658	Christ the King Catholic Voluntary Academy	21.0%	18.8%	-1.4%	£0	-1.4%	£0	-1.4%	£0	17.4%	17.4%	17.4%
659	St Alban's Catholic Voluntary Academy (Derby)	21.0%	18.7%	1.6%	£0	1.6%	£0	1.6%	£0	20.3%	20.3%	20.3%
660	St Anne's Catholic Voluntary Academy (Buxton)	21.0%	19.9%	-0.7%	£0	-0.7%	£0	-0.7%	£0	19.2%	19.2%	19.2%
661	St Charles Catholic Primary Voluntary Academy (Hadfield)	21.0%	18.6%	-1.1%	£0	-1.1%	£0	-1.1%	£0	17.5%	17.5%	17.5%
662	St Elizabeth's Catholic Voluntary Academy (Belper)	21.0%	19.1%	-1.8%	£0	-1.8%	£0	-1.8%	£0	17.3%	17.3%	17.3%
663	St Joseph's Catholic Voluntary Academy (Derby)	21.0%	19.0%	1.1%	£0	1.1%	£0	1.1%	£0	20.1%	20.1%	20.1%
664	St. Margaret's Catholic Voluntary Academy (Glossop)	21.0%	18.7%	-2.2%	£0	-2.2%	£0	-2.2%	£0	16.5%	16.5%	16.5%
665	St Mary's Catholic Voluntary Academy (Derby)	21.0%	18.2%	2.1%	£0	2.1%	£0	2.1%	£0	20.3%	20.3%	20.3%
667	St Mary's Catholic Voluntary Academy (New Mills)	21.0%	18.3%	-2.8%	£0	-2.8%	£0	-2.8%	£0	15.5%	15.5%	15.5%
668	St Thomas Catholic Voluntary Academy (Ilkeston)	21.0%	18.7%	-1.2%	£0	-1.2%	£0	-1.2%	£0	17.5%	17.5%	17.5%
669	St Thomas More Voluntary Academy (Buxton)	21.0%	19.1%	-0.9%	£0	-0.9%	£0	-0.9%	£0	18.2%	18.2%	18.2%
670	Derby Cathedral School	21.0%	19.7%	-0.4%	£0	-0.4%	£0	-0.4%	£0	19.3%	19.3%	19.3%
671	St Mary's Catholic Voluntary Academy (Glossop)	21.0%	19.5%	-0.5%	£0	-0.5%	£0	-0.5%	£0	19.0%	19.0%	19.0%
672	Alvaston Junior Academy	21.0%	19.4%	3.3%	£0	3.3%	£0	3.3%	£0	22.7%	22.7%	22.7%
673	Reigate Park Primary Academy	21.0%	18.2%	0.5%	£0	0.5%	£0	0.5%	£0	18.7%	18.7%	18.7%
674	Cottons Farm Primary Academy	21.0%	19.4%	2.1%	£0	2.1%	£0	2.1%	£0	21.5%	21.5%	21.5%
675	Hilton Primary School	21.0%	18.4%	-1.4%	£0	-1.4%	£0	-1.4%	£0	17.0%	17.0%	17.0%
676	Loscoe CofE Primary School and Nursery	21.0%	18.2%	-1.5%	£0	-1.5%	£0	-1.5%	£0	16.7%	16.7%	16.7%
677	Ashwood Spencer Academy	21.0%	18.7%	1.6%	£0	1.6%	£0	1.6%	£0	20.3%	20.3%	20.3%
678	Wilsthorpe School	21.0%	18.5%	0.5%	£0	0.5%	£0	0.5%	£0	19.0%	19.0%	19.0%
679	Gamesley Primary Academy	21.0%	18.0%	-0.1%	£0	-0.1%	£0	-0.1%	£0	17.9%	17.9%	17.9%
682	Lakeside Primary Academy	21.0%	17.3%	1.8%	£0	1.8%	£0	1.8%	£0	19.1%	19.1%	19.1%
684	Walton on Trent CofE Primary & Nursery School	21.0%	18.9%	0.1%	£0	0.1%	£0	0.1%	£0	19.0%	19.0%	19.0%
685	Griffe Field Primary School	21.0%	19.2%	3.2%	£0	3.2%	£0	3.2%	£0	22.4%	22.4%	22.4%
686	Horsley Woodhouse Primary School	21.0%	18.5%	0.2%	£0	0.2%	£0	0.2%	£0	18.8%	18.8%	18.8%
687	Kilburn Junior School	21.0%	17.7%	-0.9%	£0	-0.9%	£0	-0.9%	£0	16.8%	16.8%	16.8%

Derbyshire Pension Fund

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Employer code	Employer/Pool name	Contributions currently in payment 2019/2020	Primary Rate % 1 April 2020 - 31 March 2023	Secondary Rate						Total Contribution Rate		
				2020/2021		2021/2022		2022/2023		2020/2021	2021/2022	2022/2023
				% of pay	£	% of pay	£	% of pay	£			
Academies continued												
688	Aldercar Infant School	21.0%	18.5%	-0.2%	£0	-0.2%	£0	-0.2%	£0	18.3%	18.3%	18.3%
689	Heath Primary School	21.0%	17.3%	-0.9%	£0	-0.9%	£0	-0.9%	£0	16.4%	16.4%	16.4%
690	Howitt Primary Community School	21.0%	18.9%	-0.7%	£0	-0.7%	£0	-0.7%	£0	18.2%	18.2%	18.2%
691	Derby St Chad's CofE (VC) Nursery and Infant School	21.0%	18.2%	1.1%	£0	1.1%	£0	1.1%	£0	19.3%	19.3%	19.3%
693	Arboretum Primary School	21.0%	17.4%	1.2%	£0	1.2%	£0	1.2%	£0	18.6%	18.6%	18.6%
Post 2019 valuation employers												
701	Portway Junior School (Odyssey Collaborative Trust)	21.0%	17.8%	1.9%	£0	1.9%	£0	1.9%	£0	19.7%	19.7%	19.7%
702	Cherry Tree Hill Primary (Odyssey Collaborative Trust)	21.0%	17.8%	1.9%	£0	1.9%	£0	1.9%	£0	19.7%	19.7%	19.7%
703	Beaufort Primary School (Odyssey Collaborative Trust)	21.0%	17.8%	1.9%	£0	1.9%	£0	1.9%	£0	19.7%	19.7%	19.7%
704	Holme Hall Primary School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
705	Brookfield Primary	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
706	Richardson Endowed Primary School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
707	Woodthorpe CofE Primary	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
708	Ashgate Croft Primary	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
709	Old Hall Junior School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
710	Walton Holymoorside Primary	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
711	Westfield Infants	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
713	Brooklands Primary School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
714	Tupton Primary School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
716	Carlyle Infant & Nursery School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
717	Hodthorpe Primary School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
718	Kensington Junior School (Djanogly Learning Trust)	21.0%	19.3%	-1.4%	£0	-1.4%	£0	-1.4%	£0	17.9%	17.9%	17.9%
719	Longford CofE Primary School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
720	NE Derbyshire Support Centre (Esteem Trust)	21.0%	18.1%	-1.5%	£0	-1.5%	£0	-1.5%	£0	16.6%	16.6%	16.6%
721	St Clares Special School (Esteem Trust)	21.0%	18.1%	-1.5%	£0	-1.5%	£0	-1.5%	£0	16.6%	16.6%	16.6%
722	St Andrews Special School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
723	Church Gresley Infant and Nursery School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
724	Ravensdale Junior School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
725	Chellaston Fields Academy	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
726	The Mease at Hilton	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
727	Hackwood Primary	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
728	Ivy House School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
729	Tupton Hall School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
730	St Werburgh Primary School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
731	St Giles Primary Chaddesden	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
732	The Green Infant School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
733	Lawn Primary School	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
734	St Peter's CE Aided Junior	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
735	Springwell Community College	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%
736	North Wingfield Primary & Nursery Academy	21.0%	21.0%	0.0%	£0	0.0%	£0	0.0%	£0	21.0%	21.0%	21.0%

Notes

(1) The contributions due for 1 April 2020 to 31 March 2023 are shown in the table. With the agreement of the Administering Authority, this employer has agreed to make a cash payment of £56,379,340 in April 2020 in respect of contributions due for the year to 31 March 2021. The cash amount payable for the year to 31 March 2021 will be reduced in return for this early payment by 1.75% for the period 1 April 2020 to 31 March 2021 (i.e. the above amounts will be multiplied by 0.9825). With the agreement of the Administering Authority, the employer may also make a cash payment in April 2021 in respect of contributions due in the year to 31 March 2022 and/or April 2022 in respect of contributions due in the year to 31 March 2023. The reduction in the amount payable will be calculated by the Fund actuary at that time based on updated payroll estimates. As the employer has estimated, in advance, the pensionable pay for 2020/21 (and will estimate for 2021/22 and/or 2022/23 if prepaying those contributions), a balancing adjustment to reflect the actual pensionable pay over the year would be made at the end of each year (no later than 30th April following the year-end).

