

## INVESTMENT AND PENSION FUND COMMITTEE

3 March 2025

Present:-

Councillors J Trail BEM (Vice-Chair, in the Chair), Y Atkinson, H Gent, R Bloxham and Mr R Franceschini (in person); and M Daniell, and Councillors M Lowry and M Brook (remote)

Apologies:-

Councillors J Morrish, G Gribble, M Hartnell and P Bialyk

\* **49**      **Chair's Announcements**

There was no announcement made by the Chair.

\* **50**      **Declarations of Interest**

The Chair reminded Members they should declare any interests they may have in any item to be considered, prior to any discussion taking place on that item. The details of District and or Town and Parish Twin Hatters was on the attached list - [A list of county councillors who are also district, borough, city, parish or town councillors](#)

\* **51**      **Minutes**

**RESOLVED** that the minutes of the meeting held 2 December 2024 be signed as a correct record.

**52**      **Devon Pension Board**

Members noted the Devon Pension Board minutes of 29 January 2025. Comment was made on the minutes' reference to Cyber Security and Pension Scams (minute \*208) and the concern of Fund members in relation to this. An officer explained that this was on Peninsula Pensions' radar, with trained staff working on these areas.

**53**      **Brunel Oversight Board**

Members noted the Brunel Oversight Board minutes of 5 December 2024. Comment was made on previous discussions regarding Scheme Member Representatives having voting rights on the Board, which officers recalled was raised, but was not referenced in the minutes. In the context of the Government's "Fit for the future" Local Government Pension Scheme (LGPS) consultation, voting arrangements would inevitably need to be looked at in the future.

\* **54**      **Internal Audit Plan for 2025/26**

The Committee considered the Report of the Director of Finance and Public Value (DFP/25/26) on the Internal Audit plan for 2025/26. The report outlined the statutory responsibilities of the Authority to ensure “proper administration of their financial affairs”, confirmed through reporting of Internal Audit. Two audit plans were attached to the report; one for the Devon Pension Fund and one for Peninsula Pensions, with up to 35 days of internal audit support being allowed for the former, and up to 50 for the latter.

The main Audit Risk Areas were outlined in the appendix, at page 31; however, members were advised that a flexible audit plan was operated, meaning that focus can change if different risks arise.

It was **MOVED** by R Franceschini, **SECONDED** by Councillor R Bloxham and **RESOLVED** that the Internal Audit plan for 2025/26 be approved.

\* **55**      **Investment Management Report**

The Committee considered the Report of the Director of Finance and Public Value (DFP/25/27). The Report outlined the Fund value and asset allocation, Fund performance, funding level, 2024/25 budget forecast, cash management and voting and engagement activity, as at 31 December 2024.

Highlights from the report and officer presentation included:

- That the Fund value stood at £6.26 billion as at 31 December 2024, representing an increase of 2.6% over the quarter and 6.3% over the financial year-to-date;
- The total Fund return was in line with the Local Government Pension Scheme average over the year-to-date, and was ahead of the average over the three-year period;
- Allocation to Equities was overweight, but this was offset by allocation to Private Markets being underweight;
- There was higher than budgeted employer contributions primarily due to the transfer of police staff from Dorset to the Devon and Cornwall Police;
- the estimated funding level as at 31 December 2024 was 101.3%, although the 2025 Triennial Valuation would provide a more thorough review of the Fund’s funding position, with a full review of the liability data; and

- the Fund had been reaccredited as signatories of the UK Stewardship Code for a further year due to its stewardship activities and reporting during 2023/24.

The Committee noted the report and compliance with the 2024-25 Treasury Management Strategy.

\* **56**      **Treasury Management Strategy 2025/26**

The Committee considered the Report of the Director of Finance and Public Value (DFP/25/28) on the proposed Treasury Management Strategy for 2025/26 (attached to the report, Appendix 1), in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management. The proposed 2025/26 strategy was consistent with that of 2024/25, and with the Council's own treasury management strategy.

It was **MOVED** by Councillor Bloxham, **SECONDED** by Councillor Gent and **RESOLVED** that the Treasury Management Strategy for 2025/26 be adopted.

\* **57**      **Peninsula Pensions Administration Update and Performance Statistics**

The Committee considered the Report of the Director of Finance and Public Value (DFP/25/29) on the performance of Peninsula Pensions. Performance against the relevant regulations were 90% for the quarter ending 31 December, or 96% for High Priority procedures (such as retirement or survivor benefits).

Appendices 1 and 2 to the report provided a breakdown of administration performance relating to the Devon Pension Fund only, for the quarter ending 31 December 2024 (Appendix 1) and longer-term (Appendix 2). Appendix 3 showed the amount of work received over a 12 month period compared to previously and indicated a decrease in demand for this quarter.

Discussion points with members included:

- Around 850 outstanding enquiries across all employers that contributed to the Fund whereby Peninsula Pensions required further information, since which point a significant number had not engaged despite warnings. The next step would be moving towards the levying of fines for those that were not engaging; and
- That considerations need to be had, in relation to ensuring employer engagement, on the implications of Local Government Reorganisation in the proposed dissolution of district councils, where under the current system many town and parish councils use the district councils as a body to look after their payroll and pension data. Officers confirmed they were aware of this.

Members noted the report.

**58**      **Employer Changes**

The Committee noted the employer changes.

**59**      **Items Requiring Urgent Attention**

There was no item raised as a matter of urgency.

**60**      **Dates of Future Meetings**

The Committee noted the dates of future meetings.

\* **61**      **Exclusion of the Press and Public**

**RESOLVED** that the press and public be excluded from the meeting for the following items of business under Section 100(A)(4) of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A of the Act, information relating to the financial and business affairs of the Council which would be likely to inhibit the free and frank provision of advice and exchange of views for the purpose of deliberation or the effective conduct of public affairs.

\* **62**      **Strategic Investment Review**

The Committee considered the Report of the Director of Finance (DF/25/30) which set out the changes to the investment strategy proposed as a result of the review of the Fund's strategy, agreed to be undertaken by Redington investment consultants at the last meeting of the Investment and Pension Fund Committee.

Members received a presentation from a representative of Redington investment consultants. Two approaches had been proposed to the Committee as possibilities, with officer opinion provided on which was their preferred option.

At the meeting, there was significant discussion on the rationale behind the proposals themselves and the officer recommendation.

It was **MOVED** by Councillor Bloxham, **SECONDED** by Councillor Atkinson and

**RESOLVED** that the Committee approve the changes to the Pension Fund's Strategic Asset Allocation, as set out in section 6 of the report.

\* **63**      **Brunel Business Plan**

The Committee considered the Report of the Director of Finance (DF/25/31) which set out: the position on the Brunel business plan and budget as it relates to 2025/26; and the work in progress in relation to the Government's "Fit for the Future" consultation, and the provision of a business case setting out how Brunel intend to deliver on the proposals.

Although some of the consultation proposals were seen as a cause for concern by the Committee, they heard that it was important for Brunel to demonstrate its ability to deliver on the proposals.

It was noted for the Committee that the Pensions Bill was due to be published later in the year, which would confirm which proposals the Government would take forward and how they would be implemented.

Members noted the report.

**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 10.32 am and finished at 12.11 pm