

## DEVON PENSION BOARD

16 October 2017

### Present

#### Employer Representatives

Councillor S Randall-Johnson and Mr C Hearn

#### Fund Employee Representatives

Mr A Bowman, Mr P Phillips and Mr C Shipp

#### Independent Member

William Nicholls

#### Apologies:-

Councillor B Greenslade, Mr G Smith and Ms H Keightley

\* **49**      **Election of Chair and Vice Chair**

**RESOLVED** that Councillor B Greenslade be elected Chair and Mr A Bowman be elected Vice Chair for the remainder of the 2017/2018 municipal year

Mr Bowman in the Chair.

\* **50**      **Standards Committee**

The Board welcomed Mrs. Saltmarsh who was attending the meeting in her capacity as a Co-opted Member of the Council's Standards Committee to observe and monitor compliance with the Council's ethical governance framework

\* **51**      **Minutes**

**RESOLVED** that the minutes of the meeting held on 10 April 2017 be signed as a correct record.

\* **52**      **Items Requiring Urgent Attention**

There was no item raised as a matter of urgency.

\* **53**      **Membership**

(a) Fund Member Representative

The Chair welcomed Mr Paul Phillips to his first meeting of the Board following his appointment to fill the vacancy for a Fund Member Representative.

(b) Members' Indemnity Insurance

The Board noted that as a consequence of developments and revised advice on the legal status of Pension Boards the Council's current insurers had been instructed to issue an endorsement specifically naming the Pension Board on the Council's Insurance Policy. The Council was currently procuring a new insurance contract to start from January 2018 and it would be a requirement that the new policy also specifically named and covered the Pension Board.

\* **54**      **Statutory Statements - Communication Policy**

The Board considered the Report of the County Treasurer (CT/17/79) together with the Communications Policy most recently updated and approved by the Investment & Pension Fund Committee in 2015.

It set out the Fund's policies on the provision of information and publicity about the Scheme to members, representatives of members and employing authorities. It also set out the format, frequency and method of distributing such information or publicity, other key organisations that the Fund communicated with, its values in relation to communications and the professional expertise available to the Fund.

Members suggested that consideration should be given to making reference in the Statement to this Board and its membership. This could be achieved via the Annual Report or the Annual Statement for fund members.

It was **MOVED** by Mr Hearn, **SECONDED** by Councillor S Randall Johnson, and

**RESOLVED** that the Report be noted and the Communication Policy be endorsed.

\* **55**      **Statutory Statements - Governance Policy and Compliance Statement**

The Board considered the Report of the County Treasurer (CT/17/80) on the Governance Policy and Compliance Statement and a revised draft. Its purpose was to explain the governance arrangements for the Devon Pension Fund, as required by Local Government Pension Scheme regulations.

The Governance Policy was last revised in February 2015, to reflect the creation of the Pension Board and the draft revised Compliance Statement now included reference to this Board. Subject to the views of the Board, this would be taken to the Investment and Pension Fund Committee for approval in November. The Governance Policy set out the governance arrangements for the Fund, including the make-up of the Investment and Pension Fund Committee and the Devon Pension Board, and an outline of the tasks delegated to the Committee, the Board and to the Fund's officers. This had not been changed from the previous version approved in February 2015.

Members commented on the need to give further consideration to 'Non-Compliant B (iii)' of the Statement relating to independent professional observers and the County Treasurer undertook to look at the position with regard to other Pension Boards. Members also commented that the words 'at least' (section 5, frequency of meetings reference) should be added.

It was **MOVED** by Mr Bowman, **SECONDED** by Councillor Randall Johnson, and

**RESOLVED** that the draft Governance Policy and Compliance Statement and the process of review be endorsed subject to consideration of the above comments.

\* **56**      **Devon Pension Fund Risk Register**

The Board considered the report of the County Treasurer (CT/17/81) on monitoring of the Risk Register (Risk Register attached at Appendix 1 to the Report) as part of the Board's scrutiny role in relation to risk and compliance. 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. This incorporated the risk register of both the Investments Team and Peninsula Pensions. The Investment and Pension Fund Committee was the ultimate risk owner for the Pension Fund and the Risk Register and presented to that Committee on an annual basis.

Members noted that reference in the Register to level of breaches in regard to Annual Benefit Statements and failures to issue these on time by Peninsula Pensions (PP1). It was noted that a breach log was maintained (detailing timescales and reasons) and reported to the County Treasurer and Head of Pensions. The current level of compliance was 95%.

The County Treasurer reported on the close monitoring in regard to the transition of assets to the Brunel Pension Partnership (B2) and the Head of Pensions reported on the work to inform beneficiaries of HMRC rule changes relating to tax allowances.