(2) These are pass through employers for which we have calculated a stand-alone rate. However, they are pooled with their respective Awarding Authority for all funding risks. For the employer RM Education Ltd (487), this is Frederick Gent School.

(3) Contributions expressed as a percentage of payroll should be paid into Derbyshire Pension Fund ("the Fund") at a frequency in accordance with the requirements of the Regulations;

(4) 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.

(5) 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.

(6) 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.

(7) There has been significant volatility in the financial markets during February and March 2020 as a result of the COVID-19 pandemic. This volatility may impact funding balance sheets for those employers planning to exit the Fund during the period covered by this Rates and Adjustments Certificate. In order to effectively manage employer exits from the Fund, the Administering Authority reserves the right to revisit the contribution rates for employers that are expected to cease participation in the Fund before 31 March 2023. An employer will be contacted by the Administering Authority in this instance.

(8) The Town and Parish Councils are split as per the following table:

Town and Parish Councils (Pre 2001)		Town and Parish Councils (Post 2001)	
144	Shirebrook Town Council	142	Morton Parish Council
145	New Mills Town Council	155	Glapwell Parish Council
147	Clay Cross Parish Council	161	Burnaston Parish Council
148	Eckington Parish Council	165	North Wingfield Parish Council
149	Smalley Parish Council	174	Tupton Parish Council
150	Pinxton Parish Council	186	Alfreton Town Council
151	Wirksworth Town Council	187	Wingerworth Parish Council
152	Old Bolsover Town Council	188	Heanor & Loscoe Town Council
153	Bakewell Town Council	189	Darley Dale Town Council
157	Belper Town Council	234	Tibshelf Parish Council
159	Elmton Parish Council	235	Kilburn Parish Council
160	Killamarsh Parish Council	236	Codnor Parish Council
162	Dronfield & District Jnt Burial	237	Shardlow & Great Wilne Parish Council
171	Ashbourne Town Council	238	Ticknall Parish Council
172	Dronfield Town Council	239	Stenson Fields Parish Council
173	Whitwell Parish Council	240	Heath & Holmewood Parish Council
175	Staveley Town Council	241	Bretby Parish Council
178	Matlock Town Council	242	Breaston Parish Council
179	Whaley Bridge Town Council	243	Woodville Parish Council
181	Willington Parish Council	244	Elvaston Parish Council
182	Holymoorside Parish Council	245	Hatton Parish Council
		248	Clowne Parish Council
		250	Draycott Parish Council
		251	Blackwell Parish Council

Signature:

Name:	Barry Dodds	Richard Warden
Qualification:	Fellows of the Institute and Faculty of Actuaries	
Firm:	Hymans Robertson LLP 20 Waterloo Street Glasgow G2 6DB	
Date:	31 March 2020	

Appendix 4 – Section 13 dashboard

The following information has been provided to assist the Government Actuary's Department in complying with Section 13 of the Public Service Pensions Act.

Item	
Past service funding position - local funding basis	
Funding level (assets/liabilities)	97%
Funding level (change since last valuation)	10% increase
Asset value used at the valuation	£4,928,587,000
Value of liabilities	£5,091,629,000
Surplus (deficit)	£163,042,000
Discount rate(s)	3.6% p.a.
Assumed pension increases (CPI)	2.3% p.a.
Method of derivation of discount rate, plus any changes since previous valuation	There is a 77% likelihood that the Fund's investments will return at least 3.6% over the next 20 years based on a stochastic asset projection. The assumption at the 2016 valuation was 1.8% above the yield available on long-dated fixed interest gilts.
Assumed life expectancies at age 65:	
Average life expectancy for current pensioners - men currently age 65	21.6 years
Average life expectancy for current pensioners - women currently age 65	23.7 years
Average life expectancy for future pensioners - men currently age 45	22.6 years
Average life expectancy for future pensioners - women currently age 45	25.1 years
Past service funding position - SAB basis (for comparison purposes only)	
Market value of assets	£4,928,587,000
Value of liabilities	£4,257,610,000
Funding level on SAB basis (assets/liabilities)	116%
Funding level on SAB basis (change since last valuation)	13% increase
Contribution rates payable	
Primary contribution rate	18.5% of pay
Secondary contribution rate (cash amounts in each year in line with CIPFA guidance):	
Secondary contribution rate 2020/21	£17,432,000
Secondary contribution rate 2021/22	£17,752,000
Secondary contribution rate 2022/23	£18,079,000
Giving total expected contributions:	
Total expected contributions 2020/21 (£ figure based on assumed payroll of £645.9m)	£136,732,000
Total expected contributions 2021/22 (£ figure based on assumed payroll of £665.6m)	£140,675,000
Total expected contributions 2022/23 (£ figure based on assumed payroll of £685.8m)	£144,736,000
Average employee contribution rate (% of pay)	6.3% of pay
Employee contribution rate (£ p.a. figure based on assumed payroll of £645.9m)	£40,420,000
Additional information	
Percentage of liabilities relating to employers with deficit recovery periods of longer than 20 years	0%
Percentage of total liabilities that are in respect of Tier 3 employers	11%

Derbyshire Pension Fund

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Appendix 6: Employee and Employer Contributions

