

**MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT ON
MONDAY, 12 JUNE 2023**

PRESENT

Gerard Moore (Chair)

Ian Jones (Scheme Member Representative)

Graham Evans (Employer Representative)

Chris Hurst (Pension Fund Manager, Secretary to the Board)

1.	APOLOGIES
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Apologies received:

Nigel Brinn (Employer Representative)

David Powell (Scheme Member Representative)

John Byrne (Scheme Member Representative)

2.	DECLARATIONS OF INTEREST
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There were no declarations of interest.

3.	MINUTES OF THE BOARD
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The minutes of the meeting held on 03 May 2023 were agreed as correct record.

4.	MATTERS ARISING
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Matters arising points were covered in agenda items below.

5.	MINUTES OF PENSIONS AND INVESTMENT COMMITTEE
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The Board noted the minutes of the Pensions and Investment Committee of 10 March 2023.

It was highlighted that the Committee:

- reviewed and agreed four key strategies:

1.Funding Strategy Statement

2.Investment Strategy

3.Business Plan

4. Employer Policy

- and would continue the Equity Protection Policy for a further three years.

6.	THE PENSION REGULATOR [TPR] CODES OF PRACTICE
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The Pension Fund Manager advised that the document had been updated in line with the comments at the previous meeting.

The Board reviewed the following sections and noted the following [numbers refer to the Compliance indicator]:

Managing Risks [104-120]

114 – As part of the evaluation outcome work was ongoing with the Actuary to update and review the risks around the employer’s covenant.

115 – It was advised that the status remain amber due to the continuous process of managing risk.

The Chair proposed that the risk register process was shared with the Chair of the Scheme Advisory Board (SAB) when in attendance, and that comments provided by the Pensions and Investment Committee valued the Board’s thorough processes

Maintaining Contributions [147-169]

The Pension Fund Manager explained the nature of the risks and that processes and mechanisms were in place to monitor and identify weaknesses. This topic is reviewed further under Item 15.

The Chair suggested that in order for the Board to oversee both the Code of Practice and Risk Register, they could be reviewed together at the next meeting.

7. OPERATIONAL AND ADMINISTRATION REPORT & UPDATE
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The Board received the Operational and Administration report (January – March 2023).

Section 2 - Pensions Administration Financial Statistics - Income & Expenditure

The Board agreed to the Chairs proposal of additions to future reports:

- **A Net Position figure under the Total Income line.**
- **A 12 month rolling cashflow forecast.**

Section3 - Pensions Administration membership statistics

The Pension Fund Manager presented the Member Employment Record by Status graph that had been produced using new reporting software which demonstrated the fund maturing.

A discussion was held around how far back in time the undecided leaver column went. It was explained that the Pension Team are looking into how to improve the management of the process as it contains numerous categories.

The Pension Fund Manager will investigate if the data can be broken down further and provide an update in the next report.

3.2 - 50/50 Scheme Membership – it was clarified that a member would have been in the 50/50 scheme when the pension record became deferred. (i.e., the member left active employment).

8. LEGISLATION AND GOVERNANCE UPDATE

The Board noted the Legislation and Governance Update.

The Pension Fund Manager highlighted:

2. Scheme Advisory Board Updates

2.2- A response to the Knowledge and Skills Framework survey has been submitted by the Pension Fund Manager including considerations from the Chair. It was felt necessary as it's the approach taken by the Council.

2.3 -The Scheme Advisory Board have provided McCloud data guidance around missing data if an Employer is no longer available, from this high level data analysis had been undertaken and approximately 30% of the membership history could potentially be in scope, it is not expected to impact a high number of members.

Guidance notes and templates have been shared with all Employers, and some smaller Employers data has been collated and inputted as test portfolios with no concerns.

A query was answered around the resources needed to conduct the review on the 30% membership history and was explained that a structure had been implemented to incorporate what was expected from McCloud and an i-connect tool was used to produce monthly reports.

It was discussed that regular joint Payroll and Pension meetings were ongoing and would look into software tools in both services to help with the exercise.

Affected members receive the McCloud updates through various communication methods including the Member portal and Website.

A communal document template and administration system is used throughout the eight pools in Wales, it was proposed that the upcoming Annual Benefit Statement could be used to alert members to any McCloud changes, which the Pension Fund Manager will relay back to the Pensions Team.

3.2–Due to the high inflationary environment an issue has been identified that some members may break the annual allowance threshold automatically after the re-evaluation, therefore dates would be aligned with the financial year to improve the imbalance (threshold change £40k to £60k).

Government Actuary Department (GAD) Data Requests

Valuation data has been provided to the GAD as requested.

New LGPS Employers in Wales

An amendment had been made to the regulations to include those directly employed by a joint committee and in the future would be able to join the pension scheme of the related authority.

4. The Pensions Regulator (TPR)

4.1 - The Corporate Plan had been published and shows a close working relationship between the Financial Conduct Authority and the Department of Working Pensions in order to help provide consistent communications.

