

DEVON PENSION BOARD

19 July 2022

Present:-

Councillor C Slade (Chair), Councillor S Randall-Johnson, D Walshe, C Hearn, J Bailey, P Phillips, C Shipp and R Jeanes

* **55** **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.

* **56** **Minutes**

RESOLVED that the Minutes of the Meeting held on 4 May 2022 be signed as a correct record.

* **57** **Items Requiring Urgent Attention**

No item was raised as a matter of urgency.

* **58** **Membership**

The Board welcomed Dominic Walshe, newly appointed Employer Representative to his first meeting.

* **59** **Review of Attendance**

The Board noted the Report of the Director of Finance and Public Value (DF/22/69) on the attendance log A(Appendix 1 of the Report) for Board meetings and training events.

* **60** **Contribution Monitoring**

The Board noted the Report of the Director of Finance and Public Value (DF/22/70) on the current procedures and process for monitoring of timely payment of contributions from employers.

The Report included a summary of the monthly contributions received in Q4 2021/22. A total of 6 contributions had been received late during the quarter which had been one off events relating to separate employers. All contributions had been received within one week of the due date. There had been no late payment of material significance or failure to meet the legal deadline, which would have required report to the Pensions Regulator.

* **61** **Devon Pension Fund Risk Register**

The Board noted the Report of the Director of Finance and Public Value (DF/22/712) on the Risk Register (attached at Appendix 1). The Register identified the key risks and outlined 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.

The Board had previously considered the Risk Register at its meeting on 4th May 2022, and comments made at board meetings were taken on board in updating the Register. The Report detailed the revisions to the Register resulting in lowered initial risk and assessed scores and additional mitigations to risk F8 regarding pensioner longevity following initial mortality assumption results.

Taking account of the revisions there were now 40 risks recorded in the Risk Register, 22 of which related to Devon Pension Fund management and 18 to Peninsula Pensions. Pension Fund management and Peninsula Pensions, action taken to mitigate risks had reduced the number of high risks from 11 to 2. The remaining high risks were in respect of F5- Global Financial Crisis leading to a failure to reduce the deficit; and F2 -Investment strategy not providing sufficient returns longer term.

Members' discussion points with Officers included:

- explanation by Officers of why risk F12 relating to the McCloud judgement had been reduced, as a result of the limited potential financial impact on the Fund;
- P17 - Pensions System Failure: whilst the system hosted by Heywoods included disaster recovery and business continuity plans and tested/updated annually (by the host), Board Members suggested that Officers should give consideration to some form of external and independent verification of the host company, to provide further assurance for Peninsula Pensions, this Board and the Investment and Pension Fund Committee and it was agreed that an update on this suggestion be made to the next meeting of this Board; and
- consideration of a composite report of outstanding issues and topics of interest.

* **62** **Investment and Pension Fund Committee**

The Board noted the Minutes of the Investment and Pension Fund Committee meeting held on 4 May 2022.

* **63** **Peninsula Pensions Performance**

The Board received and noted the Report of the Director of Finance and Public Value (DF/22/72) on Peninsula Pensions' internal service standard

targets and performance against the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.

Appendix 1 of the Report provided a detailed breakdown of administration performance relating to the Devon Pension Fund only for the quarter ending 31 st March 2022 and for the 2021/22 financial year 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 2019 to 31 st March 2022.

Members' discussion points with the Head of Peninsula Pensions included:

(i) in regard to the number of outstanding cases, (approximately 8000 as referred to in the graph Administration Performance – 01/04/2019 to 31/03/2022), it was confirmed that although there was currently no fixed target for reducing the figure, and a rolling workload was inevitable, Peninsula Pensions were always considering new ways to improve their service. With some imminent pension software developments, alongside the requirement to ensure work areas were actioned within the statutory deadlines; and in anticipation of the future Pension Dashboard; Peninsula Pensions were focussing on the Deferred Benefit work area over the next two years, anticipating a reduction and the number of cases outstanding in the region of 6000 (based on the assumption that the current number of cases received remains unchanged);

(ii) a one-off error relating to the printing of pensioner paper pay advices was highlighted. The data provided for production had been correct but unfortunately the printed advice slips had the figures shown as zero. Scheme members were able to view their correct pay advice information immediately online by registering for Member Self Service and revised pay advices had been issued, and both the Peninsula Pensions website and phone line had a temporary message clarifying the position and apologising for the oversight.

* **64** **Local Government Pension Scheme: Update**

The Board noted the Report of the Director of Finance and Public Value (DF/22/73) on the latest developments affecting the LGPS. These related to the 2016 Cost cap; the Scheme Advisory Board annual report which collated information supplied by 86 administering authorities, as at 31 March 2021 (full report could be found on their website www.lgpsboard.org); and the AVC's and 'Nudge Regulations'.

The officers undertook to provide further information on the number of scheme members with Additional Voluntary Contributions (AVCs).

* **65** **Actions and Recommendations Trackers**

The Board received and noted the Report of the Director of Finance and Public Value (DF/22/74) on progress made on completing actions arising from internal audits and Pension Board recommendations and requests.

The programme of internal audits were agreed with Officers on an annual basis and undertaken throughout the year. The Actions and Recommendations tracker (Appendix 1) compiled a list of actions, recommendations and requests which had been raised by the Devon Pension Board. Trackers relating to previous years were attached where actions remain outstanding in relation to Pension Fund audits (Appendix 2) and Peninsula Pensions audits (Appendix 3).

Progress against this year's audit plan was at the early stages and an Officer from the Audit Team would be attending the next board meeting in October to update the Board. Final audit reports would also be shared with the Board as they were completed during the course of the year.

* **66** **Future Work Programme**

The Board received and noted the Report of the Director of Finance and Public Value (DF/22/75) on the proposed future work programme over the next three meetings and noted that the Board's Terms of reference would be subject to review at the next meeting.

* **67** **Dates of Future Meetings**

Tuesday 18th October 2022, Tuesday 7th February 2023 and Tuesday 18th April 2023 (all at 10.30 am).

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

Training days: 28 September (Brunel Partnership) and 3 November (joint with the Investment and Pension Fund Committee).

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 11.05 am