

DEVON PENSION BOARD

13 July 2021

Present:-

Councillor S Randall-Johnson, Councillor C Slade (Chair), C Hearn, J Bailey, P Phillips, A Bowman, C Shipp and C Piper

Member attending in accordance with Standing Order 25

Councillor J Morrish

* **1** **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.

* **2** **Minutes**

RESOLVED that the Minutes of the meeting on 26 April 2021 be signed as a correct record.

* **3** **Items Requiring Urgent Attention**

No item was raised as a matter of urgency.

* **4** **Membership: Independent Member position**

The Board noted that the Independent Member role remained vacant and that the position was being re-advertised.

* **5** **Review of Attendance and Terms of Reference**

The Board noted the Report of the County Treasurer (CT/21/64) on a log of attendance of Members at Board meetings and training events and on the annual review of its Terms of Reference (attached to the Report at appendix 1 and 2 respectively).

The County Treasurer reported that the LGPS Scheme Advisory Board had suggested that the option for remote/hybrid meetings could also be referred to in the Terms of Reference of Pension Boards.

A member asked whether this Board [in reference to section 12 of the Terms of Reference] could also report any concerns to Scheme Advisory Board as well as the Pensions Regulator (on which clarification would be provided to Members by Officers).

The next meeting of the Board on 11 October 2021 would be held remotely and subject to review thereafter.

* **6 Pension Fund Risk Register**

The Board considered the Report of the County Treasurer (CT/21/65) on identified risks incorporated within the Fund's Risk Register relating to the Pension Fund and Peninsula Pensions.

The Board had previously considered the Risk Register at its meeting on 26th April 2021 (attached at Appendix 1 and Appendix 2 of the Report). The Register highlighted the key risks in relation to the Pension Fund and Peninsula Pensions, the current processes in place to mitigate the risk, and the planned improvements in place to provide further assurance. A summary on risk management and the matrix used to assess risks was also attached at Appendix 3.

The Investment and Pension Fund Committee was the ultimate owner of the Risk Register and which was presented to that Committee on annual basis (next due on 17 September 2021).

The Report also detailed proposed additional actions to mitigate risks and the removal of risks PF12 and PP9 relating to transfer from the LGPS to personal pensions as these were no longer perceived to be significant.

There were now 46 risks in the Register and the Report also summarised the risks assigned to low, medium and high-risk scores before and after mitigation.

Members' discussion points with Officers included:

- whilst the Register and risks were subject to ongoing review some indication of completion of formal reviews by officers, this Board and the Committee should be recorded;
- the need for further consideration by Officers of the risks relating to growing inflationary pressures (PF 7);
- review of the impact of the Mcloud judgement (F16);
- assurance by Officers on the Data and System Security which was independently tested and also reviewed by internal audit;
- in regard to key personnel (PP10) there was regular review by Officers of terms and conditions offered by alternative employers in addition to the mitigations listed in the Register and also work was underway to review and improve current job descriptions;
- concern by Members in regard to the number of 'Green' assessments within the mitigation controls; and whilst this appeared positive it did not necessarily provide adequate assurance that these were the optimum mitigations available and there was no or little assessment as to the prevailing risk following the introduction of the mitigations as listed; and

- date information should also be included for example in relation to risks PP5,6, 12,14 and 16.

The Board noted the Pension Fund Register and endorsed the additional actions proposed to mitigate risk subject to consideration by the Officers of the points raised above and report to the Investment and Pension Fund Committee.

* **7** **Investment and Pension Fund Committee**

(Councillor J Morrish [Chair of the Investment and Pension Fund Committee] attended in accordance with Standing Order 25 and spoke to this item and referred to ethical, social and governance matters particularly in relation to fossil fuels and the work of Brunel in this area)

The Board noted the Minutes of the Investment and Pension Fund Committee held on 18 June 2021.

* **8** **Peninsula Pensions Performance**

The Board noted the Report of the County Treasurer (CT/21/66) on the performance the Peninsula Pensions services both internally and against the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, which set out the minimum requirements regarding the disclosure of pension information.

Performance targets were monitored on a monthly basis via a task management system and reporting tool within the pension database.

Total performance against internal targets for the quarter ending 31st March 2021 was 91%, despite the continued impact of COVID19. This brought the total performance for the 2020/21 financial year to 92%.

Total performance against the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 for the quarter ending 31st March 2021 was also 91%, bringing total performance for the financial year to 93%.

The Team had also received a total of 26 compliments over the quarter which was very encouraging.

Appendix 1 of the report provided a detailed breakdown of administration performance relating to the Devon Pension Fund only for the quarter ending 31st March 2021 and for the financial year 2020/21 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 2019 to 31st March 2021.

The Board noted that performance was on target across almost all areas and whilst noting that 'Employer Queries' were increasing this was dependent on Employers supplying timely information. This point could be made clearer in future reports and should be included.

Improved performance data would be available in a clearer format following the introduction of new software which could now be run in-house and which also facilitated real-time information on Team performance.

* **9** **Local Government Pension Scheme (LGPS) Update**

The Board noted the Report of the County Treasurer (CT/21/67) on an update on the latest developments affecting the Local Government Pension Scheme (LGPS) covering Exit Credits, the Finance Act 2021 which included a provision to freeze the lifetime limit, and the cost cap consultation.

Officers responded to Members' questions relating to:

- the lifetime allowance and Peninsula Pensions would provide information on request to Independent Financial Advisers as it was legally obliged to do so; and
- the cost cap calculation and its implications following a Government Actuarial review.

* **10** **Actions and Recommendations Tracker**

The Board noted the Report of the County Treasurer (CT/21/68) on an Audit action log (as requested at the previous meeting) created to track progress and completion of audit actions and recommendations. In addition, officers had also produced a log of actions and requests raised by the Pension Board. The report also outlined the agreed Audit Plan 2020/21 risk areas for both the Fund and Peninsula Pensions.

Discussion points with Officers and Members included:

- the progress and flexibility of the Audit Plan which was subject to adaptation depending on developments for example relating to homeworking;
- the need to include more date information (target and completion dates within the logs); and
- consideration by officers to creating a central admin mailbox in relation to queries for Board Members and deletion of member emails from the Fund's and Peninsula Pensions' websites.

* 11 **Future Work Programme**

The Board received and noted the Report of the County Treasurer (CT/21/69) on the Board's Work Programme over the next three meetings.

Member discussion points included:

- consideration to report by Audit on progress against their plans and findings twice annually (around April and October of each year);
- prioritisation of the consideration of the four statutory statements; and
- information and report on new methodology proposed by Brunel in the assessment of the Fund's CO2 footprint which would be discussed at their investor days; and Officers would re-send the meeting invite to Board Members.

* 12 **Dates of Meetings**

Monday, 11 October 2021 (Virtual meeting); Wednesday, 2 February 2022; and Wednesday, 4 May 2022 all at 10.30 am.

Confirmation of Committee meetings available at:

[Browse Meetings, 2000 - Democracy in Devon](#)

NOTES:

1. *Minutes should always be read in association with any Reports for a complete record.*
2. *If the meeting has been webcast, it will be available to view on the [webcasting site](#) for up to 12 months from the date of the meeting*

* **DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 10.30 am and finished at 11.30 am