CONTRIBUTIONS 2021-22		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 Conts 172315	Employer Conts 172315	TOTAL EMPLOYERS
00001	Derbyshire County Council	16,099,830.73	65,948.23	(199.25)	21,457.36	0.00	38,841.49	16,225,878.56	0.00	0.00	55,781,000.00	55,781,000.00
00040	Peak District National Park	343,234.02	1,501.20	0.00	6,227.71	0.00	1,301.17	352,264.10	224,000.04	0.00	821,736.30	1,045,736.34
00120	Futures Housing (Amber Valley Housing Ltd)	190,760.48	11,689.26	0.00	0.00	0.00	0.00	202,449.74	95,000.04	0.00	930,731.65	1,025,731.69
00123	Derby Homes Ltd	992,046.87	3,811.17	0.00	3,600.00	0.00	1,800.00	1,001,258.04	0.00	0.00	0.00	0.00
00124	EMH Homes	84,415.74	0.00	0.00	0.00	0.00	0.00	84,415.74	0.00	0.00	271,273.20	271,273.20
00126	Rykneld Homes	384,793.63	962.45	0.00	47.38	0.00	0.00	385,803.46	0.00	26.30	1,006,350.30	1,006,376.60
00128	Platform Housing Limited (Waterloo Housing Group)	33,108.27	0.00	0.00	0.00	0.00	0.00	33,108.27	0.00	0.00	58,023.46	58,023.46
00130	Amber Valley B C	367,934.55	1,497.13	0.00	915.08	0.00	0.00	370,346.76	1,056,999.96	1,830.04	864,846.55	1,923,676.55
00131	The District of Bolsover	734,775.73	1,641.62	0.00	400.80	0.00	0.00	736,818.15	962,000.04	801.58	1,717,640.81	2,680,442.43
00132	Chesterfield B C	1,618,317.36	1,548.27	0.00	3,296.04	0.00	0.00	1,623,161.67	1,991,000.04	0.00	3,786,835.21	5,777,835.25
00133	Derby City Council	6,756,605.02	41,862.56	0.00	25,121.28	0.00	0.00	6,823,588.86	0.00	216.50	22,268,788.61	22,269,005.11
00134	Erewash B C	445,713.25	14,810.19	0.00	3,012.98	0.00	0.00	463,536.42	999,000.00	92.75	1,013,488.89	2,012,581.64
00135	High Peak BC	374,961.09	1,073.71	0.00	0.00	0.00	1,727.83	377,762.63	1,833,000.00	0.00	780,570.92	2,613,570.92
00136	North East Derbyshire DC	664,332.68	1,339.55	0.00	1,682.89	0.00	0.00	667,355.12	1,527,000.00	365.89	1,536,980.33	3,064,346.22
00137	South Derbyshire DC	576,824.22	11,510.57	0.00	3,320.13	0.00	0.00	591,654.92	678,000.00	640.27	1,317,552.46	1,996,192.73
00138	Derbyshire Dales D C	358,326.46	0.00	0.00	2,400.00	0.00	0.00	360,726.46	561,000.00	0.00	792,652.24	1,353,652.24
00139	Chesterfield Crematorium	17,313.27	0.00	0.00	0.00	0.00	0.00	17,313.27	29,000.04	0.00	51,493.42	80,493.46
00144	Shirebrook Town Council	11,147.65	0.00	0.00	0.00	0.00	0.00	11,147.65	0.00	0.00	31,933.28	31,933.28
00145	New Mills Town Council	10,170.28	0.00	0.00	0.00	0.00	0.00	10,170.28	0.00	0.00	30,894.75	30,894.75
00147	Clay Cross Parish Council	1,819.68	0.00	0.00	0.00	0.00	0.00	1,819.68	0.00	0.00	5,811.75	5,811.75
00148	Eckington Parish Council	6,672.76	0.00	0.00	0.00	0.00	0.00	6,672.76	0.00	0.00	20,281.37	20,281.37
00150	Pinxton Parish Council	4,513.33	0.00	0.00	0.00	0.00	0.00	4,513.33	0.00	0.00	14,363.15	14,363.15
00151	Wirksworth Town Council	4,718.92	0.00	0.00	0.00	0.00	0.00	4,718.92	0.00	0.00	14,689.66	14,689.66
00152	Old Bolsover Town Council	11,402.43	0.00	0.00	0.00	0.00	0.00	11,402.43	0.00	0.00	34,286.27	34,286.27
00155	Glapwell Parish Council	25.73	0.00	0.00	0.00	0.00	0.00	25.73	0.00	0.00	87.95	87.95
00157	Belper Town Council	9,527.50	0.00	0.00	0.00	0.00	0.00	9,527.50	0.00	0.00	29,176.77	29,176.77
00160	Killamarsh Parish Council	1,813.91	0.00	0.00	0.00	0.00	0.00	1,813.91	0.00	0.00	5,751.57	5,751.57
00161	Burnaston Parish Council	268.38	0.00	0.00	0.00	0.00	0.00	268.38	0.00	0.00	917.44	917.44
00165	North Wingfield PC	4,697.83	0.00	0.00	0.00	0.00	0.00	4,697.83	0.00	0.00	14,312.90	14,312.90
00171	Ashbourne Town Council	4,080.26	0.00	0.00	0.00	0.00	0.00	4,080.26	0.00	0.00	12,493.63	12,493.63
00172	Dronfield Town Council	12,142.06	0.00	0.00	0.00	0.00	0.00	12,142.06	0.00	0.00	36,590.39	36,590.39
00173	Whitwell Parish Council	5,299.73	0.00	0.00	0.00	0.00	0.00	5,299.73	0.00	0.00	15,705.27	15,705.27
00175	Staveley Town Council	14,125.87	0.00	0.00	0.00	0.00	0.00	14,125.87	0.00	0.00	40,532.57	40,532.57
00178	Matlock Town Council	10,076.12	0.00	0.00	0.00	0.00	0.00	10,076.12	0.00	0.00	30,671.04	30,671.04
00179	Whaley Bridge Town Council	1,883.14	0.00	0.00	0.00	0.00	0.00	1,883.14	0.00	0.00	6,040.20	6,040.20
00186	Alfreton Town Council	2,912.98	0.00	0.00	0.00	0.00	0.00	2,912.98	0.00	0.00	9,560.75	9,560.75
00187	Wingerworth Parish Council	3,020.51	0.00	0.00	0.00	0.00	0.00	3,020.51	0.00	0.00	9,324.18	9,324.18
00188	Heanor + Loscoe TC	2,565.63	0.00	0.00	0.00	0.00	0.00	2,565.63	0.00	0.00	7,622.36	7,622.36
00189	Darley Dale Town Council	302.12	0.00	0.00	0.00	0.00	0.00	302.12	0.00	0.00	1,032.73	1,032.73
00234	Tibshelf Parish Council	2,970.75	0.00	0.00	0.00	0.00	0.00	2,970.75	0.00	0.00	9,811.50	9,811.50
00235	Kilburn Parish Council	1,063.36	0.00	0.00	0.00	0.00	0.00	1,063.36	0.00	0.00	3,446.67	3,446.67
00236	Codnor Parish Council	866.76	0.00	0.00	0.00	0.00	0.00	866.76	0.00	0.00	2,809.44	2,809.44
00239	Stenson Fields Parish Council	663.46	0.00	0.00	0.00	0.00	0.00	663.46	0.00	0.00	2,267.60	2,267.60
00240	Heath & Holmewood Parish Council	3,336.60	0.00	0.00	0.00	0.00	0.00	3,336.60	0.00	0.00	10,223.82	10,223.82
00241	Bretby Parish Council	122.75	0.00	0.00	0.00	0.00	0.00	122.75	0.00	0.00	419.42	419.42
00242	Breaston Parish Council	2,585.19	0.00	0.00	0.00	0.00	0.00	2,585.19	0.00	0.00	7,761.37	7,761.37
00243	Woodville Parish Council	1,448.35	0.00	0.00	0.00	0.00	0.00	1,448.35	0.00	0.00	4,820.38	4,820.38
00245	Hatton Parish Council	946.70	0.00	0.00	0.00	0.00	0.00	946.70	0.00	0.00	3,634.41	3,634.41

