

DEVON PENSION BOARD

6 July 2020

Present

Councillors C Slade (Chair) and S Randall-Johnson

William Nicholls (Independent Member, non-voting)
Carl Hearn (Fund Employer Representative)
Julie Bailey (Fund Member Representative)
Paul Phillips (Fund Member Representative)
Andy Bowman (Fund Member Representative)
Carrie Piper (Fund Employer Representative)

Attending in Accordance with Standing Order 25

Councillor R Bloxham

Apologies:-

C Shipp

* **164** **Election of Chair and Vice Chair**

RESOLVED that Councillor C Slade be elected Chair and A Bowman be elected Vice Chair for the ensuing year.

* **165** **Minutes**

RESOLVED that the Minutes of the meeting held on 16 January 2020 be signed as a correct record.

* **166** **Items Requiring Urgent Attention**

No item was raised as a matter of urgency.

* **167** **Review of Attendance and Pension Board Terms of Reference**

The Board considered the Report of the County Treasurer (CT/20/49) on the Devon Pension Board's Term of Reference and constitution which included knowledge and understanding required of Members. A log showing the attendance of both board meeting and training events was attached in Appendix 1.

It was **MOVED** by A Bowman, **SECONDED** by C Hearn and

RESOLVED

(a) that the Pension Board's Terms of Reference be approved, subject to inclusion in Section 11. Knowledge and Understanding reference to a requirement that Members complete the TPR Training within a reasonable period and also referenced in the Training Manual; and

(b) that the Board's attendance log be noted.

* **168** **Pension Board Email Address**

The Board considered the Report of the County Treasurer (CT/20/50) on proposals relating to Members' email addresses for Board matters.

It was **MOVED** by A Bowman, **SECONDED** by C Hearn, and

RESOLVED that Board members be provided with email addresses on the basis of Option 2 as outlined in the Report.

* **169** **Pension Board Budget Outturn 2019/20 and Proposed Budget 2020/21**

The Board considered the Report of the County Treasurer (CT/20/51) on the budget for the direct costs for the Devon Pension Board for 2019/20 (agreed by the Board at its meeting on 3rd April 2019) and on a Budget Monitoring Statement – Outturn 2019/20. The Report also detailed the proposed budget for 2020/21.

The budget monitoring statement showed the forecast outturn position for the financial year ending 31st March 2020 as set out in the Report.

It was **MOVED** by Councillor S Randall Johnson, **SECONDED** by A Bowman and

RESOLVED

(a) that the Outturn for the Devon Pension Board budget 2019/20 be noted; and

(b) that the Devon Pension Board Budget for 2020/21 be approved.

* **170** **Devon Pension Fund Risk Register**

(Councillor R Bloxham attended in accordance with Standing Order 25 (2) and spoke on governance matters relating to the Brunel Partnership Board currently under review by officers from this Fund and other partners)

The Board considered the Report of the County Treasurer (CT/20/52) on the Risk Register (previously considered by the Board on 16th January 2020). The Risk Register (attached at Appendix 1 to this report) highlighted the key risks in relation to the Pension Fund, the current processes in place to mitigate the risk, and the planned improvements in place to provide further assurance. It incorporated the risk register of both the Investments Team and Peninsula Pensions and also the Register had been incorporated into the Authority's risk management system. A summary on risk management and the matrix used to assess risks was also attached at Appendix 2.

The Investment and Pension Fund Committee was the ultimate risk owner for the Pension Fund and the Risk Register was presented to the Committee on an annual basis. This version had been approved by the Committee at its meeting held on 19th June 2020.

Members' comments in discussion with the Officers included:

- the County Council website which included the Risk Register was under review in terms of the accessibility requirement and would be updated;
- the Devon Audit Partnership would carry out regular review and assessments and report on the actions carried out to mitigate the identified risks;
- the ongoing review relating to governance arrangements in relation to the Brunel Partnership Board and oversight by the Brunel Oversight Board involving representatives from the constituent partners;
- continuous monitoring of Employer contributions noting there were no outstanding issues currently;
- in F4 and F17 the need to amend the wording in the Mitigating controls from 'The Fund *expects* its fund managers....' to '*requires* its fund managers..' which would be taken forward by the Officers at the next review; and
- in PP17 the need for further consideration of the Mitigations identified which the Officers would take forward.

It was **MOVED** by A Bowman, **SECONDED** by Councillor S Randall Johnson and

RESOLVED that the Pension Fund Risk Register and the additional actions proposed to mitigate risk be approved subject to the actions as outlined above relating to F4, F17 and PP17.

