

Powys Pensions Board

Meeting Venue

Meeting Date
Friday, 29 September 2023

Meeting Time
10.00 am

For further information please contact

Rachel Pugh
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County Hall
Llandrindod Wells
Powys
LD1 5LG
25.09.2023

Mae croeso i chi siarad yn Gymraeg neu yn Saesneg yn y cyfarfod. Rhowch wybod pa iaith rydych am ei defnyddio erbyn hanner dydd, ddau ddiwrnod gwaith cyn y cyfarfod.

You are welcome to speak Welsh or English in the meeting. Please inform us of which language you wish to use by noon, two working days before the meeting.

AGENDA

1.	APOLOGIES
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To receive apologies for absence.

2.	DECLARATIONS OF INTEREST
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To receive any declarations of interest.

3.	MINUTES OF THE BOARD
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To authorise the Chair to sign the minutes of the meeting of the Board held on 12 June 2023 as a correct record.

(Pages 5 - 12)

4.	MATTERS ARISING
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Verbal update from the Chair.

5.	MINUTES OF PENSIONS AND INVESTMENT COMMITTEE
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To note the draft minutes of the Pensions and Investment Committee held on 07 July 2023.

(Pages 13 - 18)

6.	DRAFT ANNUAL REPORT OF THE POWYS PENSION BOARD FOR 2022/2023
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To approve the draft Annual Report of the Powys Pension Board for 2022/2023

(Pages 19 - 26)

7.	THE PENSION REGULATOR [TPR] CODES OF PRACTICE
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Updates made with regards to compliance with the TPR Code of Practice 14.

(Pages 27 - 42)

8.	OPERATIONAL AND ADMINISTRATION REPORT & UPDATE
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To receive the report.

(Pages 43 - 44)

9.	LEGISLATION AND GOVERNANCE UPDATE
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To note the report.

(Pages 45 - 50)

10.	REVIEW OF RISK REGISTER
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To review the Risk Register and consider any new risks.

(Pages 51 - 70)

11.	WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE
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To note the report

(Pages 71 - 104)

12.	STANDING ITEMS WITH NO UPDATES REQUIRED
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- a) Breaches Register
- b) Audit Reports
- c) Board Communications Log
- d) Internal Dispute Resolution Procedure [IDRP]

(Pages 105 - 108)

13.	FUTURE BOARD MEETINGS
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2023

20 November - 10am

14.	CONFIDENTIAL
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The Board needs to consider in accordance with Section 106 [8] Local Government Pension Scheme [LGPS] Regulations 2013 whether it 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.

15.	UPDATE BY CHAIR OF PENSIONS BOARD
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Verbal update from the Chair

16.	PERFORMANCE MEASUREMENT
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To receive the reports
(Pages 109 - 114)

17.	EMPLOYER PERFORMANCES
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To receive the report
(Pages 115 - 118)

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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

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)

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MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE HELD AT HYBRID ON FRIDAY, 7 JULY 2023

PRESENT

County Councillors P E Lewis (Chair)

A Kennerley

C Kenyon-Wade

D A Thomas

D H Williams

E A Jones

P E Lewis

Trish Fretten (Employer Representative)

Gerard Moore, Independent Chair, Powys Pension Board

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

Jane Thomas (Section 151 Officer)

Aon representatives

Benjamin Bryant

Emma Perrin

Jennifer O'Neill

Kenneth Ettles

1. APOLOGIES

No apologies were received.

2. DECLARATIONS OF INTEREST

Councillors A Kennerley, C Kenyon-Wade, D H Williams, E A Jones and P E Lewis declared interests as members of the Local Government Pensions Scheme.

These are personal interests, not prejudicial interests in accordance with Paragraph 12(b) (iv) of the Members Code of Conduct 2016.

3. MINUTES

The Chair was authorised to sign the minutes of the Pensions and Investment Committee meetings held on 03 May 2023 and 15 June 2023 as correct records.

4. PENSIONS BOARD MINUTES

The Committee received the Pension Board Chair's report and the draft minutes from the meeting on 12 June 2023.

RESOLVED:

i. the content of the report be noted

ii. Investment Pillar Risk INVEST007 is updated as recommended by Board.

5.	ADMINISTRATION AND GOVERNANCE UPDATE
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The Committee noted and considered the Update.

The Pension Fund Manager highlighted the following:

2.0 Scheme Advisory Board Updates

2.2 – Knowledge and Skills Framework Survey – The Scheme Advisory Board (SAB) were considering the survey submitted by the Council.

2.3 – McCloud Data Guidance –the information provided was both helpful and useful for the Pensions Team in regard to procedures around missing data.

2.4 - SAB Responds to cost Manager Consultation – SAB had responded to the Government around the proposed changes.

3.0 Local Government Pension Scheme (LGPS) Updates

3.1 Employee Contribution Rates from April 2023 – table of contributions rates – for information.

3.2 Progress Rate Report – A proposal had been made to change regulations to help support the high inflation environment and those scheme members that may breach the HMRC annual allowance limits due to misalignment of dates. There was a potential that pensions may be valued at different dates and trigger a breach and may add difficulties in issuing the annual allowance statements.

Government Actuary Departed Data Requests – data has been provided by the Council as requested.

New LGPS Employers in Wales – recent amendments made to regulations include the additional of the new Joint Welsh Committees as employers and enables employees of those committees to join the local pension scheme of the related authority.

Powys have been chosen as the Administering Authority for the Mid Wales Corporate Joint committee.

4.0 The Pensions Regulator

4.1 Corporate Plan – the link was provided in the report.

5.0 Pension Dashboards – the online portal is for pension savers to access all their information in just one place. A delay has been announced by the Department for Work and Pensions for the go live date, however work had begun and will continue by Powys to analyse data in preparation for the launch.

6.0 Risk Register

6.1 – Deep dives have been carried out by the Pensions Board on all three pillars of the risk register. Risks have been reviewed to ensure that enough detail has been provided.

INVEST007 – the Pension Board have recommended that the wording is strengthened as in Agenda Item 4.

It was clarified to the Committee that a fault has been reported in which the report shows the first review date not the latest.

7.0 Breaches Register – no new breaches reported.

The Pension Board would explore employer performance and deferred breaches were being reviewed.

It was moved and duly seconded to approve the Risk Register.

RESOLVED: The Risk Register be approved.

With recommendations:

- i. The Pension Fund Manager will add climate change related risk if required.
- ii. INVEST007 risk wording is strengthened (see Agenda Item 4).

6.	ADMINISTRATION STRATEGY STATEMENT
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The Committee considered the Administration Strategy Statement. The Pension Fund Manager explained the nature of the document which was required under LGPS regulations. This has been reviewed by the Pensions Board and consulted on with the Fund Employers.

Appendix A provided Key Performance Indicators and demonstrated how they will be monitored which included how timescales and legal requirements are met.

It was noted that the report will be provided to the Committee for future meetings.

It was moved and duly seconded to approve the Administration Strategy Statement

RESOLVED: The Administration Strategy Statement be approved.

7.	OVERPAYMENT POLICY
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The Committee considered the Overpayment Policy.

The Policy has been previously approved by the Committee and recently revised.

The Pension Fund Manager explained the main change was the write off limits (demonstrated in the table), limits have been increased in line with Council Policy and other pension funds.

A question was answered around the number of issues arising around write off payments which reassurance was given by the Pension Fund Manager as very few.

It was confirmed that the Powys Pension Service was included in the “tell us once” system used within the Council through the Registrar Service.

The scale of change and the change in authoriser in the table were queried, the Pension Fund Manager explained that changes had not been made for some

time and now aligns to other Pension Funds in Wales and the Council Policy. The Head of Finance added that the Councils Constitution and Financial Regulations had been reviewed which were also reflected in the changes.

It was suggested that an annual report could be provided to the Committee to ensure monitoring continues.

It was moved and duly seconded to approve the Overpayment Policy

RESOLVED: The Overpayment Policy be approved.

i.A Committee Annual Report for overpayments will be considered by the Pension Fund Manager.

8.	WALES PENSION PARTNERSHIP UPDATE AND BUSINESS PLAN
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The Committee considered the WPP Update and Business Plan

The Pension Fund Manager presented the update and highlighted:

2.2 - A document pack had been provided by the WPP to improve consistency in messaging for all.

3.0 – The WPP had asked each authority to approve the Business Plan which was presented to the Joint Governance Committee earlier in the year.

The Business Plan sets out priorities for the partnership during 2023-2026 and what resources are allocated to meet objectives.

It was suggested that additional wording could be included in the WPP Business Plan Objectives to reflect the needs of the Future Generations Act and responsibilities of the Council to be in line with Welsh Government policies and timetables around net zero and biodiversity net gain.

The Pension Fund Manager explained that the policies referred to are not directly applicable to pension funds but would provide feedback to the WPP.

4.0 - Sustainable Global Active Equity Sub fund – now launched within Powys along with the other seven funds participating. The Committee felt it was a positive step.

It was moved and duly seconded to approve the WPP Business Plan.

RESOLVED: The WPP Business Plan be approved.

i.The Pension Fund Manager would feedback comments from the Committee to WPP, that the Business Plan Objectives wording could be strengthened.

9.	EXEMPT ITEM
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RESOLVED to exclude the public for the following items of business on the grounds that there would be disclosure to them of exempt information under category 3 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

10.	RESPONSIBLE INVESTMENT
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The Committee considered the reports from AON.

a. Taskforce for Climate and Financial Disclosures TCFD roadmap paper / b.Net zero update paper

The paper presented by Jennifer O'Neill an Aon representative provided the Committee with an update including approaches to net zero.

It was explained that not all data had been received and would be circulated when possible.

A detailed timetable of events and actions would be compiled and made available to the Committee.

c. Climate modelling paper

Jennifer O'Neill explained that the paper had arisen from new requirements being introduced for the 2022 triennial valuation, in which modelling would be used to demonstrate and discover climate change impacts on pension funds.

Potential climate change scenarios were presented providing impacts on assets and liabilities, and how risks were being realised. The Committee discussed the fact that considered actions would be needed before decisions taken.

c. Fossil fuels update paper

Kenneth Ettles an AON representative provided details of a review that had been undertaken to show how the pension fund was exposed to oil, gas, and coal firms by asking Investment Managers to provide detailed information.

Clarification was provided that a target date had not been set for the Fund to become fossil fuel free, but the information is useful to have

RESOLVED: The Responsible Investment reports be noted.

i.A net zero event/action timetable will be compiled and shared with the Committee with the consideration of a workshop.

11.	INVESTMENT STRATEGY STATEMENT
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The Committee considered the Investment Strategy Statement, Kenneth Ettles highlighted minor amendments and questions were answered around the timescale of expectations which included an upcoming substantial review.

It was moved and duly seconded to approve the Investment Strategy Statement

RESOLVED: The Investment Strategy Statement be approved.

i.Climate change and the Future Wellbeing Act are to be considered and incorporated as appropriate for the in-depth review.

12.	PORTFOLIO RESTRUCTURE UPDATE PAPER
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The Committee considered the paper presented by Kenneth Ettles which provided an update on the implementation of the new investment strategy and developments made on the equity portfolio and infrastructure. The Committee felt encouraged to see the sustainable active equity sub fund lunched and investments taking place.

Highlights were provided around the progression of the private markets and infrastructure.

RESOLVED: The Portfolio Restructure Update Paper be noted.

13. AON QUARTERLY INVESTMENT REPORT
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The Committee considered the Quarter One Report presented by Emma Perrin a representative from Aon. It was noted that the asset value had fallen slightly over the quarter and against the 2022 valuation, however the funding level had increased since the valuation due to a fall in liabilities.

The Pension Fund Manager added that the LGPS Peer Group full report will be circulated to the Committee showing that smaller funds have incurred challenges due to their size.

Performance showed a volatile quarter for capital markets, however, persistent inflation, further interest rate rises, and global banking system concerns reduced returns.