00248	Clowne Parish Council	3,240.53	0.00	0.00	0.00	0.00	0.00	3,240.53	0.00	0.00	8,959.01	8,959.01
00249	South Normanton Parish Council	4,688.88	0.00	0.00	1,709.82	0.00	0.00	6,398.70	0.00	3,781.68	14,570.13	18,351.81
00250	Draycott Parish Council	1,456.28	0.00	0.00	0.00	0.00	0.00	1,456.28	0.00	0.00	4,373.18	4,373.18
00251	Blackwell Parish Council	3,422.65	0.00	0.00	0.00	0.00	0.00	3,422.65	0.00	0.00	10,638.50	10,638.50
00252	Repton Parish Coucnil	639.63	0.00	0.00	0.00	0.00	0.00	639.63	0.00	0.00	2,186.52	2,186.52
00253	Somercotes Parish Council	1,475.95	0.00	0.00	0.00	0.00	0.00	1,475.95	0.00	0.00	5,606.16	5,606.16
00254	Chapel-en-le-Frith Parish Council	1,064.11	0.00	0.00	0.00	0.00	0.00	1,064.11	0.00	0.00	3,311.18	3,311.18
00401	Derbyshire Police Authority	3,226,521.27	19,069.42	0.00	7,028.85	0.00	0.00	3,252,619.54	1,465,000.63	6,189.59	6,875,557.76	8,346,747.98
00403	Derbys Fire & Rescue Service	448,355.38	2,821.23	0.00	10,095.26	0.00	0.00	461,271.87 #	170,000.04	0.00	955,268.10	1,125,268.14
00169	University of Derby	2,136,987.87	10,650.72	0.00	7,447.22	0.00	400.66	2,155,486.47	0.00	495.25	5,654,654.90	5,655,150.15
00192	Chesterfield College	425,053.05	0.00	0.00	1,200.00	0.00	0.00	426,253.05	171,000.00	0.00	1,065,346.71	1,236,346.71
00198	Derby College	550,302.77	18,302.02	0.00	0.00	0.00	0.00	568,604.79	360,000.00	0.00	1,604,857.20	1,964,857.20
00199	Derby Manufacturing University Technical College	8,739.84	733.06	0.00	0.00	0.00	0.00	9,472.90	0.00	0.00	31,223.12	31,223.12
003352	Chellaston Academy (1 member)	1,130.31	0.00	0.00	0.00	0.00	0.00	1,130.31	0.00	0.00	3,018.60	3,018.60
00336	Ecclesbourne Academy	52,803.48	0.00	0.00	0.00	0.00	0.00	52,803.48	0.00	0.00	213,611.48	213,611.48
00337	Kirk Hallam Academy	58,007.71	0.00	0.00	0.00	0.00	0.00	58,007.71	0.00	0.00	186,441.50	186,441.50
00338	John Port Academy	85,624.14	1,846.47	0.00	2,641.92	0.00	0.00	90,112.53	0.00	0.00	335,965.40	335,965.40
00340	Brookfield Academy	50,708.16	0.00	0.00	0.00	0.00	0.00	50,708.16	0.00	0.00	189,545.51	189,545.51
00341	Long Eaton Academy	56,635.43	0.00	0.00	0.00	0.00	0.00	56,635.43	0.00	0.00	197,740.82	197,740.82
00342	West Park School (Academy)	79,593.69	0.00	0.00	0.00	0.00	0.00	79,593.69	0.00	0.00	298,048.00	298,048.00
00345	Hope Valley College (Academy)	40,962.30	0.00	0.00	0.00	0.00	0.00	40,962.30	0.00	0.00	175,050.18	175,050.18
00347	Pennine Way Junior School (Academy)	23,803.13	0.00	0.00	0.00	0.00	0.00	23,803.13	0.00	0.00	91,555.51	91,555.51
00348	Heanor Gate Science College (Academy)	76,795.07	0.00	0.00	0.00	0.00	0.00	76,795.07	0.00	0.00	292,950.95	292,950.95
00349	Lees Brook Community School (Academy)	66,955.40	916.55	0.00	0.00	0.00	0.00	67,871.95	0.00	1,785.62	245,153.52	246,939.14
00351	Redhill Primary School (Academy)	10,762.43	0.00	0.00	0.00	0.00	0.00	10,762.43	0.00	0.00	42,943.44	42,943.44
00352	St John Houghton School (Academy)	107,572.07	0.00	0.00	892.10	0.00	1,248.94	109,713.11	0.00	0.00	357,121.18	357,121.18
00353	Woodlands School (Academy)	67,982.77	0.00	0.00	0.00	0.00	0.00	67,982.77	14,732.00	0.00	243,042.09	257,774.09
00354	Grampian Primary School (Academy)	17,900.63	0.00	0.00	0.00	0.00	0.00	17,900.63	0.00	0.00	66,122.19	66,122.19
00360	St Benedict Voluntary Catholic Academy	92,064.54	0.00	0.00	0.00	0.00	0.00	92,064.54	0.00	0.00	375,336.95	375,336.95
00361	St Mary's Catholic Academy	53,850.40	442.61	0.00	0.00	0.00	0.00	54,293.01	0.00	0.00	216,048.28	216,048.28
00362	St John Fisher Catholic Academy	11,215.78	0.00	0.00	0.00	0.00	0.00	11,215.78	0.00	0.00	45,323.98	45,323.98
00363	St George's Voluntary Academy	23,231.45	0.00	0.00	0.00	0.00	0.00	23,231.45	0.00	0.00	87,370.39	87,370.39
00364	Wyndham Primary Academy	31,429.00	0.00	0.00	0.00	0.00	0.00	31,429.00	0.00	0.00	101,360.22	101,360.22
00365	The Bolsover School Academy	42,658.51	0.00	0.00	60.12	0.00	0.00	42,718.63	0.00	0.00	156,740.57	156,740.57
00366	Landau Forte Moorhead Academy	21,117.24	0.00	0.00	0.00	0.00	0.00	21,117.24	0.00	0.00	78,072.18	78,072.18
00367	Derby Pride Academy	10,999.24	2,789.59	0.00	0.00	0.00	0.00	13,788.83	0.00	0.00	46,985.65	46,985.65
00368	Merrill Academy	58,302.13	0.00	0.00	0.00	0.00	0.00	58,302.13	0.00	0.00	236,972.69	236,972.69
00370	Ormiston Ilkeston Enterprise Academy	59,575.10	0.00	0.00	0.00	0.00	0.00	59,575.10	0.00	0.00	252,917.32	252,917.32
00371	English Martyrs Catholic Academy	16,002.87	0.00	0.00	0.00	0.00	0.00	16,002.87	0.00	0.00	56,587.68	56,587.68
00372	Newbold CofE Primary School	17,358.09	213.05	0.00	0.00	0.00	0.00	17,571.14	0.00	0.00	60,683.65	60,683.65
00373	Bishop Lonsdale CofE Primary School & Nursery	17,856.16	0.00	0.00	0.00	0.00	0.00	17,856.16	0.00	0.00	73,639.00	73,639.00
00374	Zaytouna Primary School	20,049.50	0.00	0.00	0.00	0.00	0.00	20,049.50	0.00	0.00	67,157.29	67,157.29
00375	The Ripley Academy	13,041.91	0.00	0.00	0.00	0.00	0.00	13,041.91	0.00	5,777.31	60,963.16	66,740.47
00376	St Joseph's Catholic Primary School Voluntary Academy	11,635.70	0.00	0.00	0.00	0.00	0.00	11,635.70	0.00	0.00	40,042.48	40,042.48
00377	Dovedale Primary School (Willows Academy Trust)	27,898.26	0.00	0.00	0.00	0.00	0.00	27,898.26	0.00	0.00	99,254.57	99,254.57
00378	Sawley Infant School (Willows Academy Trust)	23,044.42	0.00	0.00	0.00	0.00	0.00	23,044.42	0.00	0.00	88,208.50	88,208.50
00379	Sawley Junior School (Willows Academy Trust)	15,714.05	0.00	0.00	0.00	0.00	0.00	15,714.05	0.00	0.00	58,203.91	58,203.91
00380	Shardlow Primary School (Willows Academy Trust)	5,809.39	0.00	0.00	0.00	0.00	0.00	5,809.39	0.00	0.00	22,121.12	22,121.12
00381	Immaculate Conception Academy Trust	11,943.80	0.00	0.00	0.00	0.00	0.00	11,943.80	0.00	0.00	40,255.30	40,255.30
00382	Allenton Primary	27,137.87	0.00	0.00	0.00	0.00	0.00	27,137.87	0.00	0.00	118,495.31	118,495.31
00383	Outwood Academy Newbold (Newbold Community School)	59,291.01	0.00	0.00	0.00	0.00	0.00	59,291.01	0.00	0.00	226,978.69	226,978.69
00384	Turnditch Primary	2,968.75	0.00	0.00	0.00	0.00	0.00	2,968.75	0.00	0.00	11,724.86	11,724.86
00385	William Gilbert Primary	17,822.47	0.00	0.00	0.00	0.00	0.00	17,822.47	0.00	0.00	71,814.25	71,814.25
00386	St Laurence Primary School	11,871.76	0.00	0.00	0.00	0.00	0.00	11,871.76	0.00	0.00	45,085.85	45,085.85
00387	Akaal Academy Trust Derby Limited	9,468.06	0.00	0.00	0.00	0.00	0.00	9,468.06	0.00	0.00	29,024.86	29,024.86
00388	Inkersall Primary Academy	22,642.99	0.00	0.00	0.00	0.00	0.00	22,642.99	0.00	0.00	88,685.99	88,685.99
00389	St Philip Howard Catholic Voluntary Academy	24,535.62	79.34	0.00	0.00	0.00	0.00	24,614.96	0.00	0.00	88,932.83	88,932.83
00390	St Giles CofE Aided Primary School	7,850.05	0.00	0.00	0.00	0.00	0.00	7,850.05	0.00	0.00	30,520.39	30,520.39
00391	Walter Evans Primary School	26,417.30	0.00	0.00	0.00	0.00	0.00	26,417.30	0.00	0.00	95,018.40	95,018.40
00392	Swanwick Hall School	50,064.73	322.33	0.00	0.00	0.00	0.00	50,387.06	0.00	575.30	184,679.46	185,254.76

