

DEVON PENSION BOARD

19 October 2020

Present

Councillors C Slade (Chair) and S Randall-Johnson

William Nicholls, Independent Member
Carl Hearn, Fund Employer Representative
Julie Bailey, Fund Member Representative
Paul Phillips, Fund Member Representative
Andy Bowman, Fund Member Representative
Colin Shipp, Fund Member Representative
Carrie Piper, Fund Employer Representative

Attending in Accordance with Standing Order 25
Councillor R Bloxham

* **178** **Minutes**

RESOLVED that the Minutes of the meeting held on 6 July 2020 be signed as a correct record.

* **179** **Items Requiring Urgent Attention**

No item was raised as a matter of urgency.

* **180** **Review of Attendance**

The Board received the log showing attendance at Board meetings and training undertaken by Members.

* **181** **Governance Policy Review**

The Board considered the Report of the County Treasurer (CT/20/75) inviting members, in accordance with best practice, to review Fund policies and the four statutory policies that the Fund was required to maintain. These were the Funding Strategy Statement, the Investment Strategy Statement, the Communications Policy; and the Governance Policy and Compliance Statement.

Members commented on the need to reference in the Statements that Board and Investment and Pension Fund Committee Members 'should/must' undertake/attend the necessary training programmes (in accordance with LGA recommendations).

* **182** **Pension Board Budget Monitoring 2020/21 - Month 6**

The Board noted the Report of the County Treasurer (CT/20/76) on the Board's budget monitoring statement for month 6. (as at the 30th September 2019). This was detailed in the Report.

* **183** **Devon Pension Fund Risk Register**

The Board considered the Report of the County Treasurer (CT/20/77) on the Risk Register (attached at Appendix 1 to the Report). It 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 Investment

Team and Peninsula Pensions. A one-page summary on risk management and the matrix used to assess risks was attached at Appendix 2.

Risks were assessed in terms of the potential impact of the risk event should it occur, and in terms of the likelihood of it occurring. These were then combined to produce an overall risk score. Each risk was scored assuming no mitigation, and then on the basis of the mitigation in place.

Members' comments and discussion points with Officers included:

- the format detailing the risks and mitigations would be amended for future reports;
- as of August 2020, the Fund's value (£4.6bn) had recovered to the pre C-9 level;
- the need for regular reporting back to the Committee and Board in relation to F17 on Climate Change and investment strategy and higher profile on the Fund's Website;
- the impact of negative interest rates (should that arise) on which Officers would give consideration with a view to producing a briefing report for Board and Committee Members and whether this should be referenced in the Register;
- B3 direction of travel icon missing;
- implications of the Mcloud Judgement on which the Actuary had been commissioned to analyse the impact on members of the Fund with a view to making the necessary changes in-house;
- a review of all Peninsula Pension risks would be undertaken by the Manager;
- the need to review the number of green and amber designations (appeared to be too many greens); and
- the need for the completion of the Members' Handbook and holistic review of the Register by 31 December 2020.

* **184** **Investment and Pension Fund Committee**

(Councillor R 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.

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

The Board noted the Report of the County Treasurer (CT/20/78) on Peninsula Pensions' internal service standard targets and 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.

The Report detailed a performance summary, high, medium and low priority cases.

Members' discussion points/comments with the Officers included:

- the general improvement in performance meeting or exceeding targets even with the change to home-working arising from the pandemic. Whilst this allowed for more staff flexibility the change had exceeded performance expectations; however, the longer term implications for staff welfare would need to be assessed;
- most fund members were converting to the on-line self-service which was helpful; and
- staff were now talking with complainants before initiating the internal resolution process which was proving beneficial for all parties.

* **186** **Internal Audit**

The Board noted the Report of the County Treasurer (CT/20/79) on a revised internal audit plan for 2020/21 following the lockdown restrictions imposed as a result of COVID-19. As a

result, the priorities for Peninsula Pensions had changed to ensure that the Team was able to continue to provide a service to members and employers throughout the pandemic.

The Report set out the original plan and the revised plan highlighting the changes. The revised Plan had been agreed with the Devon Audit Partnership.

* **187** **Breaches Report**

The Board considered the Report of the County Treasurer (CT/20/80) on the record of breaches. The three breaches recorded were determined not to be of material significance and had not been required to be reported to the Pensions Regulator. The Report detailed the outcomes and any outstanding issues.

The Board congratulated the Peninsula Pensions Team for their excellent performance during difficult circumstances (as indicated by this Breaches Report and the Performance Report).

* **188** **LGPS Update**

The Board received the Report of the County Treasurer (CT/20/81) on the latest LGPS consultations and recent Ministry of Housing, Communities and Local Government (MHCLG) feedback on a range of issues. In particular the Report focused on the McCloud consultation which closed for responses on 8th October 2020. It also referred to the Cost Cap process, the Exit payment cap and a review of Employer contributions.

The Ministry of Housing, Communities and Local Government had issued a consultation on reforming the Local Government exit pay which would close on 9th November. However, the Board also noted that the Cost Cap regulations had been approved by Government and would come into effect shortly (21 October) even though consultations were ongoing in respect Exit Cap.

* **189** **Actions and Recommendations Trackers**

The Board considered the Report of the County Treasurer (CT/20/82) on progress on completing actions arising from internal audits and Pension Board recommendations and requests.

The Report detailed the progress against this year's audit plan. It had been agreed that audit work would focus on the pension fund audits initially though work had now commenced on the revised Peninsula Pension audits.

* **190** **Future Work Programme**

The Board received and noted the Report of the County Treasurer (CT/20/83) on the Board's Future Work Programme over the next three meetings.

* **191** **Dates of Meetings**

Meetings to be held at 10.30 am as follows:

Friday, 22nd January 2021
Monday, 26th April 2021
Tuesday, 13th July 2021
Monday, 11th October 2021
Wednesday, 2nd February 2022 and
Wednesday, 4th May 2022

The Meeting started at 10.30 am and finished at 11.40 am