RESOLVED: The Aon Quarterly Investment Report be noted.

County Councillor P E Lewis (Chair)

Draft Annual Report of Powys LGPS Pension Board for 2022/2023

1 Constitution, Representation and Attendance

- 1.1 The Powys County Council Local Government Pension Scheme (LGPS) Local Pension Board (“the Board”) was constituted under the Public Service Pensions Act 2013. As such, the Board is not a Committee of the Council.
- 1.2 It held its first meeting on 31 July 2015. From inception it consisted of two representatives of the Scheme employers, and two representatives of the Scheme members, all of whom are voting members. There is also a non-voting independent Chair. In September 2020, Powys County Council approved the addition of two extra Board members, one each from scheme employers and from scheme members. During the year a vacancy for a scheme member representative remained unfilled.
- 1.3 The Board met on five occasions during the year on the following dates: 27 June, 6 September, 28 October, 21 November 2022 and 10 February 2023. All meetings were held virtually. Average attendance was 67% of the appointed members of the Board.

	27.06. 2022	06.09. 2022	28.10. 2022	21.11. 2022	10.02. 2023
Gerard Moore: Independent Chair	√	√	√	√	√
John Byrne: Scheme Member representative	√	x	√	x	√
David Powell: Scheme Member representative	x	√	x	√	√
Wayne Thomas: Scheme Employer representative	√	x	√	√	√
Nigel Brinn: Scheme Employer representative	√	x	√	x	x
Graham Evans: Scheme Employer representative	x	√	√	x	√

- 1.4 Board meetings are open to the public, other than when considering exempt items.
- 1.5 To facilitate the operation of the Board, the Chair is invited as an observer to meetings of the Powys County Council Pensions and Investment Committee (“the Committee”).
- 1.6 Where possible opportunities are taken to prepare succession planning.

2 Functions and Operation of the Board

- 2.1 The two primary functions of a Local Pension Board (LPB) are to assist the Administering Authority to:
- ensure effective and efficient governance and administration of the LGPS;
 - ensure compliance with relevant laws and regulations.

- 2.2 It therefore has a monitor/assist/review/scrutinize purpose, and is not a decision-making body. It could be seen as being a critical but supportive friend. It sets its own agenda, and can be selective and probe particular topics in more depth than the Committee, which has a wider range of statutory responsibilities and decision-making. As such, the general approach of the Board is to seek assurances, with evidence from the Fund and external bodies, that the Fund is meeting its objectives, producing its required statements, managing its risks, etc. so as to achieve the overall objectives as set out in paragraph 2.1 above. It can and does commission its own reports, and where appropriate, makes recommendations to the Committee and to officers.
- 2.3 In so doing, the Board is helping manage the reputational risk of both the Fund and the Administering Authority. The LGPS in England and Wales has both the Department of Levelling Up, Housing and Communities (DLUHC) and the Pensions Regulator (TPR) as its regulators. The Administering Authority, and in extreme circumstances Board members, can be fined by TPR, which also has other powers available, including producing Regulatory Intervention Reports. No such reports from TPR have been issued to the Powys Pension Fund.
- 2.4 The Board is supported by the Board Secretary. The url for current Terms of Reference is shown in paragraph 7.1.
- 2.5 In 2022/2023 the direct costs of operating the Board, covering travel and training expenses relating to Board members and the fees and expenses of the Independent Chair amounted to £18.2k. These costs do not include any indirect costs relating to officer time nor any apportioned costs for the use of the Council's premises, systems or services recharged to the Fund by the Council. There was a specific budget of £25k. Board members are covered by indemnity insurance.

3 Detailed Work of the Board

3.1 Overview

- 3.1.1. This is the eighth Annual Report produced by the Board. Since their inception, Local Pension Boards have become increasingly visible and pro-active. There is good dialogue among Board members between formal meetings, and especially between the Board Chair and the Board Secretary. All Board members received regular updates of bulletins from TPR, the Scheme Advisory Board (SAB), DLUHC, Local Government Association (LGA) and other relevant sources.
- 3.1.2 There are effective communication links between the Board and the Committee, as the Board Chair produces and formally presents to the Committee an Executive Summary from each Board meeting showing any specific recommendations made by the Board, what assurances it has gained on behalf of the Committee, and any other matters considered to be relevant. I believe the

“triangle of trust” between Committee, Officers and Board is firmly established. It is pleasing that governance and administration, which are the primary focus of the Board, feature prominently on the agenda of the Committee.

- 3.1.3. As indicated, the main elements of the work programme of the Board are governance, and oversight of the pensions administration function, which is run by an in-house team. “Working from home” arrangements have been in place for many years, so the risks and revised working procedures required by the pandemic had already been identified, mitigated and managed.
- 3.1.4 Amongst other objectives, the Board endeavours to help manage the reputational risk of the Fund. Such a focus seeks assurances that the Fund is complying with its responsibilities and obligations. The Board reviews the quarterly administration performance reports, and requests greater detail where necessary. Where appropriate, these reviews are extended to ensure that all scheme employers are similarly complying, as their complete, accurate, timely and secure supply of data is critical. Increasingly, data flows from employers are becoming electronic, so data quality is expected to further improve. Provision of quality data prevents a chain reaction of poor key performance indicators, breaches of the law, inaccurate payment of pensions, inaccurate employer contribution rates and inappropriate investment decisions. As Chair, I attend the annual meeting with scheme employers. To further assist, the Board previews draft policies, statements and procedures, primarily from the viewpoints of process, consistency and communications, and makes appropriate recommendations. During 2022/23 the Board helped shape the draft policies relating to Compliments and Complaints, Conflicts of Interest, Communications Strategy, the Data Improvement Plan and the Draft Business Plan, for subsequent approval by the Committee.

3.2 Risk management

A separate Risk Register is produced for the Pension Fund. A detailed assessment of the likelihood of each risk occurring, and its impact, is now judged in the light of the existence of the Board as an additional scrutiny resource. Inherent risks, and then residual risks after mitigations, are given appropriate scores. During the year 2022/2023, the Fund both revised its formatting of the Risk Register and strengthened its procedures whereby the Board now dedicates a short additional meeting to focus on one of the three pillars of the Risk Register, namely Governance and Administration, both of which were reviewed in the year, and Investments, which will be reviewed in 2023/2024. These two deep dives resulted in various recommended changes for the Committee to consider and, where agreed, to adopt. An oversight review of the Risk Register, and consideration of any new risks, remains as a standing item at the quarterly Board meetings, and recommendations included a more explicit analysis of the risks in pooling investments, and adding the Pensions Dashboard to the Administration pillar.

3.3 The Pensions Regulator (TPR)

- 3.3.1 The Pensions Regulator monitors the LGPS on an ongoing basis and has, for example, highlighted delays across LGPS Funds in producing Annual Benefit Statements (ABS's). The Board was pleased to note that Powys Pension Fund

once again produced its ABS's by the due date but nevertheless continues to seek assurances that the next set will once again be delivered on time.

- 3.3.2 During the year the Board, with the Board Secretary, conduct a phased review of the Fund against the standards and expectations of TPR. The Regulator's anticipated wider General Code of Practice, to replace COP 14, which was specifically written for public services pension schemes, is at the time of writing still awaited. When legislated upon and implemented later in 2023, the transition to the General Code will represent a significant challenge for officers and the Board.
- 3.3.3 The Board monitors TPR's annual review of its priorities, and studies its guidance, intervention reports and the reasons behind any action it takes. TPR pays particular attention to data protection and cyber security. Like officers, elected and co-opted Members, the Board members complete the Council's annual examination in these areas.
- 3.3.4 TPR's Scheme Annual Return is a statutory, factual document for completion by the Fund. TPR measures and seeks annual improvements in data quality. Using 2018/2019 data as a baseline, the return shows percentages for completeness and accuracy of "common data" and "scheme specific data". The most recent submission from Powys indicates figures of 98.3% for common data and 91.95% for scheme specific data, which represented marginal improvements to the previous year. For information, the results for common data were 93.4% and scheme specific data were 75.9% when the exercise was first conducted in the 2017/18 year. It is important to note that the Fund depends on timely submission of accurate data from all employers to ensure accurate calculations of benefits due. Three other examples of its importance are for the calculations of employer contributions, Guaranteed Minimum Pension (GMP) figures, and in due course, to provide data for Pension Dashboards. Whilst data quality for Powys is at a high level, nevertheless a Data Improvement Plan is maintained and monitored by the Board.

3.4 Reporting and Recording Breaches

The Board reviews any recorded breaches of the law as a quarterly standing item. The two areas of recorded breaches relate, firstly, to cases of non-payment of "frozen refunds", for which the Fund still awaits receipt of all necessary information to enable payments to be made, and secondly, the delayed notification to scheme members of deferred benefits, which is accepted as a lowish priority task.

The Board, and all associated with the Fund, other than individual scheme members, have a responsibility to report significant breaches of the law to TPR. During 2022/2023 none of these recorded breaches were deemed to be of material significance to the TPR, hence no breaches were formally reported via the Administering Authority. A fast-track reporting system is in place for reporting breaches (those of material significance to TPR) in a timely manner.

The Board may seek further assurances regarding the underlying processes and procedures which are pertinent to the identification of potential breaches, an example being the process for monitoring the timely payment of contributions by scheme employers to the Fund, which have moved almost entirely away from cheques to electronic payments.

3.5 Scheme Advisory Board (SAB)

- 3.5.1. In setting its Work Programme, the Board takes into account the focus and priorities of the SAB, whose minutes it receives. The SAB regularly issues guidance and recommends good practice to pension funds. The SAB also produces an Annual Report encompassing combined data across all LGPS Funds in England and Wales, which is made available to Board members.
- 3.5.2. The SAB commissions periodic surveys of local pension boards. A second survey is expected in due course.

3.6 Review of Investment Issues

Whilst the vast majority of the Board's work focuses on administration and governance issues, investment issues are not ignored.

- 3.6.1 As expected under the relevant Investment Regulations, the Board continues to monitor the on-going consideration and development of an appropriate strategy for responsible investment, as reflected in the Fund's Investment Strategy Statement, and will monitor progress on climate-related financial disclosures.
- 3.6.2. The Board continues to receive updates on progress by the Wales Pensions Partnership (WPP) on the pooling of assets. The Chairs of the eight Pension Committees make up the Joint Management Committee of WPP, which meets quarterly. Hence the demands on each Pension Committee Chair have significantly increased.
- 3.6.3 The eight Chairs of the Wales Pension Boards participate in half yearly engagement meetings with WPP's host authority, including with external providers.
- 3.6.4 The Board keeps a watchful eye on on-going compliance with MiFID II, particularly should there be any changes of key staff with investment expertise, or in membership of the Committee, which is responsible for decisions on assets of some £777m consisting of multiple and increasingly complex and diverse asset classes. Consequently there are significant training requirements for all Committee Members, which also include training on the understanding and monitoring of the Fund's liabilities.
- 3.6.5 The Board receives reports on cash flow predictions. These help the Board gain assurances that pensions and lump sums will be paid on time, and that cash management arrangements are sufficiently flexible both to avoid any forced fire-sale of assets and to have cash available when called up by the investment managers.

3.7 Scheme documents

- 3.7.1 The Board examines the range of scheme documents expected to be in place, and with which Board members are expected to be conversant. All relevant documents are listed and easily accessible on the Fund's website.

3.7.2 The Board pays regard to those standard letters and documents which are sent to scheme members and has made recommendations regarding their content. Particular focus is given to the ever-present dangers of pension scams.

3.8 Engagement with s151 Officer

As Board Chair, I hold an annual discussion with Powys County Council's Section 151 Officer. Appropriate assurances have been given to the Committee regarding the appropriate resourcing of the Pensions Team in the light of the additional administrative burdens arising from the multitude of actual and anticipated legislative changes and guidance.