Derbyshire Pension Fund

lgps

00393	John Flamsteed Community School	19,274.78	0.00	0.00	(87.11)	0.00	0.00	19,187.67	0.00	(344.60)	70,640.77	70,296.17
00395	David Neiper Academy	52,968.19	0.00	0.00	0.00	0.00	0.00	52,968.19	0.00	0.00	174,727.12	174,727.12
00396	Christ Church CofE Primary School	13,601.48	0.00	0.00	0.00	0.00	0.00	13,601.48	0.00	0.00	51,523.84	51,523.84
00397	Whitecotes School	11,706.39	0.00	0.00	0.00	0.00	0.00	11,706.39	0.00	0.00	42,393.19	42,393.19
00398	Poolsbrook School	8,820.20	0.00	0.00	0.00	0.00	0.00	8,820.20	0.00	0.00	33,693.95	33,693.95
00422	Landau Forte College	118,766.58	352.40	0.00	0.00	0.00	0.00	119,118.98	0.00	0.00	276,578.39	276,578.39
00439	Shirebrook Academy	67,433.98	0.00	0.00	0.00	0.00	0.00	67,433.98	0.00	0.00	250,685.69	250,685.69
00601	Holbrook Primary School	8,052.24	0.00	0.00	0.00	0.00	0.00	8,052.24	0.00	0.00	32,331.95	32,331.95
00602	St Edward's Catholic Academy	10,517.54	0.00	0.00	0.00	0.00	0.00	10,517.54	0.00	0.00	36,854.33	36,854.33
00603	St Joseph's Catholic Primary School - Matlock	11,088.11	0.00	0.00	0.00	0.00	0.00	11,088.11	0.00	0.00	44,847.09	44,847.09
00604	Mary Swanwick Primary	18,538.22	0.00	0.00	0.00	0.00	0.00	18,538.22	0.00	0.00	64,294.38	64,294.38
00605	Brimington Infant School	5,374.23	0.00	0.00	0.00	0.00	0.00	5,374.23	0.00	0.00	19,765.14	19,765.14
00606	Brimington Junior School	20,074.03	0.00	0.00	0.00	0.00	0.00	20,074.03	0.00	0.00	71,993.50	71,993.50
00607	Noel Baker Academy	61,315.59	0.00	0.00	0.00	0.00	0.00	61,315.59	0.00	0.00	240,637.80	240,637.80
00608	All Saints Infant, Matlock	7,277.17	0.00	0.00	0.00	0.00	0.00	7,277.17	0.00	0.00	23,229.17	23,229.17
00609	St Giles Primary (Killamarsh)	20,312.82	0.00	0.00	0.00	0.00	0.00	20,312.82	0.00	0.00	60,754.47	60,754.47
00610	QUEGS MAT	212,776.39	716.22	0.00	292.80	0.00	0.00	213,785.41	0.00	0.00	818,163.47	818,163.47
00611	Cavendish MAT	95,012.43	63.46	0.00	0.00	0.00	0.00	95,075.89	0.00	0.00	342,714.62	342,714.62
00612	All Saints Junior, Matlock	13,727.31	0.00	0.00	0.00	0.00	0.00	13,727.31	0.00	0.00	44,655.26	44,655.26
00613	Heritage High School	53,559.63	0.00	0.00	0.00	0.00	0.00	53,559.63	0.00	472.46	153,149.49	153,621.95
00614	New Whittington Primary	22,884.68	0.00	0.00	850.00	0.00	0.00	23,734.68	0.00	0.00	63,535.47	63,535.47
00615	Eckington Junior	17,299.63	0.00	0.00	0.00	0.00	0.00	17,299.63	0.00	0.00	53,573.44	53,573.44
00616	Darley Churchtown Primary	6,075.69	0.00	0.00	0.00	0.00	0.00	6,075.69	0.00	0.00	18,952.88	18,952.88
00617	Temple Normanton Primary	5,133.70	0.00	0.00	0.00	0.00	0.00	5,133.70	0.00	0.00	21,578.03	21,578.03
00618	Da Vinci Academy	50,439.97	1,201.62	0.00	0.00	0.00	0.00	51,641.59	0.00	0.00	213,563.19	213,563.19
00619	The Pingle Academy	77,278.62	0.00	0.00	0.00	0.00	0.00	77,278.62	0.00	0.00	248,671.36	248,671.36
00621	Derwent Primary	20,449.69	0.00	0.00	0.00	0.00	0.00	20,449.69	0.00	0.00	70,512.65	70,512.65
00622	Breadsall Hill Top Primary	29,518.30	0.00	0.00	0.00	0.00	0.00	29,518.30	0.00	0.00	101,652.08	101,652.08
00623	Peartree Junior	23,978.31	0.00	0.00	0.00	0.00	0.00	23,978.31	0.00	0.00	86,686.22	86,686.22
00624	Granville Sports College	39,384.15	0.00	0.00	0.00	0.00	0.00	39,384.15	0.00	0.00	102,106.05	102,106.05
00625	St Georges Primary (New Mills)	9,687.92	0.00	0.00	0.00	0.00	0.00	9,687.92	0.00	0.00	33,265.49	33,265.49
00626	Scargill Primary	18,871.77	0.00	0.00	0.00	0.00	0.00	18,871.77	0.00	0.00	66,804.38	66,804.38
00627	Cavendish Close Junior School	18,316.88	173.82	0.00	0.00	0.00	0.00	18,490.70	0.00	0.00	63,783.89	63,783.89
00628	Cloudside Junior	13,039.66	0.00	0.00	0.00	0.00	0.00	13,039.66	0.00	0.00	38,808.11	38,808.11
00629	Somercotes Infant School	9,571.10	0.00	0.00	382.10	0.00	0.00	9,953.20	0.00	0.00	26,196.39	26,196.39
00630	Somerlea Park Junior	11,219.30	0.00	0.00	0.00	0.00	0.00	11,219.30	0.00	0.00	39,006.61	39,006.61
00631	Bolsover CofE Junior	14,672.02	0.00	0.00	0.00	0.00	0.00	14,672.02	0.00	0.00	45,320.31	45,320.31
00632	Frederick Gent	48,871.47	0.00	0.00	0.00	0.00	0.00	48,871.47	0.00	1,425.59	150,604.20	152,029.79
00633	Firs Estate Primary School	34,113.83	0.00	0.00	0.00	0.00	0.00	34,113.83	0.00	0.00	106,706.32	106,706.32
00634	Hardwick Primary	44,906.81	0.00	0.00	0.00	0.00	0.00	44,906.81	0.00	0.00	145,187.83	145,187.83
00635	Derby Moor Community Sports College	75,125.54	0.00	0.00	0.00	0.00	0.00	75,125.54	0.00	0.00	220,390.14	220,390.14
00636	John King Infant	8,579.90	0.00	0.00	0.00	0.00	0.00	8,579.90	0.00	0.00	26,117.24	26,117.24
00637	Longwood Community Infant	3,407.95	0.00	0.00	0.00	0.00	0.00	3,407.95	0.00	0.00	9,474.63	9,474.63
00639	Kirkstead Junior Academy	10,673.45	0.00	0.00	0.00	0.00	0.00	10,673.45	0.00	0.00	32,761.47	32,761.47
00641	Ironville & Codnor Park Primary	9,888.75	0.00	0.00	0.00	0.00	0.00	9,888.75	0.00	0.00	29,542.64	29,542.64
00644	Chaddesden Park Primary	24,362.08	0.00	0.00	0.00	0.00	0.00	24,362.08	0.00	0.00	94,405.94	94,405.94
00645	Eckington School	49,362.12	0.00	0.00	0.00	0.00	0.00	49,362.12	0.00	0.00	161,031.25	161,031.25
00646	Village Primary School	53,953.77	0.00	0.00	0.00	0.00	0.00	53,953.77	0.00	0.00	189,565.64	189,565.64
00647	Street Lane Primary School	1,985.39	0.00	0.00	0.00	0.00	0.00	1,985.39	0.00	0.00	6,847.03	6,847.03
00648	Ash Croft Primary Academy	10,460.15	0.00	0.00	0.00	0.00	0.00	10,460.15	0.00	0.00	35,822.10	35,822.10
00649	Langwith Bassett Junior Academy	7,307.70	0.00	0.00	0.00	0.00	0.00	7,307.70	0.00	0.00	20,216.02	20,216.02
00650	Friesland School (Academy)	58,610.99	83.59	0.00	0.00	0.00	0.00	58,694.58	0.00	383.20	168,132.88	168,516.08
00651	Esteem Multi Academy Trust (M.A.T)	363,802.37	1,338.54	0.00	237.36	0.00	0.00	365,378.27	0.00	0.00	1,026,661.95	1,026,661.95
00657	All Saints Catholic Voluntary Academy (Glossop)	5,864.02	0.00	0.00	0.00	0.00	0.00	5,864.02	0.00	0.00	16,637.14	16,637.14
00658	Christ the King Catholic Voluntary Academy (Alfreton)	8,991.62	0.00	0.00	0.00	0.00	0.00	8,991.62	0.00	0.00	27,370.63	27,370.63
00659	St Alban's Catholic Voluntary Academy (Derby)	24,867.72	0.00	0.00	0.00	0.00	0.00	24,867.72	0.00	0.00	88,253.47	88,253.47
00660	St Anne's Catholic Voluntary Academy (Buxton)	15,055.94	0.00	0.00	0.00	0.00	0.00	15,055.94	0.00	0.00	51,177.92	51,177.92
00661	St Charles' Catholic Primary Voluntary Academy (Hadfield)	11,640.32	0.00	0.00	0.00	0.00	0.00	11,640.32	0.00	0.00	36,807.07	36,807.07
00662	St Elizabeth's Catholic Voluntary Academy (Belper)	8,561.91	0.00	0.00	0.00	0.00	0.00	8,561.91	0.00	0.00	26,208.71	26,208.71
00663	St Joseph's Catholic Voluntary Academy (Derby)	24,465.14	0.00	0.00	0.00	0.00	0.00	24,465.14	0.00	0.00	87,627.32	87,627.32

