

**MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT
COMMITTEE ROOM B - COUNTY HALL, LLANDRINDOD WELLS, POWYS ON
FRIDAY, 14 JULY 2017**

PRESENT

Gerard Moore (Chair)

Mick Hutchison (Member Representatives)

Geoff Petty and Wayne Thomas (Employers Representatives)

Joe Rollin (Secretary to the Board)

Chris Hurst, Pension Administration Manager

Dan Paley Financial Reporting and Policy Accountant

1.	APOLOGIES
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Apologies for absence were received from John Byrne, Member Representative.

2.	DECLARATIONS OF INTEREST
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The Chair advised he was an Associate in The Chartered Institute of Public Finance and Accountancy [CIPFA] and declared an interest if reference was made to CIPFA when discussing the Board's training.

3.	MINUTES OF THE BOARD
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The minutes of the meeting held on 10th March, 2017 were agreed as a correct record.

4.	MATTERS ARISING
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4.1. Review of Appendix A to the Investment Strategy Statement

The Secretary advised that the changes recommended by the Board to the Investment Strategy Statement had been approved by the S151 Officer. The Statement had been published on the Pension Fund's website in early April. The Board welcomed the fact that its recommendations had been accepted.

The Chair asked whether at the next review paragraph 9.2 in the Investment Strategy Statement regarding the investment of part of the Fund's assets on a passive basis and the Fund's approach to ESG matters could be considered. The Secretary advised that the Statement would be reviewed as a consequence of the establishment of the Wales Pool.

4.2. Further Explanation re advice received in relation to Hedge Funds

The Board noted the Secretary's email which had clarified the advice in relation to Hedge Funds.

4.3. Board Member Indemnity

The Board noted that it was now covered by an insurance indemnity. The Secretary advised that the Scheme Advisory Board had asked in its survey of

Funds about the provision of indemnity and assumed it would promote this as best practice in the future.

4.4. Review of Communications Strategy Statement

The Secretary advised that the Board's comments on the Communications Strategy Statement had been incorporated into the revised version, which had been approved by the Pensions & Investment Committee at its recent meeting.

4.5. Exercise of Voting Rights

As information was not available on this item, it was agreed that it be deferred to the next meeting.

5. CHAIRMAN'S ANNOUNCEMENTS

The Chair reported on the following:

- The Local Pensions Board survey results had been released by the Pension Regulator. 65% of responses stated that there was no involvement of Pension Boards with Pensions & Investment Committees, which was a concern, but this is not an issue at Powys.
- Scheme Advisory Board's survey of Local Government Pension Schemes [LGPS] Local Pension Boards – completion of the survey was required by the end of July. It was agreed that the Secretary would draft the factual responses and discuss the draft response to Sections 1 and 2 with the Chair. The final draft would then be emailed to the Board for its comments prior to the final response being submitted.
- Data Protection – the implications for organisations to comply with the Data Protection legislation by May 2018 was noted. The Secretary advised that a report would be considered at the next Pensions & Investment Committee on this issue and the implications in respect of data retention.
- Work Programme – this would be added to the next Agenda.
- Scheme activity and promotion of the scheme – the Chair advised that in another organisation the Pension Board received activity reports providing the details of the number of active members, joiners, reasons for opt outs etc. The Board agreed that such information would be interesting as long as it was reasonable to produce. The Board discussed whether the responsibility for promoting the LGPS lay with the Fund itself or with the employer.
- Pension Board's Annual report – the Chair had circulated the draft report and as there had been no changes, the report had been endorsed.
- The Annual Benefits Statement would be delivered by 31st August, 2017.

RESOLVED	Action
That in respect of the Scheme Advisory Board's survey of Local Government Pension Schemes [LGPS] Local Pension Boards the Secretary would provide the draft factual responses and discuss the draft response to Sections 1 and 2	Secretary and Chair and Board Members.

with the Chair. The final draft would then be emailed to the Board for its comments prior to the final response being submitted.

6. MINUTES OF PENSIONS AND INVESTMENT COMMITTEE

The Board received the draft Pensions & Investment Committee minutes for the meeting held on 10th July, 2017. The Board noted that the Committee meeting had followed Induction training.