4. Ensuring Compliance with Regulatory Deadlines.

4.1 A key component of the Board's agenda is ensuring compliance with regulatory deadlines, some of which represent an annual requirement, whilst others relate to the effective dates of adopting new legislation, regulations and guidance. In all cases timely progress reports are received, with the Board considering whether any recommendations are needed to help ensure that deadlines are met.

4.2 Annual deadlines include producing Annual Benefit Statements for active members, Pension Savings Statements, the submission of the Scheme Annual Return to the TPR, SP3 submission and publication of the Pension Fund Annual Report and Accounts. During the year, the Fund complied with all relevant deadlines.

5. Training

5.1 Each Board member must be conversant with the details of the Scheme, which translates as having a good working knowledge. On appointment, a new Board member receives one to one training with the Board Chair.

5.2 The training policy for Board members is based on an individual training needs analysis and is therefore being individually tailored. This allows use of both the CIPFA Framework and TPR Toolkit. Board members are informed of external training opportunities and are encouraged to participate in at least two such seminars or conferences each year. Full training records are maintained.

5.3 Board members are invited to internal training events provided for Committee members which are often targeted to specific issues or asset classes, and can attend the excellent on-line investment training courses provided by WPP.

5.4 A communications log is maintained of all relevant guidance and regulatory updates and documents received and distributed to Board members, to ensure that their knowledge and skills are kept up to date, and to monitor the Fund's compliance with the associated changes.

5.5 As Independent Chair, I attend many industry events, and am able to share some of the learning outcomes with Board members, thus adding informal training to the range of opportunities available to the Board. I personally undertook a substantial amount of Continuing Professional Development during the year.

6. Workplan

- 6.1 The work plan for 2023/2024 will include the following activity areas:
- Pension Fund Annual Report and Accounts
 - administration, including improved Key Performance Indicators, the Data Improvement Plan and, potentially, Value for Money studies
 - internal and external audit reports
 - audit and risk management, including the Risk Register
 - governance; including conflicts of interest, recording and, if appropriate, reporting breaches, and compliance with the regulations, TPR's Code of Practice 14 and its successor, the General Code of Practice.
 - preparation for implementing the DLUHC guidance on the Good Governance Project
 - investments, including on-going developments at WPP and implications for Administering Authorities
 - overview progress on responsible investments and the Stewardship Code
 - monitoring compliance with external deadlines
 - member communications
 - on-going reviews of cyber security, GDPR (data protection) and managing the threats from pension scams
 - participating in and learning from relevant surveys, e.g. of SAB and TPR.
 - a review of the Forward-Looking Business Plan
 - revised information regarding cash flow projections and monitoring
- 6.2 The above represents a challenging list. There is flexibility to allow for any additional reviews and developments. The experience gained through holding virtual meetings opened up opportunities to hold additional short but focussed on-line meetings to supplement the scheduled quarterly meetings, such as pillars of the Risk Register, should business so require.

7. Public accountability

- 7.1 As well as being open to the public, the agendas, minutes and the Board's Terms of Reference are available on the Fund's website at the following address: <https://www.powyspensionfund.org/about-the-scheme/about-the-pension-fund/local-pension-board/>

I am grateful to my fellow Board members, who have volunteered their time and energies in their roles. Thanks are also expressed to the Board Secretary, the Chair of the Pensions & Investments Committee, the s151 Officer, and the Cabinet Manager for Legal, Scrutiny and Democratic Services and team, for their timely and effective support during these challenging times. Finally, I pay tribute to the Pensions Administration Team for their sterling determination to ensure benefits were paid accurately and in a timely way, notwithstanding the difficulties presented by increased membership, increased legislation and the consequences of the pandemic.



Gerard Moore
Independent Chair
Powys County Council LGPS Local Pension Board

20 June 2023

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PENSION REGULATOR CODE OF PRACTICE 14 - COMPLIANCE ANALYSIS

Powys Pension Fund

		Action Required	Current Position
22	Scheme manager - each public service pension scheme has one or more persons responsible for managing or administering the scheme. Public service pension schemes can have different persons acting as scheme manager for different parts of the pension scheme. For the locally administered schemes, the scheme managers may be the local administering authorities or a person representing an authority or police force.		<i>The Administering Authority is designated scheme manager under the regulations.</i>
23	Pension board – the scheme manager (or each scheme manager) for a scheme has a pension board with responsibility for assisting the scheme manager to comply with the scheme regulations and other legislation relating to the governance and administration of the scheme and any requirements imposed by the regulator. The pension board must also assist the scheme manager with such other matters as the scheme regulations may specify. It will be for scheme regulations and the scheme manager to determine precisely what the pension board’s role, responsibilities and duties entail.		<i>A Local Pension Board has been established and operates under a prescribed Terms of Reference. The Board was established on</i>
Publishing Information about Schemes			
92	The scheme manager for a public service scheme must publish information about the pension board for the scheme(s) and keep that information up-to-date.		Available on Fund website.
93	The information must include: who the members of the pension board are representation on the board of members of the scheme(s), and the matters falling within the pension board’s responsibility.		Board membership and terms of reference available on website. Also links to meetings and agenda documents.
94	Scheme members will want to know that their scheme is being efficiently and effectively managed. Public service pension schemes should have a properly constituted , trained and competent pension board, which is responsible for assisting the scheme manager to comply with the scheme regulations and other legislation relating to the governance and administration of the scheme and requirements imposed by the regulator.		Powy Pension Board terms of reference provides the detail
95	Scheme managers must publish the information required about the pension board and keep that information up-to-date. This will ensure that scheme members can easily access information about who the pension board members are, how pension scheme members are represented on the pension board and the responsibilities of the board as a whole.		Available on Fund website.

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96	When publishing information about the identity of pension board members, the representation of scheme members and matters for which the board is responsible, schemes should also publish useful related information about the pension board such as: the employment and job title (where relevant) and any other relevant position held by each board member the pension board appointment process who each pension board member represents the full terms of reference for the pension board, including details of how it will operate, and any specific roles and responsibilities of individual pension board members.		Discussed at Pension Board meeting 28.10.22 and happy to leave in current state, no reason to change.
97	Schemes should also consider publishing information about pension board business, for example board papers, agendas and minutes of meetings (redacted to the extent that they contain confidential information and/or data covered by the Data Protection Act 1998). They should consider any requests for additional information to be published, to encourage scheme member engagement and promote a culture of transparency.		Available online.
98	Scheme managers must ensure that information published about the pension board is kept up-to-date. Schemes should have policies and processes to monitor all published data on an ongoing basis to ensure it is accurate and complete.		Minutes regularly uploaded and documentation reviewed.
Providing information to Members			
188	Scheme regulations must require scheme managers to provide an annual benefit information statement to each active member of a DB scheme established under the 2013 Act or new public body scheme. The statement must include a description of the benefits earned by a member in respect of their pensionable service.		Procedures in place. Digital distribution and paper to those that have requested
189	The first statement must be provided no later than 17 months after the scheme regulations establishing the scheme come into force. Subsequent statements must be provided at least annually after that date.		
190	Statements must also comply with HM Treasury directions in terms of any other information which must be included and the manner in which they must be provided to members.		Annual Review exercise on All Wales basis
191	Managers of a scheme must also provide a benefit statement following a request by an active, deferred or pension credit member of a DB scheme if the information has not been provided to that member in the previous 12 months before that request.		Noted. Statement of fact/process.
192	These benefit statements must include information about the amount of benefits by reference to a particular date and how they are calculated. The full details depend on the type of member making the request.		Compliant
193	The information must be given as soon as practicable but no more than two months after the date the request is made.		Procedures in place to ensure timescales adhered to.

196	<p>Under the Disclosure Regulations 2013, managers of a scheme must provide other information to members and others in certain circumstances (for example, on request). The Regulations set out the information which must be given, the timescales for providing such information and the methods that may be used. Not all information must be provided in respect of all public service pension schemes (there are some exemptions for specified public service schemes or according to the type of benefit offered), but information which scheme managers may need to provide includes:</p> <ul style="list-style-type: none"> • basic scheme information • information about the scheme that has materially altered • information about the constitution of the scheme • annual report (this requirement will generally not apply to unfunded DB public service pension schemes and DB schemes for local government workers) information about funding principles, actuarial valuations and payment schedules (these requirements will generally not apply to unfunded DB public service pension schemes and DB schemes for local government workers) • information about transfer credits • information about lifestyling (this requirement will not apply in respect of DB benefits in public service pension schemes) • information about accessing benefits, and • information about benefits in payment. 		Compliant. Misc regs require notification to members within timescales. Amber to reflect difficulties in notifying all deferred members of actual benefits within timescales. Interim letter issued to advise of benefit entitlement whilst actual benefits calculated. Noted as recordable breach (not reportable).
197	The detail of the information that must be provided to scheme members and others and any exemptions are set out in the Disclosure Regulations 2013. Managers must provide the required information, along with confirmation that members may request further information and the postal and email addresses to which a person should send those requests and enquiries.		In place
198	Managers of a scheme must ensure that scheme members and others are given information in accordance with the Disclosure Regulations 2013, unless they are an 'excluded person' (as defined above).		Noted. Statement of fact/process.

199	<p>The Disclosure Regulations 2013 make provision for scheme members and others to receive information that is relevant to their pension rights and entitlements under the scheme. The categories of people who are entitled to receive information vary according to the different types of information, and there are exemptions where information has already been provided in a specified period. The detail of who is entitled to any particular type of information is set out in the Disclosure Regulations 2013 but may include any of the following ('a relevant person'):</p> <ul style="list-style-type: none"> • active members • deferred members • pensioner members • prospective members • spouses or civil partners of members or prospective members • other beneficiaries, and • recognised trade unions. 		Noted. Statement of fact/process.
200	<p>Managers must disclose certain basic information about the scheme and the benefits it provides to a prospective member (if practicable to do so) or a new member. Where the manager has received jobholder information for the member or prospective member they must provide the information within a month of the jobholder information being received. Where they have not received jobholder information, they must provide the information within two months of the date the person became an active member of the scheme.</p>		procedures in place. Compliant.
201	<p>Managers must also provide information on request to a relevant person within two months of the request being made, except where the same information was provided to the same person or trade union in the 12 month before the request.</p>		Compliant. Procedures in place in workflow system.