It was **MOVED** by Mr Hearn, **SECONDED** by Mr Bowman, and

**RESOLVED** that the Report be noted and that the County Treasurer be requested to produce an annual report on the level of breaches detailing timescales and identifiable trends in regard to Annual Benefit Statements (PP1).

\* **57**      **CIPFA Pensions Conference - 'Pension Boards Two Years On'**

The Board received the report of the County Treasurer (CT/17/82) commenting on issues raised by Mr Bowman and Mr Hearn following their attendance at a conference held by CIPFA (Chartered Institute of Public Finance and Accountancy) in June 2017 which had looked at the experience of LGPS Pension Boards over the two years since their inception.

In terms of the Scheme Advisory Board (SAB) Transparency Code, the Board noted that only a small number of managers had signed up to the transparency code and Officers would continue to work with all the Fund's external managers to achieve cost transparency, as in future this would be required in the production of the Fund's statement of accounts.

In terms of frequency of Board meetings, Members discussed whether more meetings should be held to align with meetings of the Investment and Pension Fund Committee, for example. The County Treasurer assured the Board that should any significant issues arise (such as a serious breach of regulations or material increase in risks), the County Treasurer (in consultation with the Chair) would request the Chief Executive to convene a special or urgent meeting.

The County Treasurer also reported that a report would be submitted to the next meeting on preparing for the General Data Protection Regulation (GDPR) which would be applied from 25 May 2018 .

[N.B. more information available at the Devon County Council and Peninsula Pensions service <https://ico.org.uk/media/1624219/preparing-for-the-gdpr-12-steps.pdf>]

\* **58**      **Investment and Pension Fund Committee**

The Board received the Minutes of the Investment and Pension Fund Committee meetings held on 16 June 2017 and 15 September 2017.

\* **59**      **Devon Pension Board: Budget Monitoring 2017/18**

The Board received the report of the County Treasurer (CT/17/83) on the Devon Pension Board budget monitoring statement for month 6.

\* **60**      **Brunel Pension Partnership Progress Report**

The Board received the Report of the County Treasurer (CT/17/84) on the establishment of the Brunel Pension Partnership Limited Company involving ten participating LGPS administering authorities and progress since the last meeting of this Board and current issues. These included notably an award of a contract by the Partnership for Third Party

Administrator Services to State Street Global Services and on arrangements for the transition and timings.

A series of engagement events were planned for November including an event on Tuesday, 14 November at Exeter Racecourse to which Board Members had been invited.

\* **61**      **External Audit Findings Report 2016/17**

The Board received the Report of the County Treasurer (CT/17/85) on the External Audit Findings Report arising from the audit of the Pension Fund for 2016/17. It described the work undertaken by the external auditors (Grant Thornton) to address the risks identified in the Audit Plan. The Findings Report had been presented to the Audit Committee on 14th September 2017 and to the Investment and Pension Fund Committee on 15th September 2017. The External Auditor's Report had not identified any significant issues and an unqualified opinion had been issued in respect of the Fund's financial statements.

\* **62**      **Peninsula Pensions Administration - Performance Statistics**

The Board considered the Report of the County Treasurer (CT/17/86) on actions undertaken by officers to ensure compliance and best practice. The Report covered the Pensions Team's performance and CIPFA benchmarking. The main service standard was to complete 90% of work within 10 working days once all necessary information had been received. As a whole the Team for 2016/17 issued 76% of work within target and the backlog of outstanding work had decreased by 10% since April 2017. A performance review was continuing to look at a number of key areas, resource levels and efficiency processes.

The Board noted that the Pension Service's production of information relating to estimated and actual retirement benefits for a significant number of its members was dependent on timely information from non DCC Employers. An information leaflet was available for employees about to retire which included timings about pension benefits and expectations and this should be disseminated as appropriate. The Board also noted that there were regular Devon County Council seminars for employees about to retire, although the Pension Service was not involved directly.

It was **MOVED** by Mr Hearn, **SECONDED** by Mr Bowman, and

**RESOLVED** that a regular update be provided setting out the level of compliance in terms of notifications for estimated and actual retirement benefits including a breakdown in respect of pension fund members from Devon County Council and other Employers.

\* **63**      **Future Work Programme**

The Board considered the Report of the County Treasurer (CT/17/87) on the future work programme including standing items.

It was **MOVED** by Mr Hearn, **SECONDED** by Mr Bowman, and

**RESOLVED** that in addition to reports requested at this meeting relating to a Breaches Log and compliance (Minutes \*56 and \*62 refers), a regular update be provided on the progress of the Brunel Pension Partnership.

\* **64**      **Dates of Meetings**

23 April 2018, 15 October 2018 and 2 April 2019 (all at 10.30 am)

The County Council's Calendar available at:  
<http://democracy.devon.gov.uk/mgCalendarMonthView.aspx?GL=1&bcr=1>