

DEVON PENSION BOARD

18 October 2022

Present:-

Councillors C Slade (Chair) and S Randall Johnson,

Other Employers Representatives

D Walshe and C Hearn,

Fund Member Representatives

J Bailey and P Phillips, A Bowman (Vice-Chair) and C Shipp

Independent Representative

R Jeanes

* **68** Minutes

RESOLVED that the Minutes of the Meeting held on 19 July 2022 be signed as a correct record.

* **69** Items requiring Urgent Attention

No item was raised as a matter of urgency.

* **70** Membership

The Board noted that Carl Hearn's term would expire next year and he has agreed to stand again. This will be raised at the employer meeting on 2nd November. 2 member representative positions (Paul Phillips and Julie Bailey) were also due to expire next year.

* **71** Review of Attendance

The Board noted the Report of the Director of Finance and Public Value (DF/22/91) on the attendance of the Board meetings and training events (Appendix 1 of the report) and the Board's updated terms of reference which had been adopted in its creation meeting in July 2015. The current Terms of Reference was attached in Appendix 2.

The Board endorsed the Terms of Reference.

* **72** Contribution Monitoring

The Board noted the Report of the Director of Finance and Public Value (DF/22/92) on current procedures for monitoring of timely payment of contributions from employers and the monitoring process

Where contributions were received after the legal deadline and the Authority considered that late payment was of material significance, it had a duty to notify the Pensions Regulator of the employer's failure to meet the legal deadline.

The Report showed a summary (in a table format) of the monthly contributions received in Q2 2022/23. A total of 8 contributions had been received late during this quarter, 4 of which related to two Town and Parish Councils where both the April and May contributions had been received late. A communication has been sent to all Town and Parish Councils. The other four late contributions were one-off events.

The Officers outlined the legal deadlines for employer/employee contributions and confirmed that there had no repeat of late contributions from the two parish/town councils referred to.

* **73**

Devon Pension Fund Risk Register

The Board considered Report of the Director of Finance and Public Value (DF/22/93) on the identified risks incorporated into the Fund's Risk Register.

The Risk Register was attached at Appendix 1 to the report and 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.

In addition to the current mitigation in place, further actions were planned to provide a greater level of assurance, and these were also detailed together with the planned timescale for the action to take place. The level of risk would be reviewed once these additional actions have been implemented. As a result of the incorporation of the risk register into the Authority's risk management system, there was now a more rigorous system in place for regular review of the risks identified, enabling better risk management.

Further risks were likely to arise from future decisions taken by the Investment and Pension Fund Committee, and from changes in legislation and regulations. Where such new risks arose, they will be added to the risk register, assessed, and mitigation actions identified.

The Risk Register remained unchanged in relation to the pension fund risks since the last board meeting in July. The Register for Peninsula Pensions had been updated to reflect the change of personnel and as requested by the Board, the target dates for the mitigating actions had been reviewed and updated.

At the July meeting, the Board asked officers to review the financial

sustainability the software provider for the pensions administration and payroll platform. After investigation, the company appeared to be financially healthy.

There were now 40 risks recorded in the Risk Register, 22 of which related to Devon Pension Fund management and 18 to Peninsula Pensions. The Report summarised the number of risks assigned to low, medium and high-risk scores, before and after mitigation.

Members' questions and discussion points with Officers referred to

- additional staffing to help ensure robust quality assurance within Peninsula Pensions across its major systems; and
- F13 – Climate change policy managed by Brunel and the extent to which 'adaptation' by companies as a result of climate change was recognised, on which more background information would be sought by Officers from Brunel for possible reference in the Register.

* 74

Budget Monitoring

The Board noted the Report of the Director of Finance and Public Value (DF/22/94) on the Devon Pension Board budget monitoring statement for month 6. The budget had been agreed by the Board at its meeting on 4th May 2022.

Members' discussion points with officers covered support staff costs and the provision of a dedicated pension board email box monitored by officers.

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Investment and Pension Fund Committee

The Board noted the Minutes of the Investment and Pension Fund Committee meeting held on 19 July 2022.

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Peninsula Pensions Administration and Performance Statistics

The Board noted the Report of the Director of Finance and Public Value (DP/22/95) on Peninsula Pensions' internal service standard target and performance against the minimum requirements regarding the disclosure of pension information.

Appendix 1 of the Report provided a detailed breakdown of administration performance relating to the Devon Pension Fund only for the quarter ending 30th June 2022 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 April 2020 to 30th June 2022.

Members' questions and discussion points with Officers included:

- the lower-than-expected performance within medium priorities was in part due to delays in responses to member information requested from employers and the Team's continued work to implement improvements in this area;
- employers had been undertaking a historic data sign off exercise over the period in preparation for the McCloud remedy, which explained some of the delays and the Team was in the process of developing employer performance reports to bring to future Board meetings for review;
- the Team also continued to concentrate on processing outstanding deferred benefit and amalgamation cases in preparation for the McCloud remedy and future Pension Dashboard, which also impacted performance;
- the Team had received a total of 21 compliments between 1st April 2022 and 30th June 2022 which was commended by members; and
- consideration to further information in future reports to help benchmark against the equivalent performance figures 12 months prior.

* 77

LGPS Update Report

The Board considered the Report of the Director of Finance and Public Value On an update on the latest developments affecting the LGPS. These included the academy guarantee, an update on McCloud update and regulations would be made later in 2023 and will come into force 1st October 2023; and consultation on reporting of climate related risk by the Department for Levelling-Up, Housing and Communities. The consultation set out proposals that would require LGPS Administering Authorities to publish climate-related disclosures broadly in line with TCFD. The full consultation document available at: [Local Government Pension Scheme \(England and Wales\): Governance and reporting of climate change risks - GOV.UK \(www.gov.uk\)](https://www.gov.uk/governance-and-reporting-of-climate-change-risks)

A response to the consultation available here ([Microsoft Word - Climate Reporting DLUHC Consultation Response \(devon.gov.uk\)](https://www.devon.gov.uk/df/22/97/microsoft-word-climate-reporting-dluhc-consultation-response-devon.gov.uk)) had been approved by the Investment and Pension Fund Committee on 4th October 2022, and submitted to DLUHC. The response broadly welcomed the proposals, with more detailed comments on the specific questions.

* 78

Actions and Recommendations Trackers

The Board noted the Report of the Director of Finance and Public Value (DF/22/97) on progress made on completing actions arising from internal audits and Pension Board recommendations and requests.

The Actions and Recommendations tracker (Appendix 1) compiled a list of actions, recommendations and requests which had been raised by the Devon Pension Board. Previously and completed actions had been removed.

The Report detailed a summary of outstanding audit actions and progress against this year's Audit Plan was also summarised along with the Pension Fund Audit risk areas.

Members' questions and discussion points included reasons for the delay in regard to audit on The Pensions Regulator Code of Practice on which a new code was awaited and confirmation that the Fund was compliant with the current Code.

* **79 Future Work Programme**

The Board received the Report of the Director of Finance and Public Value (DF/22/98) on a proposed work programme over the next three meetings .

The Board asked that under 'standing items' a breaches report was presented even in the event of no breaches.

* **80 Dates of Future Meetings**

Tuesday 7th February 2023, Tuesday 18th April 2023, 6 July 2023, 13 October, 30 January 2024, and 29 April 2024 (all at 10.30 am).

Up to date information on Board dates available here:
[Browse meetings - Devon Pension Board - Democracy in Devon](#)

Training day: 3rd November 2022.

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 11.19 am