203	<p>Generally, schemes may choose how they provide information to scheme members, including by post, electronically (by email or by making it available on a website) or by any other means permitted by the law. For benefit statements issued under the 2013 Act, HM Treasury directions may specify how the information must be provided. Where schemes wish to provide information required under the Disclosure Regulations 2013 by electronic means there are important steps and safeguards that must first be met. These include:</p> <ul style="list-style-type: none"> • scheme members and beneficiaries being provided with the option to opt out of receiving information electronically by giving written notice to the scheme • managers being satisfied that the electronic communications have been designed: <ul style="list-style-type: none"> – so that the person will be able to access and either store or print the relevant information and – taking into account the requirements of disabled people • ensuring that members and beneficiaries who were members or beneficiaries of the public service pension scheme on 1 December 2010 (where the scheme had not provided information electronically prior to that date) has been sent a written notice (other than via email or website), informing them that: <ul style="list-style-type: none"> – it is proposed to provide information electronically in the future and – scheme members and beneficiaries may opt out of receiving information electronically by sending written notice. 		<p>Exercise carried out and majority of scheme documentation delivered electronically, except to those who have opted out of e-communications. Workplan in place to increase targetted communications to those members who have not engaged as frequently as hoped but also age appropriate targetted communications (near retirement, mid-career etc). At least one physical document sent to scheme members annually - newsletter etc</p>
204	<p>Where schemes make information or a document available on a website for the first time, they must give notice (other than via a website) to the recipient. They must ensure that the notice includes:</p> <ul style="list-style-type: none"> • a statement advising that the information is available on the website • the website address • details of where on the website the information or document can be read, and • an explanation of how the information or document may be read on the website. 		<p>Compliant</p>

205	<p>When any subsequent information is made available on a website, managers of a scheme must give a notice (other than via a website) to recipients informing them that the information is available on the website. This notice will not be required where:</p> <ul style="list-style-type: none"> • at least two documents have been given to the recipient by hand or sent to the recipient's last known postal address • each of those letters asks the recipient to give their electronic (email) address to the scheme and informs the recipient of their right to request (in writing) that information or documents are not to be provided electronically • a third letter has been given to the recipient by hand or sent to the recipient's last known postal address and includes a statement that further information will be available to read on the website and that no further notifications will be sent to the recipient and • the managers of the scheme do not know the recipient's email address and have not received a written request that information or documents are not to be provided to the recipient electronically. 		Exercise carried out and majority of scheme documentation delivered electronically, except to those who have opted out of e-communications
206	<p>In some cases, the Disclosure Regulations 2013 specify that information must be made available by one of the following methods:</p> <ul style="list-style-type: none"> • available to view free of charge, at a place that is reasonable having regard to the request • published on a website (in which case the procedure to be followed before making information available on a website does not apply, except that the person or trade union must be notified of certain details) • given for a charge that does not exceed the expense incurred in preparing, posting and packing the information, or • publicly available elsewhere. 		Compliant
207	<p>Schemes should design and deliver communications to scheme members in a way that ensures they are able to engage with their pension provision. Information should be clear and simple to understand as well as being accurate and easily accessible. It is important that members are able to understand their pension arrangements and make informed decisions where required.</p>		Preferred language requested at point of joining scheme. Register kept of those wanting Communications in other languages.
208	<p>Schemes should attempt to make contact with their scheme members and, where contact is not possible, schemes should carry out a tracing exercise to locate the member and ensure that their member data are up-to-date.</p>		Numbers of "Gone Away" members identified. New facility being used to check small numbers of members as required. Ongoing exercise.
209	<p>Where a person has made a request for information, schemes should acknowledge receipt if they are unable to provide the information at that stage. Schemes may encounter situations where the time period for providing information takes longer than expected. In these circumstances, schemes should notify the person and let them know when they are likely to receive the information. Scheme managers and managers (where different) must provide information in accordance with the time periods specified in the 2013 Act and Disclosure Regulations 2013.</p>		Compliant with appropriate processes in place
210	<p>To promote transparency, schemes should make information readily available at all times to ensure that prospective and existing members are able to access information when they require it.</p>		Website, Intranet, bilingual (work continuing)

Resolving Issues

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216	Dispute resolution arrangements may require people with an interest in the scheme to first refer matters in dispute to a 'specified person' in order for that person to consider and give their decision on those matters. The specified person's decision may then be confirmed or replaced by the decision taken by the scheme manager after reconsideration of the matters.		Pensions Decision - Pensions Administration Manager. Employer decision - HR Manager
217	Scheme managers and specified persons (if used as part of a scheme's procedure) must take the decision required on the matters in dispute within a reasonable period of receiving the application. They must notify the applicant of the decision within a reasonable period of having taken it.		IDRP information made available to Specified Person
218	Internal dispute resolution procedures must state the manner in which an application for the resolution of a pension dispute is to be made, the particulars which must be included in such an application and the manner in which any decisions required in relation to such an application are to be reached and given. The procedure must specify a reasonable period within which applications must be made by certain people.		Detail in Letter.
219	Scheme managers must provide information about the scheme's dispute resolution procedure as well as information about The Pensions Advisory Service (TPAS) and the Pensions Ombudsman to certain people at certain stages.		Included in letters
220	Scheme members expect their pension scheme to be managed effectively. Where a person with an interest in the scheme is not satisfied with any matter relating to the scheme (for example a decision which affects them), they have the right to ask for that matter to be reviewed.		Included in letters
222	Schemes can operate a two-stage procedure with a 'specified person' undertaking the first-stage decision. Alternatively, they may adopt a single-stage procedure if they consider that is more appropriate for their scheme.		Two-stage adopted. Stage 1 - Pensions Administration Manager. Stage 2 - Pension Fund Manager. Similar practice for most Welsh LGPS Funds.
223	With the exception of certain matters outlined below, the law does not prescribe the detail of the dispute resolution procedure. Schemes should decide on this and ensure it is fit for purpose.		Noted. Statement of fact/process.

224	<p>Schemes may choose to specify time limits within which the following people must apply for a dispute to be resolved, following notification to them:</p> <ul style="list-style-type: none"> • scheme members • widows, widowers, surviving civil partners or surviving dependants of deceased scheme members • surviving non-dependant beneficiaries of deceased scheme members, and • prospective scheme members. 		Within 6 months of being notified of decision
225	<p>If schemes decide to specify time limits, they should publish and make those time limits readily available to ensure that those with an interest in the scheme are aware that they must submit an application within a prescribed time limit.</p>		Within 6 months of being notified of decision
226	<p>Scheme managers must ensure their scheme's procedure specifies a reasonable period within which applications by the following people must be made:</p> <ul style="list-style-type: none"> • a person who has ceased to be within the categories in paragraph 224 above • a person who claims that they were a person within the categories in paragraph 224 above and has ceased to be such a person, and the dispute relates to whether they are such a person. 		Noted. Statement of fact/process.
227	<p>A reasonable period would be six months beginning immediately after the date on which the person ceased to be, or claims they ceased to be, a person with an interest in the scheme. However, schemes have the flexibility to exercise their judgement and take an application outside a specified time period, if appropriate.</p>		6 months applied
228	<p>Managers and specified persons (where applicable) must decide the matter in dispute within a reasonable period of receiving the application. A reasonable period is within four months of receiving the application. In the case of a two-stage dispute resolution procedure, the reasonable period applies to each stage separately. Where a dispute is referred to scheme managers for a second-stage decision, the reasonable period begins when the managers receive the referral. However, there may be cases where it will be possible to process an application sooner than the reasonable time given. Where this is the case, there should not be a delay in taking the decision.</p>		Matter to be acted upon quickly but within 4 months
229	<p>There may be exceptional circumstances of a particular dispute which may prevent the process being completed within the reasonable time period stated above. For instance, where the dispute involves unusually complex and labour-intensive calculations or research, or delays occur that are outside the control of the scheme manager (or specified person), or because they need to obtain independent evidence.</p>		Noted. Statement of fact/process.

230	The regulator recognises that the circumstances of each dispute are different and decision times may vary. Schemes should be satisfied that the time taken to reach a decision is appropriate to the situation and be able to demonstrate this, if necessary.		Procedure is documented and evidenced
231	Applicants must be notified of the decision made by a scheme manager and specified person (where applicable) within a reasonable time period after the decision has been made ¹²³ . Schemes should usually notify applicants of the decision no later than 15 working days after the decision has been made. However, there may be cases where it is possible to notify an applicant sooner than the reasonable time given. Where this is the case, there should not be a delay in notifying them of the decision.		Procedures in place to notify
232	Applicants must be notified of the decision made by a scheme manager and specified person (where applicable) within a reasonable time period after the decision has been made ¹²³ . Schemes should usually notify applicants of the decision no later than 15 working days after the decision has been made. However, there may be cases where it is possible to notify an applicant sooner than the reasonable time given. Where this is the case, there should not be a delay in notifying them of the decision.		Procedures in place to notify
233	Scheme regulations or other documents recording policy about the administration of the scheme should specify internal dispute resolution arrangements. Schemes should focus on educating and raising awareness of their internal dispute resolution arrangements and ensuring that they are implemented.		Included in correspondence.
234	Schemes should ensure that the effectiveness of the arrangements is assessed regularly and be satisfied that those following the process are complying with the requirements set, which includes effective decision making. This is particularly important where the arrangements require employers participating in the pension scheme to carry out duties as part of the process, for example where schemes have implemented the two-stage procedure and employers are acting as the specified person for the first stage		Guidance provided to Employers and individuals where appropriate
235	Schemes should confirm and communicate their arrangements to members, for example, in the joining booklet. Schemes should make their arrangements accessible to potential applicants, for example by publishing them on a scheme website.		Information readily available. Compliments and Complaints policy produced and published.
236	<p>Scheme managers must provide the following information about the procedure and processes the scheme has in place for the internal resolution of disputes to certain people in certain circumstances¹²⁴:</p> <ul style="list-style-type: none"> • prospective members, if it is practicable to do so • any scheme members who have not already been given the information • certain relevant people who request the information and who have not been given that information in the previous 12 months, and • members or prospective members when schemes receive jobholder information, or when a jobholder becomes an active member, in connection with automatic enrolment. 		Information available.

237	Scheme managers must also provide the postal or email address and job title of the person to contact in order to make use of the internal dispute arrangements.		Included in correspondence
238	In addition, scheme managers must provide information about TPAS and the Pensions Ombudsman at certain stages ¹²⁵ . Upon receiving an application for the resolution of a pension dispute, scheme managers (or the specified person) must make the applicant aware as soon as reasonably practicable that TPAS is available to assist members and beneficiaries of the scheme and provide contact details for TPAS. When notifying the applicant of the decision, scheme managers must also inform the applicant that the Pensions Ombudsman is available to investigate and determine complaints or disputes of fact or law relating to a public service pension scheme and provide the Pension Ombudsman's contact details.		Included in correspondence
239	<p>Schemes can decide what information they need from applicants to reach a decision on a disputed matter and how applications should be submitted. Schemes should ensure they make the following information available to applicants:</p> <ul style="list-style-type: none"> • the procedure and processes to apply for a dispute to be resolved • the information that an applicant must include • the process by which any decisions are reached, and • an acknowledgement once an application has been received. 		Information available.
240	When reviewing an application, scheme managers and specified persons (where relevant) should ensure that they have all the appropriate information to make an informed decision. They should request further information if required. Scheme managers and specified persons should be satisfied that the times taken to reach a decision and notify the applicant are appropriate to the situation and that they have taken the necessary action to meet the reasonable time periods. Scheme managers should be able to demonstrate this to the regulator if required.		Noted. Statement of fact/process.
Reporting Breaches of the Law			
244	Schemes should be satisfied that those responsible for reporting breaches are made aware of the legal requirements and this guidance. Schemes should provide training for scheme managers and pension board members. All others under the statutory duty to report should ensure they have a sufficient level of knowledge and understanding to fulfil that duty. This means having sufficient familiarity with the legal requirements and procedures and processes for reporting.		Reporting Breaches Policy produced and available on Fund website

245	<p>Identifying and assessing a breach of the law is important in reducing risk and providing an early warning of possible malpractice in public service pension schemes. Those people with a responsibility to report breaches, including scheme managers and pension board members, should establish and operate appropriate and effective procedures to ensure that they are able to meet their legal obligations. Procedures should enable people to raise concerns and facilitate the objective consideration of those matters. It is important that procedures allow reporters to decide within an appropriate timescale whether they must report a breach. Reporters should not rely on waiting for others to report.</p>		<p>Reporting Breaches Policy produced and available on Fund website. Traffic light system included for determining seriousness</p>
246	<p>Procedures should include the following features:</p> <ul style="list-style-type: none"> • a process for obtaining clarification of the law around the suspected breach where needed • a process for clarifying the facts around the suspected breach where they are not known • a process for consideration of the material significance of the breach by taking into account its cause, effect, the reaction to it, and its wider implications, including (where appropriate) dialogue with the scheme manager or pension board • a clear process for referral to the appropriate level of seniority at which decisions can be made on whether to report to the regulator • an established procedure for dealing with difficult cases • a timeframe for the procedure to take place that is appropriate to the breach and allows the report to be made as soon as reasonably practicable • a system to record breaches even if they are not reported to the regulator (the record of past breaches may be relevant in deciding whether to report future breaches, for example it may reveal a systemic issue), and • a process for identifying promptly any breaches that are so serious they must always be reported. 		<p>Reporting Breaches Policy produced and available on Fund website. Traffic light system included for determining seriousness. Breaches Log kept and updated regularly.</p>
247	<p>Breaches can occur in relation to a wide variety of the tasks normally associated with the administrative function of a scheme such as keeping records, internal controls, calculating benefits and, for funded pension schemes, making investment or investment-related decisions.</p>		<p>Noted. Statement of fact/process.</p>
248	<p>Having 'reasonable cause' to believe that a breach has occurred means more than merely having a suspicion that cannot be substantiated.</p>		<p>Noted. Statement of fact/process.</p>
249	<p>Reporters should ensure that where a breach is suspected, they carry out checks to establish whether or not a breach has in fact occurred. For example, a member of a funded pension scheme may allege that there has been a misappropriation of scheme assets where they have seen in the annual accounts that the scheme's assets have fallen. However, the real reason for the apparent loss in value of scheme assets may be due to the behaviour of the stock market over the period. This would mean that there is not reasonable cause to believe that a breach has occurred.</p>		<p>Noted. Statement of fact/process.</p>

