

DEVON PENSION BOARD

22 January 2021

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

Attending in Accordance with Standing Order 25

Councillors R Bloxham and J Hodgson

* **192** **Minutes**

RESOLVED that the Minutes of the meeting held on 19 October 2020 be signed as a correct record.

* **193** **Items Requiring Urgent Attention**

No item was raised as a matter of urgency.

* **194** **Pension Board Membership**

The Board noted the Report of the County Treasurer (CT/21/6) on Pension Board's membership as constituted in 2015. Under the Board's terms of reference, two employer reps were appointed annually by the County Council, and two were appointed from an annual employer meeting, one for an initial four year term and one for an initial six year term. Four fund member representatives were appointed from applicants responding to an advertisement following an interview process, two for a four year term and two for a six year term. A non-voting independent member was also appointed for a six year term.

The report outlined the process for advertisement and appointments which would be subject to confirmation at the Annual Meeting of the Council in May 2021.

* **195** **Review of Attendance**

The Board noted the Report of the County Treasurer (CT/21/07) on the record and review of Member attendance of meetings and training events in accordance with the Board's Terms of Reference.

The record of attendance would be updated to correct any inaccuracies.

Members suggested that the record be reviewed by Officers to distinguish attendance at mandatory and discretionary training events. A member also referred to the useful monthly training provided on-line by the Local Government Association.

* **196** **Investment Strategy Statement**

(Councillor J Hodgson attended in accordance with Standing Order 25 and spoke to this item referring to the Social, Environmental and Governance policy and the view to increase the current carbon reduction target).

The Board considered the Report of the County Treasurer (CT/21/08) on the Investment Strategy Statement and draft update which was attached at Appendix 1. The main change was an update of the stewardship section which had been revised to reflect the updated UK Stewardship Code and new policy documents published by the Brunel Pension Partnership.

Members' comments and discussion with Officers included:

- clarification of the 7% carbon reduction target within the Statement (whether an ongoing annual reduction target); and
- the Statement did reflect the Board Members' view that there were appropriate and comprehensive Governance and Stewardship arrangements in place.

These views would be relayed to the Investment and Pension Fund Committee on 26th February, when the revised Statement was due to be presented for approval.

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

RESOLVED that the revised Investment Strategy Statement set out in Appendix 1 to this Report be endorsed, and the comments outlined above be submitted to the Investment and Pension Fund Committee for consideration.

* **197** **Devon Pension Fund Risk Register**

The Board considered the Report of the County Treasurer (CT/21/09) on the identified risks incorporated in the Fund's Risk Register for monitoring by the Board as part of its scrutiny role. The Board had been previously considered the Risk Register at its meeting on 19th October 2020.

The Risk Register was attached at Appendix 1 to the Report and it highlighted the key risks in relation to the Pension Fund, the current processes in place to mitigate these risks, and the planned improvements in place to provide further

assurance. It incorporated the risk register of both the Investments Team and Peninsula Pensions. The Report also detailed risk changes since the last meeting of the Board relating to the pandemic, carbon reduction, negative interest rates, and Brexit.

Members' discussion points with the Officers included:

- employer data security and current arrangements to mitigate the risk including a recent initiative requesting employers to confirm and sign off information; and ongoing improvements as part of the current Improvement Plan relating to data accuracy and security;
- annual consultative meeting: clarification within the Register relating to invitees;
- implications of the McLeod/Sergeant judgement on which no action could be taken pending the outcome of Government advice;
- current legal challenges in regard to the Exit Cap and conflict between Public Sector and the Local Government Pension Scheme; and
- PP17 - Pension System failure: the need to retain this on the Register noting the secure and effective mitigation measures in place.

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

RESOLVED that the Pension Fund Register and the additional actions proposed to mitigate risk be endorsed.

* 198 **Investment and Pension Fund Committee**

(Councillor R Bloxham attended in accordance with Standing Order 25 and spoke to this item).

The Board received the Minutes of the Investment and Pension Fund Committee held on 27 November 2020.

* 199 **Peninsula Pensions Performance Report**

The Board noted the Report of the County Treasurer (CT/21/10) on Peninsula Pensions' Team performance.

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.

The Report detailed performance summary and the high, medium and low priority areas.

Members' discussion points with the Officers included:

- the excellent performance of Peninsula Pensions staff during the difficult circumstances of the pandemic which was commended by the Board;
- the majority of complaints received related to recently retired members' expectations as to the timing of payments when Peninsula Pensions was reliant on timely information from the employer; and improvements were planned to introduce inter-month payments rather than waiting for the pay roll;
- additional work and pressures on the Team from last June as a result of a new HR system introduced by a major employer; and
- the improved Peninsula Pension website conforming with recent accessibility requirements: <https://www.peninsulapensions.org.uk/> and an employer representative acknowledged its quality and they encouraged their staff to sign into the on-line self-service facility.

* **200** **Actions and Recommendations Tracker**

(Councillor Hodgson attended in accordance with Standing Order 25 and spoke to this item referring to climate change policy)

The Board noted the Report of the County Treasurer (CT/21/11) 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.

Members' discussion points with the Officers included:

- progress of the drafting of the Members' Handbook which Members agreed should, when finalised, be made available on-line in a printable format; and
- planned actions in hand as a result of Board recommendations in relation to dedicated ESG webpages and climate change.

* **201** **Future Work Programme**

The Board received and noted the Report of the County Treasurer (CT/21/12) on the Board's Future Work Programme over the next three meetings.

* **202** **Dates of Future Meetings**

Meetings to be held at 10.30 am as follows:

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 11.20 am