Derbyshire Pension Fund

lgps

00664	St Margaret's Catholic Voluntary Academy (Glossop)	2,553.34	0.00	0.00	0.00	0.00	0.00	2,553.34	0.00	0.00	7,392.15	7,392.15
00665	St Mary's Catholic Voluntary Academy (Derby)	19,161.62	0.00	0.00	0.00	0.00	0.00	19,161.62	0.00	0.00	67,253.52	67,253.52
00667	St Mary's Catholic Voluntary Academy (New Mills)	7,269.90	0.00	0.00	0.00	0.00	0.00	7,269.90	0.00	0.00	19,794.85	19,794.85
00668	St Thomas Catholic Voluntary Academy (Ilkeston)	14,203.86	0.00	0.00	0.00	0.00	0.00	14,203.86	0.00	0.00	43,469.52	43,469.52
00669	St Thomas More Catholic Voluntary Academy (Buxton)	30,169.22	0.00	0.00	0.00	0.00	0.00	30,169.22	0.00	0.00	90,616.18	90,616.18
00670	Derby Cathedral School	32,874.56	0.00	0.00	0.00	0.00	0.00	32,874.56	0.00	0.00	104,381.63	104,381.63
00671	St Mary's Catholic Voluntary Academy (Glossop)	9,392.75	0.00	0.00	0.00	0.00	0.00	9,392.75	0.00	0.00	31,394.09	31,394.09
00672	Alvaston Junior Academy	51,150.58	0.00	0.00	0.00	0.00	0.00	51,150.58	0.00	0.00	190,314.94	190,314.94
00673	Reigate Park Primary Academy	25,489.01	0.00	0.00	0.00	0.00	0.00	25,489.01	0.00	0.00	79,477.42	79,477.42
00674	Cotton Farm Primary Academy	8,102.49	0.00	0.00	0.00	0.00	0.00	8,102.49	0.00	0.00	29,492.33	29,492.33
00675	Hilton Primary School	38,254.02	451.31	0.00	0.00	0.00	0.00	38,705.33	0.00	0.00	119,141.28	119,141.28
00676	Loscoe CofE Primary School and Nursery	12,824.23	0.00	0.00	0.00	0.00	0.00	12,824.23	0.00	0.00	37,641.52	37,641.52
00677	Ashwood Spencer Academy	38,650.88	0.00	0.00	0.00	0.00	0.00	38,650.88	0.00	0.00	138,049.56	138,049.56
00678	Wilsthorpe School	44,755.96	980.75	0.00	0.00	0.00	0.00	45,736.71	0.00	3,289.96	149,005.35	152,295.31
00682	Lakeside Community Primary School	42,801.75	0.00	0.00	0.00	0.00	0.00	42,801.75	0.00	0.00	140,302.49	140,302.49
00684	Walton on Trent CofE Primary and Infant School	9,577.14	0.00	0.00	0.00	0.00	0.00	9,577.14	0.00	0.00	31,962.45	31,962.45
00685	Griffe Field Primary School	23,253.42	0.00	0.00	0.00	0.00	0.00	23,253.42	0.00	0.00	90,546.85	90,546.85
00686	Horsley Woodhouse Primary School	7,754.88	0.00	0.00	0.00	0.00	0.00	7,754.88	0.00	0.00	26,592.62	26,592.62
00687	Kilburn Junior School	14,244.55	0.00	0.00	0.00	0.00	0.00	14,244.55	0.00	0.00	42,697.99	42,697.99
00688	Aldercar Infant School	19,613.76	0.00	0.00	0.00	0.00	0.00	19,613.76	0.00	0.00	62,250.09	62,250.09
00689	Heath Primary School	34,368.96	0.00	0.00	0.00	0.00	0.00	34,368.96	0.00	0.00	89,798.18	89,798.18
00690	Howitt Primary Community School	24,349.03	0.00	0.00	0.00	0.00	0.00	24,349.03	0.00	0.00	79,281.78	79,281.78
00691	Derby St Chads CofE (VC) Nursery and Infant School	7,420.05	0.00	0.00	0.00	0.00	0.00	7,420.05	0.00	0.00	27,157.84	27,157.84
00692	Djanogly Learning Trust	35,501.68	0.00	0.00	0.00	0.00	0.00	35,501.68	0.00	0.00	108,877.79	108,877.79
00693	Arboretum Primary School (Academy)	53,315.24	0.00	0.00	0.00	0.00	0.00	53,315.24	0.00	0.00	174,112.10	174,112.10
00697	Odyssey Trust	174,702.15	0.00	0.00	0.00	0.00	0.00	174,702.15	0.00	0.00	582,914.85	582,914.85
00698	Chellaston Junior School (EMET)	8,372.77	0.00	0.00	0.00	0.00	0.00	8,372.77	0.00	0.00	30,325.76	30,325.76
00699	Chellaston Infant School (EMET)	5,488.85	0.00	0.00	0.00	0.00	0.00	5,488.85	0.00	0.00	19,582.30	19,582.30
00700	Peak Multi Academy Trust	26,372.31	140.78	0.00	0.00	0.00	0.00	26,513.09	0.00	0.00	92,262.14	92,262.14
00704	Holme Hall Primary School	8,238.28	0.00	0.00	0.00	0.00	0.00	8,238.28	0.00	0.00	31,259.10	31,259.10
00705	Brookfield Primary School	17,120.69	0.00	0.00	0.00	0.00	0.00	17,120.69	0.00	0.00	61,598.32	61,598.32
00706	Richardson Endowed Primary School	11,137.79	0.00	0.00	0.00	0.00	0.00	11,137.79	0.00	0.00	40,552.62	40,552.62
00707	Woodthorpe CofE Primary School	7,484.85	0.00	0.00	0.00	0.00	0.00	7,484.85	0.00	0.00	27,234.11	27,234.11
00708	Ashgate Croft School	80,604.45	0.00	0.00	0.00	0.00	0.00	80,604.45	0.00	0.00	292,713.10	292,713.10
00709	Old Hall Junior School	12,109.33	0.00	0.00	0.00	0.00	0.00	12,109.33	0.00	0.00	44,613.34	44,613.34
00710	Walton Holymoorside Primary School	18,444.66	0.00	0.00	0.00	0.00	0.00	18,444.66	0.00	0.00	67,472.78	67,472.78
00711	Westfield Infant School	8,888.18	0.00	0.00	0.00	0.00	0.00	8,888.18	0.00	0.00	32,707.45	32,707.45
00712	Homefields Primary School (EMET)	9,213.43	0.00	0.00	0.00	0.00	0.00	9,213.43	0.00	0.00	33,524.70	33,524.70
00713	Brooklands Primary School	24,433.08	0.00	0.00	0.00	0.00	0.00	24,433.08	0.00	0.00	88,993.84	88,993.84
00714	Tupton Primary and Nursery Academy	17,501.24	0.00	0.00	0.00	0.00	0.00	17,501.24	0.00	0.00	64,288.76	64,288.76
00716	Carlyle Infant and Nursery School	13,225.43	0.00	0.00	0.00	0.00	0.00	13,225.43	0.00	0.00	49,682.84	49,682.84
00717	Hodthorpe Primary School	3,301.53	0.00	0.00	0.00	0.00	0.00	3,301.53	0.00	0.00	12,189.31	12,189.31
00719	Longford CofE Primary School	2,227.47	0.00	0.00	0.00	0.00	0.00	2,227.47	0.00	0.00	8,544.53	8,544.53
00722	St Andrew's School	54,602.12	0.00	0.00	0.00	0.00	0.00	54,602.12	0.00	0.00	195,711.74	195,711.74
00723	Church Gresley Infant and Nursery School	19,380.00	0.00	0.00	0.00	0.00	0.00	19,380.00	0.00	0.00	71,700.12	71,700.12
00724	Ravensdale Junior School	21,979.58	470.26	0.00	0.00	0.00	0.00	22,449.84	0.00	0.00	81,051.61	81,051.61
00725	Chellaston Fields	9,449.52	0.00	0.00	0.00	0.00	0.00	9,449.52	0.00	0.00	35,315.83	35,315.83
00726	The Mease At Hilton	6,278.09	0.00	0.00	0.00	0.00	0.00	6,278.09	0.00	0.00	22,812.42	22,812.42
00727	Hackwood Primary Academy	6,297.14	0.00	0.00	0.00	0.00	0.00	6,297.14	0.00	0.00	23,351.74	23,351.74
00728	Ivy House School	44,932.22	0.00	0.00	0.00	0.00	818.46	45,750.68	0.00	0.00	159,362.71	159,362.71
00729	Tupton Hall School	49,828.90	0.00	0.00	0.00	0.00	0.00	49,828.90	0.00	0.00	178,000.14	178,000.14
00730	St Werburgh's CofE Primary School	16,927.76	0.00	0.00	0.00	0.00	0.00	16,927.76	0.00	0.00	61,045.93	61,045.93
00731	St Giles' School	57,360.91	0.00	0.00	0.00	0.00	0.00	57,360.91	0.00	0.00	213,192.91	213,192.91
00732	The Green Infant School	5,276.23	0.00	0.00	0.00	0.00	0.00	5,276.23	0.00	0.00	19,893.72	19,893.72
00733	Lawn Primary School	25,771.98	0.00	0.00	0.00	0.00	0.00	25,771.98	0.00	0.00	93,954.91	93,954.91
00734	St Peter's Church of England Aided Junior School	9,598.74	0.00	0.00	0.00	0.00	0.00	9,598.74	0.00	0.00	34,571.04	34,571.04
00735	Springwell Community College	48,038.25	0.00	0.00	0.00	0.00	0.00	48,038.25	0.00	2,648.66	168,965.54	171,614.20
00736	North Wingfield Primary and Nursery Academy	26,245.00	0.00	0.00	0.00	0.00	0.00	26,245.00	0.00	56.09	95,507.73	95,563.82
00737	Chaucer Junior School	20,804.24	402.64	0.00	0.00	0.00	0.00	21,206.88	0.00	0.00	85,405.86	85,405.86
00738	Elmsleigh Infant & Nursery School	20,700.87	234.88	0.00	0.00	0.00	0.00	20,935.75	0.00	0.00	81,185.70	81,185.70