250	Where the reporter does not know the facts or events around the suspected breach, it will usually be appropriate to check with the pension board or scheme manager or with others who are in a position to confirm what has happened. It would not be appropriate to check in cases of theft, suspected fraud or other serious offences where discussions might alert those implicated or impede the actions of the police or a regulatory authority. Under these circumstances the reporter should alert the regulator without delay.		Noted. Statement of fact/process.
251	If the reporter is unclear about the relevant legal provision, they should clarify their understanding of the law to the extent necessary to form a view.		Noted. Statement of fact/process.
252	In establishing whether there is reasonable cause to believe that a breach has occurred, it is not necessary for a reporter to gather all the evidence which the regulator may require before taking legal action. A delay in reporting may exacerbate or increase the risk of the breach.		Noted. Statement of fact/process.
253	<p>In deciding whether a breach is likely to be of ‘material significance’ to the regulator. It would be advisable for those with a statutory duty to report to consider the:</p> <ul style="list-style-type: none"> • cause of the breach • effect of the breach • reaction to the breach, and • wider implications of the breach. 		Detailed in Breaches Policy
254	When deciding whether to report, those responsible should consider these points together. Reporters should take into account expert or professional advice, where appropriate, when deciding whether the breach is likely to be of material significance to the regulator.		Noted. Statement of fact/process.
255	<p>The breach is likely to be of material significance to the regulator where it was caused by:</p> <ul style="list-style-type: none"> • dishonesty • poor governance or administration • slow or inappropriate decision making practices • incomplete or inaccurate advice, or • acting (or failing to act) in deliberate contravention of the law. 		Detailed in Breaches Policy

256	When deciding whether a breach is of material significance, those responsible should consider other reported and unreported breaches of which they are aware. However, historical information should be considered with care, particularly if changes have been made to address previously identified problems.		Noted. Statement of fact/process.
257	A breach will not normally be materially significant if it has arisen from an isolated incident, for example resulting from teething problems with a new system or procedure, or from an unusual or unpredictable combination of circumstances. But in such a situation, it is also important to consider other aspects of the breach such as the effect it has had and to be aware that persistent isolated breaches could be indicative of wider scheme issues.		Noted. Statement of fact/process.
258	<p>Reporters need to consider the effects of any breach, but with the regulator's role in relation to public service pension schemes and its statutory objectives in mind, the following matters in particular should be considered likely to be of material significance to the regulator:</p> <ul style="list-style-type: none"> • pension board members not having the appropriate degree of knowledge and understanding, which may result in pension boards not fulfilling their roles, the scheme not being properly governed and administered and/or scheme managers breaching other legal requirements • pension board members having a conflict of interest, which may result in them being prejudiced in the way that they carry out their role, ineffective governance and administration of the scheme and/or scheme managers breaching legal requirements • adequate internal controls not being established and operated, which may lead to schemes not being run in accordance with their scheme regulations and other legal requirements, risks not being properly identified and managed and/or the right money not being paid to or by the scheme at the right time • accurate information about benefits and scheme administration not being provided to scheme members and others, which may result in members not being able to effectively plan or make decisions about their retirement • appropriate records not being maintained, which may result in member benefits being calculated incorrectly and/or not being paid to the right person at the right time • pension board members misappropriating any assets of the scheme or being likely to do so, which may result in scheme assets not being safeguarded, and • any other breach which may result in the scheme being poorly governed, managed or administered. 		Noted. Statement of fact/process.
259	Reporters need to take care to consider the effects of the breach, including any other breaches occurring as a result of the initial breach and the effects of those resulting breaches.		Noted. Statement of fact/process.
260	Where prompt and effective action is taken to investigate and correct the breach and its causes and, where appropriate, notify any affected members, the regulator will not normally consider this to be materially significant.		Noted. Statement of fact/process.

261	Where prompt and effective action is taken to investigate and correct the breach and its causes and, where appropriate, notify any affected members, the regulator will not normally consider this to be materially significant.		Noted. Statement of fact/process.
262	Reporters should consider the wider implications of a breach when they assess which breaches are likely to be materially significant to the regulator. For example, a breach is likely to be of material significance where the fact that the breach has occurred makes it appear more likely that other breaches will emerge in the future. This may be due to the scheme manager or pension board members having a lack of appropriate knowledge and understanding to fulfil their responsibilities or where other pension schemes may be affected. For instance, public service pension schemes administered by the same organisation may be detrimentally affected where a system failure has caused the breach to occur.		Noted. Statement of fact/process.
263	Reports must be submitted in writing and can be sent by post or electronically, including by email or by fax. Wherever possible reporters should use the standard format available via the Exchange online service on the regulator's website.		Noted. Statement of fact/process.
264	<p>The report should be dated and include as a minimum:</p> <ul style="list-style-type: none"> • full name of the scheme • description of the breach or breaches • any relevant dates • name of the employer or scheme manager (where known) • name, position and contact details of the reporter, and • role of the reporter in relation to the scheme. 		Noted. Statement of fact/process.
265	<p>Additional information that would help the regulator includes:</p> <ul style="list-style-type: none"> • the reason the breach is thought to be of material significance to the regulator • the address of the scheme • the contact details of the scheme manager (if different to the scheme address) • the pension scheme's registry number (if available), and • whether the concern has been reported before. 		Noted. Statement of fact/process.
266	Reporters should mark urgent reports as such and draw attention to matters they consider particularly serious. They can precede a written report with a telephone call, if appropriate.		Noted. Statement of fact/process.

268	The regulator will acknowledge all reports within five working days of receipt, however it will not generally keep a reporter informed of the steps taken in response to a report of a breach as there are restrictions on the information it can disclose.		Noted. Statement of fact/process.
269	The reporter should provide further information or reports of further breaches if this may help the regulator to exercise its functions. The regulator may make contact to request further information.		Noted. Statement of fact/process.
270	Breaches should be reported as soon as reasonably practicable, which will depend on the circumstances. In particular, the time taken should reflect the seriousness of the suspected breach.		Detailed in Breaches Policy

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CYNGOR SIR POWYS COUNTY COUNCIL

Pension Board
29th September 2023

REPORT BY: Board Secretary

SUBJECT: Administration Update

REPORT FOR: Information

1. Introduction

- 1.1 Further to the information provided at the previous Pension Board meeting, this report contains the membership and Pensions Administration financial statistics for the period 1st June 2023 to 31st August 2023.

2. Pensions Administration Financial Statistics - Income & Expenditure

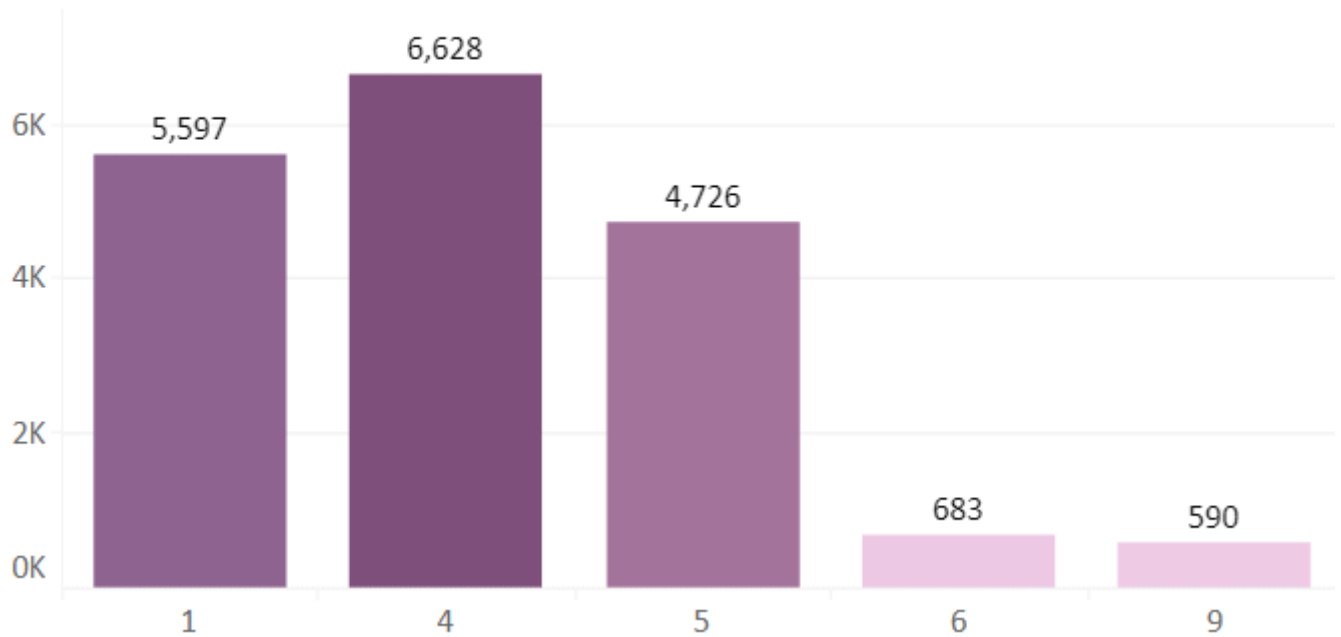
2.1

<u>Payments</u>	<u>June</u>	<u>July</u>	<u>August</u>
Pensions	2,383,345	2,345,790	2,404,235
Lump Sum	249,116	208,393	330,692
Transfers Out	-	-	61,058
Death Grants	58,883	141,471	2,542
Total Payments	2,691,344	2,695,654	2,798,527
<u>Income</u>			
Employee Contributions	-515,945	-537,892	-553,979
Employer Contributions	-1,770,625	-1,842,550	-1,836,728
Transfers In	-169,738	-221	-31,164
Total Income	-2,456,308	-2,380,663	-2,421,871
Payments less Income	235,036	314,991	376,656

3. Pensions Administration membership statistics

- 3.1 The graphics below provide a high-level overview of the scheme membership profile

Member Employment Records by Status



Key:

Status

1. Active
4. Deferred
5. Pensioner
6. Dependant Pensioner
9. Frozen Refund

3.2 50/50 Scheme Membership

Active	18
Deferred	9

3.3 Number of Active Participating Employers: 22

CYNGOR SIR POWYS COUNTY COUNCIL**Powys Pension Board
29th September 2023****REPORT BY: Board Secretary****SUBJECT: Legislation and Guidance Update**

REPORT FOR: Information

1. Summary

Since the last Pension Board meeting, the LGA have published Bulletins 238 - 241, which contain important updates for administering authorities and scheme employers. It also provides a general update for all LGPS stakeholders.

This report provides the Board with an update on any new legislative changes and guidance that has been issued recently, including the above.

2. Scheme Advisory Board Updates

2.1 This section provides an update on the Scheme Advisory Board (SAB) notifications within the above bulletins.

2.2 2022 Scheme Annual Report

The Board published its latest Annual Report on the 26th of June 2023.

The report combines the information from 86 Pension Fund Annual Reports at the 31st of March 2022.

