

DEVON PENSION BOARD

21 October 2024

Present:-

Councillor C Slade (Chair), A Bowman (Vice-Chair), Councillor S Randall Johnson, D Walshe, C Hearn, I Macintosh, I Arrow and R Jeanes

Apologies:-

H Pennack

* **182** **Chair's Announcements**

The Chair reminded members that the meeting was being livestreamed, and of general housekeeping.

* **183** **Declarations of Interest**

Members were reminded that they should declare any interests they may have in any item to be considered, prior to any discussion taking place on that item.

The list of Membership of other Authorities can be found here: [County councillors who are also district, borough, city, parish or town councillors](#)

* **184** **Minutes**

RESOLVED that the minutes of the meeting held on 15 July 2024 be signed as a correct record.

185 **Items Requiring Urgent Attention**

There was no item raised as a matter of urgency.

* **186** **Membership**

Officers updated that Helen Morris had changed her surname to Pennack.

* **187** **Review of Attendance**

The Board considered the Report of the Director of Finance (DF/24/112) which provided a review of attendance by Board members at meetings of the Board and training events. Officers asked that, if anything were recorded incorrectly, that they be notified.

The Board noted the report.

* **188** **Contribution Monitoring**

The Board considered the Report of the Director of Finance (DF/24/105) which updated the Board on payments of contributions from employers, including timeliness and how payments were monitored.

The Report outlined no major concerns with contributions being paid consistently late, although two admitted bodies had been contacted regarding late payments. These did not have a history of a high number of late payments.

The Board heard that the Council was in the process of updating its finance system which, when completed, should help streamline the contribution process and reduce manual intervention needed by officers.

The Report referred to ongoing work between Peninsula Pensions and Devon Assurance Partnership on a tool to which would provide a report on key employer performance areas. Officers explained that there had been challenges in producing this, but that they were in a position with their partners to bring that report to the training session scheduled for 8th November for members of the Board.

* **189** **Devon Pension Fund Risk Register**

The Board considered the Report of the Director of Finance (DF/24/106) regarding the Pension Fund Risk Register and additional actions proposed to mitigate risk.

The sole revision to the Pension Fund risk register was that risks F2 and F5 had been combined under one new risk of F15, as they both referred to the risk of the value of investments going down from either a market crash or failure of the investment strategy. There were no changes to the Peninsula Pensions risks since the previous meeting.

Key discussion points included:

- The historic data sign off exercise referred to under risk PP 1 as a mitigating action. The Board was advised that that exercise had been well-received from employers, with information forthcoming. Officers advised that this was mostly done and that they were on track to complete this by the March 2025 target;
- Risk PP 7 (Non Payment of Pension Benefits). The Board heard that a fully updated pensioner payroll manual had been developed, and that an update regarding the online training resource could be shared with board members; and

- Risk PP 16 (Loss of Shared Service Partner), and the mitigation action of a ‘full review of performance within [Peninsula Pensions] being conducted.’ Members heard that officers were on target for the completion date of 31 December 2024.

The Board noted the report.

* **190** **Actuarial Valuations**

The Board considered the Report of the Director of Finance (DF/24/107). The Report outlined the requirements of administering authorities to complete and actual valuation of their Pension Fund on a three yearly cycle. The previous such valuation on Devon Pension Fund was taken in March 2022. As such, the report outlined plans for the March 2025 valuation; and also summarised the outcome of the “Section 13” review of the 2022 Triennial Valuation, which was a requirement under the Public Service Pensions Act 2013.

With regard to the Section 13 report, officers advised that the Devon Pension Fund had not received any red or amber ratings and the report outlined areas of focus to maintain green flags.

Discussion with members focused on the approach Barnett Waddingham, the Fund’s appointed actuaries. This was in response to a Board member raising concern around the report highlighting actuaries basing discount rate on gilt yields. Officers explained that Barnett Waddingham did not do this, but rather based the Devon Fund’s discount rate on the expected investment return (in line with the Fund’s investment strategy) which was seen as a more sound approach.

The Board noted the report.

* **191** **Investment and Pension Fund Committee**

The Board noted the minutes of the Investment and Pension Fund Committee held on 13 September 2024.

* **192** **Peninsula Pensions Administration Update and Performance Statistics**

The Board considered the Report of the Director of Finance (DF/24/108) provided an update on the performance of Peninsula Pensions in line with statutory regulations and internal targets.

Total performance for the quarter ending 30th June 2024 was 92%, or 96% for High Priority procedures. 27 compliments had been received.

The lower-than-expected performance was in part due to delays in responses to member information requested from employers. The report outlined that the implementation of the revised Pension Administration Strategy from April 2024 should go some way in addressing this.

Appendix 1 to the report provided a more detailed breakdown of performance against statutory and internal targets. Appendix 2 provided a longer-term look at performance, regarding the Devon fund only, from July 2023 to June 2024. Appendix 3 outlined the work received across the 12 months to 30 June 2024, compared to before that. It showed an increase in demand, and a higher amount of work done by officers.

The Board was advised that employer performance would be reported separately for the 2024-25 financial year and therefore would be presented to them in a different report. The Board was also advised that a detailed update on progress on the McCloud remedy would be provided at its next meeting.

Member discussion points centred around a particular complaint regarding a recent retiree and a gap in communications, where the complainant was not contacted in good time. Officers acknowledged the learning required and commented that the employer should have been brought in sooner.

The Board noted the report.

* **193** **Internal Audit Progress**

The Board considered the Report of the Director of Finance (DF/24/109) which provided an update on progress on the year's audit plan.

The Chair noted that the Devon Assurance Partnership had been renamed (previously Devon Audit Partnership) and was referred to by both names within the report.

The presentation on progress on the employer performance dashboard, referred to in the report, was not available, but officers advised that this could be circulated to members.

Of the nine audits planned, one had been completed, with substantial assurance: this was Communications Policy and Compliance. One was in progress, with three others booked in to begin before the end of 2024. Additionally, five final audit reports had issued since the last pensions board, which were outlined at 3.2 of the report. All had achieved substantial or reasonable assurance.

Member discussion points included:

- That seeing reasonable and substantial assurance audit opinions was positive; and
- The risk referred to in Appendix B regarding the possible failure of Devon County Council (DCC) recovery processes following a cyber-attack or IT disruption, with this staying at limited assurance between February 2023 and August 2024. Officers advised that this was due to

be looked at later in the year, so a further update could be given to the Board on this at an appropriate time.

Members noted the report.

* **194** **Local Government Pension Scheme Update**

The Committee considered the Report of the Director of Finance (DF/24/110). This updated on the Government's call for evidence issued in early September which asked for views on investment pooling, UK-based investments and the future of the LGPS.

The response of the Devon County Council Pension Fund was attached for information.

Officers advised that an interim report could perhaps be expected prior to Christmas, with a full report to follow in 2025.

Member discussion focused on the imminent Chancellor's budget, which was due on 30 October 2024, and the possibility of pension funds being impacted by that budget. Officers referred to the ongoing pensions review by Government, commenting that there might not be pertinent information in the Chancellor's budget.

* **195** **Future Work Programme**

The Board noted the Report of the Director of Finance (DF/24/111) on the future work programme.

* **196** **Dates of Future Meetings**

The Board noted future meeting dates.

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 10.31 am and finished at 11.04 am