* **171** **Investment and Pension Fund Committee**

(Councillor Bloxham attended in accordance with Standing Order 25 and spoke to this item referring to matters raised at the Investment and Pension Fund Committee)

The Board received the Minutes of the Investment and Pension Fund Committee held on 19 June 2020.

* **172** **Contribution Monitoring Report**

The Board considered the Report of the County Treasurer (CT/20/53) on an update on the current procedures for monitoring of timely payment of contributions from employers

The Report detailed a summary of the monthly contributions received in 2019/20 for each scheme employer, including contributions received late. These had been one off events rather than repeat offenders and often received just after the deadline and where no action had been taken.

It was **MOVED** by Councillor C Slade, **SECONDED** by Councillor S Randall Johnson and

RESOLVED that the actions taken to monitor contribution payments be noted.

* **173** **Peninsula Pensions Administration Update and Performance Statistics**

The Board considered the Report of the County Treasurer (CT20/54) on Peninsula Pensions' internal service standard and internal target. Peninsula Pensions also monitored performance against the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, which set out the minimum requirements regarding the disclosure of pension information. This additional reporting element had been introduced in 1st January 2019.

Overall performance against internal targets for the quarter ending 31st March 2020 was 91%, outperforming the internal target by 1%. This brought the total performance for the 2019/20 financial year to 90% (compared with 77% for 2017/18 and 78% for 2018/19).

Performance against the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 for the financial year 2019/20 was 95%.

Appendix 1 of the Report provided a detailed breakdown of administration performance relating to the Devon Pension Fund for the quarter ending 31st March 2020 and included the total performance for the financial year 2019/20 against Peninsula Pensions' internal targets and against the Disclosure Regulations.

Appendix 2 of the Report presented the longer-term performance of Peninsula Pensions (Devon Pension Fund only) from 1st January 2018 to 31st March 2020.

Members' discussion points with the Officers included:

- the majority of complaints from Scheme Members related to retirement pension settlements and detailed training notes were being drafted by officers in each area (for example ill-health, early retirement and redundancy) which it was hoped would reduce the current low level of complaints;

- the number of complaints escalated to the formal process was small and would be detailed in the annual report;
- the recent high level of complimentary reports by Scheme Members during this period of the COVID-19 lockdown period despite Pension Teams working from home and increasing sign-up to the on-line self-service by Scheme Members; and
- the commendable performance by the Pensions Team.

It was **MOVED** by Councillor Randall Johnson, **SECONDED** by C Piper and

RESOLVED that Peninsula Pension management and staff be thanked and commended for the massive improvement in productivity noting that exceeding performance targets represented a significant benefit for Scheme Members.

* **174** **LGPS Update**

The Board considered the Report of the County Treasurer (CT/20/55) on Exit Credits, The McCloud update; and the Supreme Court decision on LGPS Investment Guidance and Pension Fund Funding Strategy Statement recently approved by the Investment and Pension Fund Committee.

Members' comments and discussion with Officers included:

- the view of Department for Communities and Local Government (DCLG) on the McCloud case was expected shortly and then the ramifications for the Fund could be assessed; and
- a suggestion that in the Strategy Statement reference should be made that the Fund Actuary, Barnett Waddingham LLP was independent (and officers agreed to make this amendment at the next review of the Statement for consideration by the Investment and Pension Fund Committee).

It was **MOVED** by Councillor C Slade, **SECONDED** by Councillor S Randall Johnson and

RESOLVED that the latest LGPS update be noted subject to the proposed action as outlined above relating to the Pension Fund Funding Strategy Statement.

* **175** **Actions and Recommendations Tracker Reports**

The Board received and noted the Report of the County Treasurer (CT/20/56) on the Audit action log created to track progress and completion of audit actions and recommendations from findings from internal audit reports. In addition, officers had also produced a log of actions and requests raised by this Board.

Progress against this year's audit plan (2020/21) was detailed and due to the nature of the audits required for Peninsula Pensions and with the team currently working at home, it had been agreed to delay those audits until later in the year. Focus was therefore on completing the Pension Fund audits.

Members commended the Audit Partnership's positive assurance opinions in respect of the areas covered by the 2019/20 Audit all deemed to be of a 'Good Standard'.

* **176** **Future Work Programme**

The Board received the Report of the County Treasurer (CT/20/57) on the Future Work Programme including standing items.

* **177** **Dates**

Members noted the Pension Board meeting dates at 10.30am as follows (subject to confirmation):

Monday, 19th October 2020
Friday, 22nd January 2021; and
Monday, 26th April 2021

The Meeting started at 10.30 am and finished at 11.35 am