Some highlights from the report include:

- Total membership of the scheme increased by 2.6% to 6.39 million members (from 6.23 million in 2021)
- Total LGPS assets increased to £369 billion (an increase of 7.8%)
- local authority returns on investment over 2021/22 was 8.1 per cent, compared to UK CPI year on year inflation of 8.8 per cent (September to September)
- Scheme remains cashflow positive (including investment return)
- 1.95 million pensioners paid

- total management charges increased by £385 million (22.5 per cent) from £1,711 million. This was primarily driven by a £381 million (25.6 per cent) rise in investment management charges, while administration and oversight and governance costs remained broadly stable.

2.3 Review of Annual Report Guidance

The SAB has identified several areas in the CIPFA 2019 guidance on producing the annual report guidance. The aim is to streamline the guidance and reduce duplication with other reporting requirements.

An area identified for improvement is on how funds should report and categorise assets.

The administration KPI's are also under review to help standardise reporting and benchmarking.

The aim is to have the guidance in place for the 2023/24 reporting period.

2.4 SAB Responds to Cost Management Consultation

On 6 March 2023, the SAB responded to the consultation on changes to their cost management process. The response is generally supportive of the Department for Levelling Up, Housing and Communities' (DLUHC) approach.

2.5 2022 Scheme Valuation Report

The SAB published the 2022 Scheme valuation report on the 10th of August. The report is drawn from the local fund valuation reports.

Some highlights include:

- the average funding level has improved from 98 per cent in 2019 to 107 percent in 2022 (on local funding bases) – all fund valuation reports show an improvement since 2019
- the average contribution rate to meet future service costs rose from 18.6 percent of payroll in 2019 to 19.8 per cent of payroll in 2022
- overall contribution rates fell from 22.9 percent of payroll in 2019 to 21.1 percent of payroll in 2022 – this reflects lower deficit contributions
- employee contribution rates marginally increased from 6.5 percent of pay to 6.6 percent.

3. LGPS Updates

3.1 DLUHC consultation on investment reforms

The Chancellor recently announced some reforms to pension investments and a consultation was opened.

The consultation seeks views on proposals in five areas:

- **Pooling:** a deadline of 31 March 2025 for funds to transition all listed assets to their pool and a move to fewer, larger pools, each with assets in excess of £50 billion, to maximise benefits of scale
- **Levelling up:** requiring that funds have a plan to invest up to 5 percent of assets to support levelling up in the UK
- **Private equity:** an ambition to increase investment into high growth companies via unlisted equity
- **Investment consultants:** regulations to implement the requirements set out in an order made by the Competition and Markets Authority in respect of the LGPS
- **Definition of investments:** a technical change to the definition in the LGPS Investment Regulations 2016.

The consultation will close on 2 October 2023. The SAB will respond to the consultation and publish a draft response and information about its discussions in due course. The Fund will also produce a response, which will be shared with Board in due course.

3.2 McCloud

On 8 September 2023, the Department for Levelling Up Housing and Communities (DLUHC) laid [The Local Government Pension Scheme \(Amendment\) \(No. 3\) Regulations 2023](#) which take effect from 1st October 2023. It also published updated versions of the member factsheet. You can view these documents on the McCloud remedy section of the [GOV.UK website](#).

The regulations implement the McCloud remedy and change the existing underpin to ensure it works effectively and consistently for qualifying members. The regulations take effect from 1 October 2023.

The Pensions Section is working on the McCloud data collection exercise with employers. It also updating internal worksheets to incorporate the appropriate McCloud checks and training staff on the process.

4. The Pensions Regulator (TPR)

4.1 2022/23 Annual Report and Accounts

On 13 July 2023, TPR published its Annual Report and accounts for 2022/23.

4.2 Blog on Environmental, Social and Governance (ESG)

On 17 May 2023, the Pensions Regulator (TPR) published a blog on why ignoring environmental, social and governance (ESG) factors is no longer an option for trustees.

The blog discusses developments in government policy, increased regulations, industry initiatives and greater industry awareness of the implications for life.

4.3 Blog on refreshed guidance for trustees

On 10 May 2023, TPR published a blog on refreshed guidance for trustees in challenging times.

TPR have refreshed their guidance to support trustees dealing with employer stress or distress during economic challenges. They urge trustees to revisit this guidance, and, where appropriate, take action and engage with TPR at an early stage.

4.4 TPR responds to dashboard delay

TPR has an expectation that administering authorities continue to prepare for dashboards. Administering authorities should continue engaging with parties who are supporting them with their dashboard duties. This may include third-party administrators (if appropriate), software/ISP providers, employers, AVC providers.

They should:

- assess the potential impact of these changes on their fund and to agree a practical delivery plan
- continue activity on getting to grips with members' data, and
- avoid competing demands on capacity and other resources.

These expectations are reinforced in TPR's new dashboards content toolkit published on 14 June 2023. The toolkit contains key messages for administering authorities.

The Fund is continuing to work with the Pensions Administration software providers to ensure it is ready for pension dashboard integration. The Fund also has a data improvement plan in place.

5. Pension dashboards

The [Pensions Dashboard Programme](#) (PDP) regularly publishes a newsletter which includes updates on:

- their new connection hub, which provides useful resources and information to prepare for connection to the ecosystem
- their pensions dashboards myth busting video
- understanding the dashboards available

Pensions Dashboards Amendment Regulations 2023

The Department for Work and Pensions (DWP) has laid the Pensions Dashboards (Amendment) Regulations 2023 [SI2023/858]. A revised staging timetable will be set out in guidance and all schemes in scope will need to connect by 31 October 2026. The staging timetable will indicate when schemes are scheduled to connect, based on their size and type.

Staging dates – TPR expectations

TPR has updated its 'Failing to comply with dashboards duties' guidance. The purpose of the updates is to outline what schemes will need to do to demonstrate that they have had regard to the staging timetable. The staging timetable will be set out in connection guidance.

TPR expects schemes to do the following to show that they have regard to the connection guidance:

- Connect to dashboards by the connection deadline of 31 October 2026 that is set out in legislation. Failure to do so could result in regulatory action by TPR.
- A revised staging timetable will be set out in guidance which will indicate when schemes are scheduled to connect. All trustees and scheme managers must have regard to this guidance. Failure to do so will be a breach of legislation.

Although the timelines in guidance will not be mandatory, schemes will be expected to demonstrate how they have had regard to the guidance. Amongst other considerations, this means that scheme managers:

- should not make decisions about connection until they have engaged with the guidance
- must be able to demonstrate that they have adequate governance and processes for making such decisions. The reasoning for the decisions should be clearly considered and documented, as should how relevant risks are identified, evaluated and managed
- should make sure that they have access to all the relevant information before making decisions and acting on them. This includes engaging with those who are supporting them to develop a practical delivery plan. Clear and accurate audit trails need to be kept to demonstrate the decisions made, the reasons for them and the actions taken

The administration team are currently working on assessing the quality of the data required for the pension dashboard exercise and the initial results demonstrate that the data is of a very high quality.

Nevertheless, work will continue on data cleansing ahead of the eventual live launch.

6. Recommendation

Board are asked to note the contents of this report.

Administration Risk Register August 2023

DATE :

Summary of Risks Ratings

Almost Certain	0	0	0	0	0
Likely	0	0	0	0	0
Possible	0	0	0	0	0
Unlikely	1	6	1	0	0
Rare	0	1	0	0	0
Unassigned 0	Insignificant	Minor	Moderate	Major	Severe

10

Red Risks Total:

Risk Register	Risk Title	Net Risk Level	Risk Owner
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New Risks Total:

Risk Register	Risk Title	Net Risk Level	Risk Owner	Created Date
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Changing Risks Total:

Risk Register	Risk Title	Net Risk Level	Change	Risk Owner
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Detail							
Administration Risk							
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
ADMIN0001 01/12/2016	Failure to pay pensions and lump sums on time	Financial difficulty for the scheme member concerned, reputational risk to the Pension Fund, and additional cost to the employer where interest is payable as a result of late payment.	Cllr David Thomas Chris Hurst	8	4	17/01/2023	Review Summary: No current change to process. Constantly reviewed for efficiencies and improvements
						10/01/2022	Review Summary: No current change to process. Constantly reviewed for efficiencies and improvements
Controls and Actions				Latest Control		Reviews	Review Date
	<ul style="list-style-type: none"> Maintenance and update of Altair and Trent systems , sufficient staff resources and training . Quality assurance processes Maintenance and update of Pension Administration and Trent systems , sufficient staff resources and training. Quality assurance processes in place to check work done. 			Control In Place			
	<ul style="list-style-type: none"> Continuing Review of processes and procedures Ongoing review of process as part of continuous pensions administration workflow assessment 			Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
ADMIN0002 04/10/2016	Inability to deliver service as a result of loss of pensions administration system, or any other system used in the provision of service (eg. pensioner payroll). Failure of any system used by the service as a result of a breach of cyber security.	Failure to provide service. Immediate injections of cash from Fund employers would be required where Fund assets cannot be liquidated quickly. For now the Fund is cashflow positive but will not remain so for much longer, therefore requiring the use of investment income to subsidise the payment of pension benefits rather than being reinvested as now.	Cllr David Thomas Chris Hurst	8	2	13/07/2023	Review Summary: Cashflow work to be completed in 2023. reassurances received from Pensions administration software provider
						11/07/2022	Review Summary: Ongoing
Controls and Actions				Latest Control		Reviews	Review Date
	<ul style="list-style-type: none"> business continuity planning and systems providers assurance Business Continuity Plan for the Pensions administration service. Assurances received from all systems providers in relation to their current resilience to the threat of a failure in cyber security. 			Control In Place			
	<ul style="list-style-type: none"> Business Continuity Plan under review. Periodic review by the Pension Board of provider assurances in respect of cyber security 			Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
ADMIN0003 12/06/2017	Failure to hold scheme member's personal data securely.	Poor data quality; compromised data; fines	Cllr David Thomas Chris Hurst	8	4	04/05/2023	Review Summary: Data Review ongoing with Software providers (May 2022) to analyse data quality ahead of Dashboard Implementation. Annual data quality testing due later in 2023
						06/09/2022	Review Summary: Data Quality Review to be undertaken in second half of 2022
Controls and Actions				Latest Control		Reviews	Review Date

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Detail								
Administration Risk								
	<ul style="list-style-type: none"> Compliance with Powys County Council Data Protection and ICT policies . Compliance with Powys County Council Data Protection and ICT policies . 			Action In Progress	09/01/2023	Review Summary: Data Quality testing Completed. Another exercise to take place in 2023.	05/12/2023	
					08/09/2020	Review Summary: Data Quality Testing carried out May/June 2020. Cleansing work ongoing.		
	<ul style="list-style-type: none"> Data protection audit in conjunction with TPR data quality standards to be undertaken 			Control In Place				
Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews		
ADMIN0004 29/08/2017	Failure to maintain and hold up to date and accurate pension records and potential impact on scheme members and employers.	Payment of incorrect pension benefits; late payment of benefits; assessment of incorrect liability values. Resulting in loss of customer confidence and satisfaction; IDRP and Ombudsman appeals; and, incorrect assessment of employer contribution rates.	Cllr David Thomas Chris Hurst	9	6	17/01/2023	Review Summary: Data Improvement Plan maintained and regularly updated. Constant data cleansing taking place	
						11/07/2022	Review Summary: data improvement plan in place. Annual data scores recorded and monitored. Data cleansed as part of monthly and annual procedures	
Controls and Actions				Latest Control		Reviews		Review Date
	<ul style="list-style-type: none"> Pensions team work with employer payrolls to ensure data quality; data validation checks undertaken & training Pensions team work with employer payrolls to ensure data quality; data validation checks undertaken by team at each year end; validation checks carried out at each actuarial valuation (triennially) by the Fund actuary. Staff training and development. 			Control In Place				
	<ul style="list-style-type: none"> Additional data validation and quality checks to be implemented as required by the TPR code of practice. 			Control In Place				
Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews		
ADMIN0005 25/01/2016	Failure to communicate effectively with stakeholders.	Scheme members unaware of their rights under the LGPS and make poor decisions in relation to pension rights. Employers unaware of the scheme regulations, the procedures and their responsibilities, resulting in poor or inappropriate decision-making and may adversely effect the flow of pensions data to the Pension Fund.	Cllr David Thomas Chris Hurst	6	4	03/07/2023	Review Summary: Communications regularly reviewed and amended to reflect changing legislation/landscape. Updated Welsh website now available.	
						11/07/2022	Review Summary: Communications regularly reviewed and amended to reflect changing legislation/landscape	
Controls and Actions				Latest Control		Reviews		Review Date
	<ul style="list-style-type: none"> communications policy the Pensions Support Manager is tasked with responsibilities in relation to scheme and Fund communications, as part of their Job Description. In addition, the Fund has a clear communications policy as well as a regularly updated website. 			Control In Place				