5. Pension Dashboard

The Minister has announced a delay in Pension Dashboards until 31 October 2026, however work had begun in Powys and meetings have been held with Software Providers. Initial outcomes showed good results for data quality, standing at 90+%, which is vital for scheme members to receive accurate information through the Portal.

The Board agreed that a dashboard presentation would be provided at the next meeting by the Pension Board Manager.

The Chair added that the Regulator is waiting for the General Code to be laid before Parliament (which was hoped before Parliament breaks for summer). A link will be provided in his summary regarding the feedback from the Chartered Institute of Public Finance and Accountancy [CIPFA] Isio conference for pension board members.

9. REVIEW OF RISK REGISTER

The Board noted the Risk Register. The Pension Fund Manager explained that all Controls and Actions have been updated on the Investment Pillar following the recommendations made after the Deep Dive.

INVEST0007 – the risk has been reworded, however it was felt that the risk could be more explicit to include fast track reporting processes.

The Board recommended that INVEST0007 would include more detail around the fast track process the Wales Pension Partnership would use to manage the Investment Managers within the Pool.

INVEST0008 – the wording full participation of the Pension Fund in all pooling development could include ongoing monitoring as it was seen as separate set of controls.

The Chair expressed that a recent training provided went exceptionally well.

The Board recommended that INVEST0008:

- **wording would be changed to include ongoing monitoring.**
- **Include Officers in the commentary for - Regular Training provided to Committee and Board Members by the Pool.**
- **Missed word 'at' in the last Control and Action.**

The updated version will be circulated to the Board and provided to the Committee.

10. STANDING ITEMS WITH NO UPDATES REQUIRED
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The Board noted the following in respect of standing items:

a) Breaches Register:

- Automatic payment of refunds after five years for post 2014 leavers:--

It was acknowledged that regulations have been broken due to frozen funds not being paid after five years, however this was noted as a national issue and deemed satisfactory that frozen refunds were recorded.

- Late notification of deferred benefits:-
The Board had previously agreed that scheme members were written to, in order to provide an opportunity to notify the Pensions Team of any changes to circumstances.

b) Board Communications Log – noted.

c) Internal Dispute Resolution Procedure [IDRP] – no new cases.

11. CONFIDENTIAL

RESOLVED that in accordance with Section 106 [8] Local Government Pension Scheme [LGPS] Regulations 2013 the Board goes into the confidential agenda with the public and press being excluded as some of the information may relate to financial or business affairs of a particular person or organisation.

12. UPDATE BY CHAIR OF PENSIONS BOARD
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The Chair's draft Annual Report would be circulated to the Board for informal observations before the next Committee meeting in July and formally approved by Board in September before publication by 01 December 2023.

Board Members have agreed for an open invitation to be sent to Councillor Roger Philips, Chair of the Scheme Advisory Board [SAB] to attend a physical/hybrid Board meeting in September or November 2023.

The Chair was involved in the CIPFA Isio Annual Conference for Pension Board Members on the 18 May 2023 and would circulate a summary including the training slide deck.

13. AUDIT REPORT

The Board noted the Audit Report. An Internal audit was carried around the policies and processes of the Pension Administration Team during February and March 2023. The outcome of the report was satisfactory with no immediate concerns, and six low priority items to be addressed.

The Board noted that the recommendations made in the audit report would be actioned by the Pensions Team in a timely manner.

14. KEY PERFORMANCE INDICATORS

The Board noted the Key Performance Indicators (KPI) report.

The Pension Fund Manager explained that CIPFA guidance for the Annual Report required ten processes to be recorded and reported within statutory deadlines. New software was used to interrogate both timescales and caseloads to produce reports which had both internal and legal targets.

It was discussed that the KPI, and Breaches process were to be linked but was dependant on data from Scheme Members and Employers. Information gathered from peers could determine when the clock stopped and started for processes performed as set out in the regulations.

The format of the report could be adjusted to reflect actual days which would determine pressure points within the service.

15.	EMPLOYER PERFORMANCE
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The Board noted the Employer Performance Report.

The Pension Fund Manager explained that Employers have statutory timescales to provide the Pension Team with payments and supporting documentation which was not always received on time in a small number of cases.

A review was undertaken to determine the performance of Employers, and those who were at risk of repeated breaches of the regulations will be provided with training and monitored using a performance review mechanism.

It was agreed that further communications will be provided along with the offer of additional training as more Employers are using the electronic i-connect tool.

It was asked that the Pension Fund Manager provide how many Employers are paying by cheque.

It was noted that the additional resources within the Pensions Team to allow improved monitoring, will provide Board with additional information that was previously not possible and Employer performance would be reported as a standard agenda item at Board.

16.	WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE [STANDING ITEM]
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The Board noted the Wales Pension Partnership (WPP) Investment Pooling Update. A more consistent approach was being taken by the WPP and noted that the item will be a public item in the future.

17.	FUTURE BOARD MEETINGS
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The Board noted the meeting dates:

2023

11 September – 2pm

20 November - 10am

Gerard Moore (Chair)