00739	Chaucer Infant School	18,646.25	0.00	0.00	0.00	0.00	0.00	18,646.25	0.00	0.00	72,063.58	72,063.58
00740	St Martins School	63,865.44	0.00	0.00	0.00	0.00	0.00	63,865.44	0.00	0.00	234,964.58	234,964.58
00741	Whaley Thorns Primary School	10,839.07	0.00	0.00	0.00	0.00	0.00	10,839.07	0.00	0.00	42,340.46	42,340.46
00742	Stubbin Wood School	93,525.42	0.00	0.00	0.00	0.00	0.00	93,525.42	0.00	0.00	347,029.10	347,029.10
00743	Model Village Primary School	17,397.64	0.00	0.00	0.00	0.00	0.00	17,397.64	0.00	0.00	68,029.34	68,029.34
00744	Gamesley Primary School	29,435.02	0.00	0.00	0.00	0.00	0.00	29,435.02	0.00	0.00	89,036.99	89,036.99
00745	Ashbrook Junior School	9,119.87	0.00	0.00	0.00	0.00	0.00	9,119.87	0.00	0.00	35,958.07	35,958.07
00746	Bakewell CofE Infant School	2,853.65	0.00	0.00	0.00	0.00	0.00	2,853.65	0.00	0.00	11,416.13	11,416.13
00747	Bishop Pursglove CofE Primary School	6,193.12	0.00	0.00	0.00	0.00	0.00	6,193.12	0.00	0.00	23,368.67	23,368.67
00748	Highfields Spencer Academy	7,849.19	0.00	(28.56)	0.00	0.00	0.00	7,820.63	0.00	0.00	30,366.38	30,366.38
00749	Hague Bar Primary School	5,387.86	0.00	0.00	0.00	0.00	0.00	5,387.86	0.00	0.00	21,758.25	21,758.25
00750	Glossopdale School	67,877.84	0.00	0.00	0.00	0.00	0.00	67,877.84	0.00	0.00	251,023.01	251,023.01
00751	Field House Infant School	13,181.52	0.00	0.00	0.00	0.00	0.00	13,181.52	0.00	0.00	50,558.14	50,558.14
00752	Ladywood Primary School	22,838.69	470.69	0.00	2,603.28	0.00	0.00	25,912.66	0.00	0.00	92,398.52	92,398.52
00753	Waingroves Primary School	9,575.30	0.00	0.00	0.00	0.00	0.00	9,575.30	0.00	0.00	36,910.39	36,910.39
00754	St James' CofE Aided Junior School	29,234.03	0.00	0.00	0.00	0.00	0.00	29,234.03	0.00	0.00	110,700.05	110,700.05
00755	Outwood Academy Hasland Hall	49,851.20	0.00	0.00	0.00	0.00	0.00	49,851.20	0.00	0.00	186,248.80	186,248.80
00756	Brackensdale Spencer Academy	51,808.14	0.00	0.00	0.00	0.00	0.00	51,808.14	0.00	0.00	198,994.59	198,994.59
00758	Hollingwood Primary School	17,597.64	0.00	0.00	0.00	0.00	0.00	17,597.64	0.00	0.00	68,258.52	68,258.52
00759	Castleward Spencer Academy	2,293.66	0.00	0.00	0.00	0.00	0.00	2,293.66	0.00	0.00	8,698.50	8,698.50
00760	Clover Leys Spencer Academy	1,376.27	0.00	0.00	0.00	0.00	0.00	1,376.27	0.00	0.00	5,249.09	5,249.09
00761	Highfields School	6,448.75	0.00	0.00	221.60	0.00	0.00	6,670.35	0.00	0.00	22,969.70	22,969.70
00762	Riddings Junior School	5,829.86	0.00	0.00	0.00	0.00	0.00	5,829.86	0.00	0.00	22,519.22	22,519.22
00763	William Rhodes Primary and Nursery School	2,272.05	0.00	0.00	0.00	0.00	0.00	2,272.05 #	0.00	0.00	8,770.90	8,770.90
00170	Crich Tramway Museum Society	3,299.67	0.00	0.00	0.00	0.00	0.00	3,299.67	0.00	0.00	16,388.96	16,388.96
00184	Chesterfield Care Group	5,083.02	0.00	0.00	0.00	0.00	0.00	5,083.02	0.00	0.00	2,777.68	2,777.68
00185	Belper Leisure Centre Ltd	11,265.10	0.00	0.00	0.00	0.00	0.00	11,265.10	999.96	0.00	59,503.08	60,503.04
00404	Derbys Student Residences Ltd	61,026.03	808.94	0.00	0.00	0.00	0.00	61,834.97	0.00	0.00	293,957.97	293,957.97
00414	Veloia (C'field Refuse)	6,611.40	0.00	0.00	0.00	0.00	0.00	6,611.40	0.00	0.00	8,839.17	8,839.17
00416	Vinci (ex Norwest Holst) PLC	1,623.38	0.00	0.00	0.00	0.00	0.00	1,623.38	0.00	0.00	2,372.63	2,372.63
00418	Interserve Integrated Services	1,785.82	0.00	0.00	0.00	0.00	0.00	1,785.82	0.00	0.00	6,515.58	6,515.58
00419	Interserve Catering Services	5,136.74	0.00	0.00	0.00	0.00	0.00	5,136.74	0.00	0.00	22,125.56	22,125.56
00420	DC Leisure Management Ltd (AV)	13,872.75	0.00	0.00	0.00	0.00	0.00	13,872.75	0.00	0.00	31,756.08	31,756.08
00424	Balfour Beatty	2,638.49	0.00	0.00	0.00	0.00	0.00	2,638.49	0.00	0.00	7,279.23	7,279.23
00425	Macintyre Care	5,521.29	0.00	0.00	0.00	0.00	0.00	5,521.29	0.00	0.00	0.00	0.00
00443	Mitie	4,433.17	0.00	0.00	0.00	0.00	0.00	4,433.17	0.00	0.00	24,048.16	24,048.16
00444	Compass (DCC)	940.69	0.00	0.00	0.00	0.00	0.00	940.69	0.00	0.00	3,173.67	3,173.67
00446	Active Nation	204.58	0.00	0.00	0.00	0.00	0.00	204.58	0.00	0.00	736.44	736.44
00451	Compass Ltd (City)	4,429.60	0.00	0.00	0.00	0.00	0.00	4,429.60	0.00	0.00	13,864.55	13,864.55
00453	Cleanslate (UK) Ltd (Pottery)	660.50	0.00	0.00	0.00	0.00	0.00	660.50	0.00	0.00	1,969.50	1,969.50
00457	Derby Museums and Arts Trust	25,079.81	0.00	0.00	0.00	0.00	0.00	25,079.81	0.00	0.00	85,423.71	85,423.71
00460	Balfour Beatty (Derby BSF)	2,425.13	0.00	0.00	0.00	0.00	0.00	2,425.13	0.00	0.00	9,895.21	9,895.21
00467	Derby County Community Trust	2,255.92	0.00	0.00	0.00	0.00	0.00	2,255.92	15,984.00	0.00	11,991.27	27,975.27
00468	Aspens Services Ltd	1,047.35	0.00	0.00	0.00	0.00	0.00	1,047.35	0.00	0.00	5,427.40	5,427.40
00470	Vinci Construction UK Ltd (Ashcroft & Portway)	35.97	0.00	0.00	0.00	0.00	0.00	35.97	0.00	0.00	191.01	191.01
00471	NSL Ltd	2,399.31	0.00	0.00	0.00	0.00	0.00	2,399.31	0.00	0.00	7,493.22	7,493.22
00472	Mellors Catering Services Ltd	376.08	0.00	0.00	0.00	0.00	0.00	376.08	0.00	0.00	0.00	0.00
00475	Connex Community Support	1,209.40	0.00	0.00	0.00	0.00	0.00	1,209.40	0.00	0.00	4,378.87	4,378.87
00478	Taylor Shaw	1,390.00	0.00	0.00	0.00	0.00	0.00	1,390.00	0.00	0.00	5,771.18	5,771.18
00479	Action for Children	39.18	0.00	0.00	0.00	0.00	0.00	39.18	0.00	0.00	117.54	117.54
00481	Mellors Catering	786.94	0.00	0.00	0.00	0.00	0.00	786.94	0.00	0.00	4,292.53	4,292.53
00482	Derbyshire Building Control	56,330.14	0.00	0.00	0.00	0.00	0.00	56,330.14	0.00	0.00	215,592.69	215,592.69
00483	Amber Valley School Sports Partnership	2,449.19	0.00	0.00	0.00	0.00	0.00	2,449.19	0.00	0.00	8,283.99	8,283.99
00484	Caterlink Ltd (Lea Primary)	366.07	0.00	0.00	0.00	0.00	0.00	366.07	0.00	0.00	830.40	830.40
00485	Alliance Environmental Services Ltd	72,165.94	0.00	0.00	0.00	0.00	0.00	72,165.94	0.00	0.00	212,617.06	212,617.06
00491	Caterlink Ltd (St Mary's Chesterfield)	1,636.38	0.00	0.00	0.00	0.00	0.00	1,636.38	0.00	0.00	9,937.39	9,937.39
00493	Wealden Leisure Ltd (Freedom Leisure)	38,225.56	0.00	0.00	0.00	0.00	0.00	38,225.56	0.00	0.00	171,928.12	171,928.12
00495	Caterlink Ltd (St Mary's High School)	8,340.67	0.00	0.00	0.00	0.00	0.00	8,340.67	0.00	0.00	45,474.15	45,474.15
00497	Churchill Contract Services Ltd (St Marys Chesterfield)	2,114.37	0.00	0.00	0.00	0.00	0.00	2,114.37	0.00	0.00	15,377.20	15,377.20
00499	Legacy Leisure Ltd (Parkwood Leisure) Erewash	28,849.03	91.96	0.00	0.00	0.00	0.00	28,940.99	0.00	0.00	127,223.79	127,223.79