Detail

Administration Risk

Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews	
ADMIN0006 30/01/2017	Pensioners living longer and, changing retirement patterns.	Increased employer contribution rates.	Cllr David Thomas Chris Hurst	6	4	17/01/2023 10/01/2022	Review Summary: Considered during valuation Review Summary: Continuing. Regular modelling by Fund Actuary
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> The Fund actuary investigates these matters at each valuation or more frequently where appropriate. Mortality assumptions are set with some allowance for future increases in life expectancy. The Fund actuary investigates these matters at each valuation or more frequently where appropriate. If significant demographic changes were to occur between valuations, the Pension Fund will advise employers accordingly and notify them of the likely impact on their contribution rates, reviewing bond values, as required. <p>The Fund produces a Funding Strategy Statement which considers long term funding.</p>				Control In Place			
Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews	
ADMIN0007 30/01/2017	Deteriorating patterns of ill health or other early retirements.	Increase in employer contribution rates and deficit recovery payments.	Cllr David Thomas Chris Hurst	6	2	17/01/2023 10/01/2022	Review Summary: Considered by Actuary during latest valuations Review Summary: Considered by Actuary at regular intervals
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> Employers are required to pay the capital costs of early retirements (pension strain), upfront for all cases. Employers are required to pay the capital costs of early retirements (pension strain), upfront for all cases. Ill health retirements and costs are monitored against Fund allowances. <p>Certain Employers pooled together to share experience and help manage contribution rates (as per the Funding Strategy Statement)</p>				Action In Progress		08/09/2020 21/12/2020	Review Summary: Regular monitoring ongoing Review Summary: Regular monitoring ongoing 13/10/2023
Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews	
ADMIN0008 02/01/2017	Failure to reconcile all relevant active, deferred and pensioner member GMP records against the data held by DWP in respect of the cessation of contracting out.	Increase in Fund liabilities; increased employer contribution rates and deficit recovery payments; and, payment of incorrect pension benefits.	Cllr David Thomas Chris Hurst	6	4	06/09/2022 10/01/2022	Review Summary: Final data now received for review. Review Summary: Dry run completed (December 2021) and completion of actual run due in 2022
Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews	
ADMIN0009 09/10/2020	Cessation of Service Contract for Pensions Administration System	Failure to meet legislative requirements and administer the LGPS. Risk of intervention by the Pensions Regulator, legal challenges, reputational risk.	Cllr David Thomas Chris Hurst	10	4	12/12/2022 01/11/2021	Review Summary: Work ongoing Review Summary: Acknowledged - will follow appropriate procurement process closer to the time

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Detail							
Administration Risk							
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> Monitor Contract Position Work with the Administering Authority Commercial Services to conduct an appropriate procurement exercise at the appropriate time 				Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
ADMIN0010	Payments to overseas pensions.	Payments continuing to potentially deceased pensioners	Cllr David Thomas Jane Thomas	4	4	17/07/2023 04/05/2022	Review Summary: Existence Exercise planned for 2023 Review Summary: Existence Exercise planned for 2022/23 year
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> Conduct Existence Check Carry out an overseas existence check 				Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
ADMIN0011			Cllr Beverley Baynham Bets Ingram	0	0		
11/01/2023							

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Governance Risk Register August 2023

DATE :

Summary of Risks Ratings

Almost Certain	0	0	0	0	0
Likely	0	0	0	0	0
Possible	0	2	0	0	0
Unlikely	0	7	2	0	0
Rare	0	3	0	0	0
Unassigned 0	Insignificant	Minor	Moderate	Major	Severe

Red Risks Total:

Risk Register	Risk Title	Net Risk Level	Risk Owner
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New Risks Total:

Risk Register	Risk Title	Net Risk Level	Risk Owner	Created Date
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Changing Risks Total:

Risk Register	Risk Title	Net Risk Level	Change	Risk Owner
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Detail							
Governance Risk							
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
GOVERN0001	Failure to collect and account for pension contributions being paid over to the Fund on time by Fund employers. Potential Reputational Risk.	Adverse audit opinion, potential delays to Fund employer financial reporting; and potential delay to production of annual report and accounts.	Cllr David Thomas Chris Hurst	6	4	17/07/2023	Review Summary: This is currently being reviewed and performance monitored and fed back to Board and Committee as required.
02/12/2019						17/01/2023	Review Summary: Monitoring in place within Finance Section. Intention is to try and use technology once available. Improved process recently established with regular checks taking place.
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> Contributions received monitored on a monthly basis by Fund accounting staff . Contributions received monitored on a monthly basis by Fund accounting staff . 				Control In Place			
<ul style="list-style-type: none"> Requirement that each end of scheme year, Fund employers certify they have paid over contributions at the correct rates and time Requirement that each end of scheme year, Fund employers certify that they have paid over contributions at the correct rates and on time. regular Communications to Employers to remind them of their responsibilities. production of the Employer Policy to help Employers. 				Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
GOVERN0002	Insufficient Fund cashflow to meet liabilities as they fall due. Potential Reputational Risk.	Immediate injections of cash from Fund employers would be required where Fund assets cannot be liquidated quickly. For now the Fund is cashflow positive but will not remain so for much longer, therefore requiring the use of investment income to subsidise the payment of pension benefits rather than being reinvested as now.	Cllr David Thomas Chris Hurst	9	6	05/05/2023	Review Summary: Cashflow work to take place in Spring/Summer 2023.
03/10/2016						04/05/2022	Review Summary: Cashflow review to be conducted in 2022/23
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> cashflow forecast in place Funding strategy statement in place 				Control In Place			
<ul style="list-style-type: none"> review strategic asset allocation to keep positive cashflow Strategic asset allocation review completed to ensure that cashflow remains positive (on a targeted and monitored basis) whilst at the same time ensuring that the Fund is not forced to liquidate assets on an unplanned basis. 				Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
GOVERN0003	Inability to deliver service as a result of the loss or over reliance of key personnel.	Failure to provide service at all, or at an acceptable level	Cllr David Thomas Chris Hurst	6	4	05/05/2023	Review Summary: Consideration given towards succession planning and knowledge sharing. The recent restructure was designed with that in mind, so need to ensure implementation
27/09/2016						08/04/2022	Review Summary: Risk considered. No update
Controls and Actions				Latest Control		Reviews	Review Date

Detail

Governance Risk

<ul style="list-style-type: none"> Business Continuity Plan in place for the pensions administration service Assurances received from all systems providers in relation to their current resilience to the threat of a failure in cyber security. 	Action In Progress	13/05/2020 08/09/2020	Review Summary: Regularly review BCP Review Summary: BCP reviewed 07.09.2020	05/12/2023
<ul style="list-style-type: none"> Keep Business Continuity Plan under review 	Control In Place			
<ul style="list-style-type: none"> Knowledge Gaps In the short term, knowledge gaps can be filled by using our external colleagues from other Welsh Funds and buying in assistance. In the longer term, ensure succession plans are in place and appropriate. 	Control In Place			

Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews	
GOVERN0004 08/11/2016	Loss of funds through fraud or misappropriation	Financial loss to the Fund	Cllr David Thomas Chris Hurst	6	2	03/07/2023 12/12/2022	Review Summary: No change to process and continues Review Summary: Process remains in place.
Controls and Actions				Latest Control		Reviews	Review Date
	<ul style="list-style-type: none"> audit and control tests, due diligence done when new manager appointed Internal and External Audit regularly test that appropriate controls are in place and are working effectively. Due diligence is carried out whenever a new investment manager is appointed. 			Control In Place			

Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews	
GOVERN0005 04/09/2017	Significant rise in employer contribution rates for Fund employers with strong covenants, as consequence of increases in liabilities.	Employer contribution rates rise to unacceptable levels, putting upward pressure on Council Tax rates and the ability of Powys County Council to continue to deliver services to its communities.	Cllr David Thomas Chris Hurst	6	2	03/07/2023 12/12/2022	Review Summary: Valuation was positive and contribution rates reviewed and revised accordingly Review Summary: Will be considered after valuation results in 2023
Controls and Actions				Latest Control		Reviews	Review Date
	<ul style="list-style-type: none"> Employers have Discretionary Powers Policies that help to control liabilities Employers have Discretionary Powers Policies that help to control liabilities. In reality, little can actually be done in mitigation due to the fact that liabilities are largely determined by bond yields that are outside of the Fund's control. 			Action In Progress	12/12/2022 13/05/2020	Review Summary: Policies due for review in 2023 Review Summary: Regular Covenant Assessments	05/12/2023
	<ul style="list-style-type: none"> insurance options investigated Investigate further liability mitigations such as ill health strain insurance; developing guidance to assist employers to manage liability increases derived from their actions or inactions; and, work closely with the Fund actuary to determine appropriate valuation assumptions and deficit recovery strategies. 			Action In Progress	30/08/2022 12/12/2022	Review Summary: Appropriate ill health assumptions made for 2022 valuation. Can consider the other factors as part of valuation work. Review Summary: Considered in 2022 valuation work	05/05/2024

Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews	
GOVERN0006 04/10/2016	Significant rises in employer contribution rates for Fund employers with weak covenants as a consequence of increases in liabilities.	Employer contribution rates rise to unsustainable levels that cause employers to become insolvent	Cllr David Thomas Chris Hurst	8	4	04/10/2022 08/04/2022	Review Summary: Actuary considering during 2022 valuation Review Summary: Part of 2022 valuation work
Controls and Actions				Latest Control		Reviews	Review Date

Detail

Governance Risk

• In process of developing risk sharing arrangements to enable employers with weak covenants to attain a degree of certainty
Employers have Discretionary Powers Policies that help to control liabilities. In reality, little can actually be done in mitigation due to the fact that liabilities are largely determined by bond yields that are outside of the Fund's

Action In Progress

09/01/2023
13/05/2020

Review Summary: Ongoing and regularly reviewed.
Review Summary: Review Risk Sharing Agreement/Approach

13/01/2024

Consider risk sharing arrangements to enable employers with weak covenants to attain a degree of certainty over the level of employer contribution rates.
control.

Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews
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GOVERN0007 04/09/2017	Significant rises in employer contribution rates for employers with strong covenants as a result of poor/negative investment returns.	Employer contribution rates rise to unacceptable levels that result in Powys County Council being unable to provide appropriate services for its communities.	Cllr David Thomas Chris Hurst	6	2	03/07/2023 12/12/2022	Review Summary: Work with actuary to commence on covenant assessments in summer 2023 Review Summary: Will be reviewed in 2023 after valuation results known.
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Controls and Actions

Latest Control Reviews

Review Date

• Use expert specialist consultants to help set and monitor investment strategy and investment manager performance and selection.
Use expert specialist consultants to help set and monitor investment strategy and investment manager performance and selection. Quarterly investment performance reports presented to Pension Fund.

Control In Place

• Continual monitoring of performance; review of asset allocation strategy, including consideration of alternative asset classees
Continual monitoring of performance; review of asset allocation strategy, including consideration of alternative asset classees and non-market led assets.