7. REVIEW OF COMPLIANCE WITH TPR CODE 14

The Board received the Pensions Regulator's Code of Practice no. 14 – Governance and administration of public service pension schemes. Compliance had previously been reviewed by the Board and the Chair questioned how the issues raised would be tracked. It was noted that the Pensions Regulator had produced a self-assessment tool.

RESOLVED	Reason for decision
<p>That the</p> <ul style="list-style-type: none"> • review of compliance with TPR Code 14 be added to the Work Programme, • Pensions Regulator's self-assessment tool be used, • January 2016 TPR resource be used as the baseline and • review of compliance with TPR Code 14 be added to the next Agenda. 	<p>To ensure that compliance is monitored.</p>

The Chair asked the Members bring pages 37 – 104 to the next meeting.

8. REVIEW OF RISK REGISTER [STANDING ITEMS]

The Board noted the following [the numbers shown are the Risk Reference numbers]:

- PEN30 – amended to include additional controls including the role of a custodian,
- Legal status of Pooled funds – no further action as waiting for advice,
- Desktop Review of current Investment Managers – the review of existing contracts was considered by the Section 151 Officer but no further action had been taken. The Board noted and accepted the views of the S151 Officer, that a review would result in significant costs and the imminent pooling arrangements of Funds,
- PEN011 – amended as recommended by the Board,
- PEN013 - amended as recommended by the Board,
- PEN019 - amended as recommended by the Board,

- PEN032 - Admitted Body Insolvency Risk was an additional risk added to the register.

In response to questions regarding the pension administration system's ability to withstand cyberattacks, it was noted that numerous updates had been provided to the Council's IT network due to the recent cyberattacks on the NHS system. It was considered that there should be a cross reference from the Council's IT risk register to the Pensions Risk Register. The Board sought assurances that the risks were being addressed.

RESOLVED	Reason for decision
That the Risk Register includes an entry regarding cyber risk and periodic reports be made to the Board on how risks are addressed.	To assure the Board that the risk of cyberattacks on the pensions administration system is addressed.

9. DATA QUALITY TESTING PROCEDURE POLICY

The Chair advised that the Pension Regulator, Scheme Advisory Board and The Department for Communities and Local Government [DCLG] were emphasising the importance of Data Quality Testing Procedures. The Secretary advised that the draft document was based on the Regulator's guidance. In respect of participating employers providing member data, the Board welcomed the move from an annual to a monthly system.

RESOLVED	Reason for decision
That the Board receives the draft Data Quality Testing Procedure document.	As per report.

10. WEBSITE CONTENT RE BOARD

The Board noted that the Pension Board website could be accessed via the Pension Fund website. The Pensions Support Manager updated the website.

11. WALES POOL - INVESTMENT POOLING UPDATE [STANDING ITEM]

The Secretary advised that the Wales Pension Partnership was now a legal entity. The first formal Joint Governance Committee meeting, of the Chairs of the eight Pensions & investment Committees took place on 29th June. It was noted that an operator would be in place by the end of September. The Officer Working Group was chaired by Carmarthenshire's S151 officer. Governance arrangements would be considered by the Joint Governance Committee.

12. AUDIT REPORTS [STANDING ITEM]

There were no reports for this meeting.

13.	CESSATION OF CONTRACTING OUT - UPDATE [STANDING ITEM]
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The Board was advised that due to the year-end work only 15 cases had recently been checked but completion of this work was still on course for completion by December 2018. The Board noted the good progress being made in Powys and that 45 LGPS Funds in the UK had not yet started this work.

14.	BOARD MEMBER TRAINING [STANDING ITEM]
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The Chair noted that the Pensions & Investment Committee training was open to Board members.

Members were asked to contact the Secretary if they wished to attend training or conferences.

15.	FUTURE BOARD MEETINGS
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Future meeting dates of 20th October, 2017 and 12th January 2018 were noted.

The Board agreed the following items for the next Agenda:

- Work Programme
- Clarity on member communications
- Activity analysis of Pension Fund
- Pension Regulator self-assessment tool.

Gerard Moore (Chair)