00500	Caterlink Ltd (De Ferrers Trust)	3,784.88	0.00	0.00	0.00	0.00	0.00	3,784.88	0.00	0.00	22,039.65	22,039.65
00502	Caterlink Ltd (Cavendish Learning Trust)	3,374.14	0.00	0.00	0.00	0.00	0.00	3,374.14	0.00	0.00	18,099.69	18,099.69
00503	Parkwood Leisure Ltd (Buxton Pavilion)	2,571.34	0.00	0.00	0.00	0.00	0.00	2,571.34	0.00	0.00	10,871.30	10,871.30
00504	Lex Leisure CIC (HP)	15,180.97	0.00	0.00	0.00	0.00	0.00	15,180.97	0.00	0.00	79,172.80	79,172.80
00505	Accuro FM Ltd	282.96	0.00	0.00	0.00	0.00	0.00	282.96	0.00	0.00	1,666.92	1,666.92
00506	Churchill (Hilton School)	1,334.44	0.00	0.00	0.00	0.00	0.00	1,334.44	0.00	0.00	7,958.16	7,958.16
00507	Aspens Services Ltd (Kirk Hallam)	4,324.09	0.00	0.00	0.00	0.00	0.00	4,324.09	0.00	0.00	26,752.14	26,752.14
00508	Mellors Catering (Two Counties)	11,537.91	0.00	0.00	0.00	0.00	0.00	11,537.91	0.00	0.00	75,081.59	75,081.59
00509	Agincare (Derby) Ltd	14,935.44	0.00	0.00	0.00	0.00	0.00	14,935.44	0.00	0.00	78,422.78	78,422.78
00510	Churchill (Spencer Academy Trust)	5,950.74	0.00	0.00	0.00	0.00	0.00	5,950.74		0.00	33,972.82	33,972.82
00511	Caterlink (Parkwood & Redwood)	135.72	0.00	0.00	0.00	0.00	0.00	135.72	0.00	0.00	4,390.40	4,390.40
00512	Amber Valley Norse (AVBC)	15,593.36	0.00	0.00	0.00	0.00	0.00	15,593.36	0.00	0.00	87,512.04	87,512.04
00513	Churchill Services (Kirk Hallam)	1,808.79	0.00	0.00	0.00	0.00	0.00	1,808.79	0.00	0.00	11,773.54	11,773.54
00514	Mellors Catering (Shirebrook & Stubbin Wood)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00515	Vertas Derbyshire Ltd	345,609.73	534.16	0.00	0.00	0.00	0.00	346,143.89	0.00	17,071.01	1,270,041.38	1,287,112.39
00516	Concertus Derbyshire Ltd	57,228.07	0.00	0.00	550.00	0.00	0.00	57,778.07	0.00	0.00	180,259.21	180,259.21
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)	6,868.91	0.00	0.00	0.00	0.00	0.00	6,868.91	0.00	0.00	28,974.35	28,974.35
00519	Accuro FM (St Andrews Academy)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00520	Action for Children(Derby City)	8,286.84	0.00	0.00	0.00	0.00	0.00	8,286.84	0.00	0.00	29,604.61	29,604.61
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)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00525	Vinci PLC (Portway Junior School)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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
	TOTAL	**43,676,966.23**	**225,898.32**	**(227.81)**	**107,606.97**	**0.00**	**46,138.55**	**44,056,382.26**	**12,153,716.79**	**47,580.45**	**133,378,780.64**	**145,580,077.88**

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