Action In Progress

12/12/2022
08/09/2020

Review Summary: Continuing and reviewed at each Committee meeting. Interim review conducted and no plans to change strategy
Review Summary: Continuing and reviewed at each Committee meeting

03/10/2023

Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio Owner	Inherent	Residual	Latest Risk Reviews
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GOVERN0008 11/10/2017	Failure to comply with LGPS and other statutory regulations. Potential Reputational Risk.	Payment of incorrect pension benefits; provision of incorrect benefit estimates; failure to comply with governance standards; failure to meet HMRC tax requirements. Resulting in: loss of customer satisfaction / confidence; IDRPs and Ombudsman appeals; TPR fines for non-compliance.	Cllr David Thomas Chris Hurst	8	6	03/07/2023 11/07/2022	Review Summary: Processes regularly reviewed and updated as required Review Summary: Review process continues as normal
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Controls and Actions

Latest Control Reviews

Review Date

• rigorous checking/authorisation procedures for pension benefit calculations and payments, review governance policy;
Rand, regular review of governance compliance policy. Staff training and development.

Action Completed

• Closer partnership working with employer payrolls to facilitate accurate data receipts;
Closer partnership working with employer payrolls to facilitate accurate data receipts; increased compliance oversight provided by well established Pensions Board.

Control In Place

Detail							
Governance Risk							
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
GOVERN0009 25/01/2016	Lack of expertise of Pension Fund Officers and expertise of members of the Pensions & Investment Committee	Poor decision making in relation to principal functions of the Pension Fund , particularly in relation to investments.	<i>Cllr David Thomas</i> Chris Hurst	8	6	03/07/2023 12/12/2022	Review Summary: Training needs assessments conducted and plans put in place accordingly Review Summary: Ongoing training carried out
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> training and performance reviews, conferences, seminars to upskill and develop knowledge Officers ensure that they receive appropriate training and are required to keep up to date with developments in pensions matters, as part of their periodic Individual Performance Reviews and by attending relevant conferences and seminars, by reading and through discussions with consultants and peers. 				Control In Place			
<ul style="list-style-type: none"> Training plans based on the CIPFA 'Knowledge and Skills' framework, as is the the procedure for members of both PIC & PB Formalised Officer training via individual training plans based on the CIPFA 'Knowledge and Skills' framework, as is the the procedure for members of both Pensions & Investment Committee and the Pensions Board. <p>Knowledge & Skills Framework in place and published. Annual Training Needs Analysis carried out and training made available to Committee and Board regularly (provided by Fund, WPP and 3rd parties)</p>				Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
GOVERN0010 25/01/2016	Over-reliance on key Officers	When senior Officers leave or are absent due to long term sickness, large knowledge gaps remain.	<i>Cllr David Thomas</i> Chris Hurst	12	6	12/12/2022 04/05/2022	Review Summary: Training Plan to be considered for 2023 onwards Review Summary: Reflected and recorded in BCP. Plan in place to share knowledge within Pensions Section
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
GOVERN0011 26/01/2016	Failure to provide the pensions service in accordance with principles of equality.	Some stakeholders may be unable to access the service fully or at all. In the worst case scenario, this could result in court action against the Fund.	<i>Cllr David Thomas</i> Chris Hurst	9	4	03/07/2023 12/12/2022	Review Summary: Welsh website recently updated and relaunched (June 2023) Review Summary: No Change. Operate LGPS in accordance with the Regulations
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> The Fund maintains a Welsh Language register in respect of scheme members and employers . The Fund maintains a Welsh Language register in respect of scheme members and employers . 				Control In Place			
<ul style="list-style-type: none"> To utilise technology to enable access to service and information for stakeholders with disabilities , other language needs etc. To utilise technology to enable access to service and information for stakeholders with disabilities , other language needs etc. 				Control In Place			

Detail							
Governance Risk							
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
GOVERN0012	Failure to collect payments due from ceasing employers with no active members.	Failure to collect cessation payments from ceasing employers results in relevant liabilities being funded by the Powys Pension Fund and the active employers.	Cllr David Thomas Chris Hurst	6	4	13/07/2023	Review Summary: Monitoring continuing
25/01/2016						09/01/2023	Review Summary: Updated funding positions and assessments ongoing.
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> • employer covenants, guarantor bonds, risk sharing agreements The Fund undertakes periodic reviews of the strength of employer covenants. For existing employers, the Fund requires that a guarantor, bond or 'risk sharing agreement' is in place. For all new employers, the Fund insists on either a guarantor or a bond being in place.				Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
GOVERN0013	Lack of expertise of members of Pensions & Investment Committee	Poor decision making in relation to all aspects of the Fund, particularly those in relation to investment.	Cllr David Thomas Chris Hurst	9	6	17/01/2023	Review Summary: Training needs analysis completed and training provided regularly.
25/01/2016						11/04/2022	Review Summary: Training needs analysis to be circulated following elections in May, once new Committee established
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
GOVERN0014	An admitted body ceasing to exist with insufficient funding or level of a bond available to meet all its Fund liabilities.	Unfunded pension liabilities being orphaned without sufficient funding/guarantees in place, resulting on increased liabilities falling on other Fund employers.	Cllr David Thomas Chris Hurst	6	4	13/07/2023	Review Summary: Monitoring continues
01/11/2017						11/10/2022	Review Summary: Valuation Work Continuing
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> • To seek funding guarantees wherever possible, from other Scheme employers or outside bodies To seek funding guarantees wherever possible, from other Scheme employers or outside bodies. To require, in all cases, a bond or other form of security to protect the Fund in the case of unexpected cessation and insolvency. Ensuring that admitted bodies are fully aware of their obligations and responsibilities to the Pension Fund and the benefits of their employees.				Control In Place			
<ul style="list-style-type: none"> • Regular review of admitted body covenants and financial health. Regular review of admitted body covenants and financial health.				Action In Progress	05/05/2023 08/09/2020	Review Summary: Work to begin on latest review in 2023 Review Summary: Covenant Assessments commencing Q3 2020	05/12/2023
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
GOVERN0015	Appointment of new Pension Board Chair and membership of the Local Pension Board	Non compliance with Public Services Pension Act. Challenge and scrutiny from the Pensions Regulator. Reduced quality of governance.	Cllr David Thomas Chris Hurst	12	4	01/03/2023	Review Summary: Chair Continuing in position.
09/10/2020						08/07/2022	Review Summary: Chair continuing for a further 12 months

Detail							
Governance Risk							
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> Pension Board Terms of Reference stipulate membership periods Pension Board Terms of Reference stipulate membership periods and work with Pension Board members and administering authority to ensure appropriate recruitment processes are in place. 				Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
GOVERN0016 29/03/2020	Pension Fund Personnel and/or key suppliers are unable to work due to extreme weather, fire, epidemics	Inability to deliver administration services or investment of the Fund. Impact of welfare of Pensions Section Staff.	Cllr David Thomas Chris Hurst	9	6	03/07/2023	Review Summary: Business Continuity Plans regularly reviewed and updated as required
						12/12/2022	Review Summary: Reviewed and Business Continuity Plans in place
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> Business Continuity Plan Business Continuity Plan, assessment of Pensioner Payroll services. Electronic implementation of paperwork. 				Control In Place			

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Investment Risk Register August 2023

DATE :

Summary of Risks Ratings

Almost Certain	0	0	0	0	0
Likely	0	0	0	0	0
Possible	0	0	0	0	0
Unlikely	2	5	3	0	0
Rare	0	0	0	0	0
Unassigned 0	Insignificant	Minor	Moderate	Major	Severe

Red Risks Total:

Risk Register	Risk Title	Net Risk Level	Risk Owner
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New Risks Total:

Risk Register	Risk Title	Net Risk Level	Risk Owner	Created Date
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Changing Risks Total:

Risk Register	Risk Title	Net Risk Level	Change	Risk Owner
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Detail							
Investment Risk							
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0001	Pension Fund assets fail to deliver returns in line with the anticipated returns underpinning the valuation of liabilities over the long-term.	Increased employer contribution rates.	Cllr David Thomas Chris Hurst	9	4	13/07/2023	Review Summary: Reviewed at Committee meetings and performance challenges made to advisers where required.
25/01/2016						11/07/2022	Review Summary: Regularly monitored by consultant and committee at meetings
Controls and Actions				Latest Control		Reviews	Review Date
	<ul style="list-style-type: none"> anticipate long-term returns on a relatively prudent basis to reduce the risk of under-performance. Only anticipate long-term returns on a relatively prudent basis to reduce the risk of under-performance. Also monitors and analyses progress every three years for each employer. In addition, the Fund receives quarterly funding updates to help monitor the position. At the 2022 Valuation, prudence was increased further by a reduction to the deficit recovery period and an increase in the probability of funding success. 			Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0002	Inappropriate long-term investment strategy.	Failure to meet funding objectives.	Cllr David Thomas Chris Hurst	8	4	04/05/2023	Review Summary: Local and regular monitoring of strategy to ensure it remains appropriate. Review conducted as a result of the 2022 Valuation outcome and adjustments made as required.
25/01/2016						11/10/2022	Review Summary: Strategy monitored at each Committee meeting and updated periodically as and when required
Controls and Actions				Latest Control		Reviews	Review Date
	<ul style="list-style-type: none"> Use of a Fund specific benchmark, as recommended by the Fund's investment consultant. Use of a Fund specific benchmark, as recommended by the Fund's investment consultant. Strategy regularly reviewed and adjusted following the outcome of valuations. 			Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0003	Active investment manager under-performance relative to the benchmark. This includes active management within the Wales Pension Partnership.	Failure to meet funding objectives.	Cllr David Thomas Chris Hurst	4	2	03/07/2023	Review Summary: Quarterly review carried out by Fund and WPP performance reported to each JGC.
25/01/2016						11/07/2022	Review Summary: Discussed as required with consultants and Committee. Quarterly monitoring report provided by consultant
Controls and Actions				Latest Control		Reviews	Review Date
	<ul style="list-style-type: none"> Regular investment monitoring analyses market performance and active managers relative to their index benchmark. Regular investment monitoring analyses performance of active managers relative to their index benchmark at the Pool level and locally with the Pensions and Investment Committee. <p>Regular Performance Updates presented by the WPP to officers where Managers present and detail latest performance. Regular reports to the WPP Joint Governance Committee and also local Pensions and Investment Committee.</p>			Control In Place			

Detail							
Investment Risk							
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0004 29/01/2018	To permit deficits to be eliminated over a recovery period rather than immediately, introduces the risk that action to restore solvency is insufficient between successive measurements.	Increased employer deficit recovery payments.	Cllr David Thomas Chris Hurst	4	2	13/07/2023	Review Summary: Recovery period reduced due to improved funding levels
						11/07/2022	Review Summary: Will be included in discussions with Actuary as part of Valuation process during 2022

Controls and Actions				Latest Control	Reviews	Review Date
<ul style="list-style-type: none"> Consider every such situation with the Pension Fund actuary, for each individual employer. It is the practice to discuss every such situation with the Pension Fund actuary, for each individual employer. Moreover deficit recovery periods are generally restricted to no more than 25 years, or 40 years in very exceptional circumstances. <p>At the 2022 Valuation the recovery period was reduced at the whole of Fund level to increase prudence and reduce the risk.</p>				Control In Place		

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0005 25/01/2020	Permitting contribution rate changes to be introduced by annual steps (down as well as up) rather than immediately, introduces a risk that action to restore solvency is insufficient between successive measurements.	Instability in employer contribution rates.	Cllr David Thomas Chris Hurst	6	4	11/10/2022	Review Summary: Work with actuary as required
						10/01/2022	Review Summary: Statement Approved and Published in August 2021

Controls and Actions				Latest Control	Reviews	Review Date
<ul style="list-style-type: none"> Each individual employer situation is discussed with the Pension Fund actuary, with stepping restricted as appropriate Each individual employer situation is discussed with the Pension Fund actuary, with stepping restricted to three years, or 6 years, in very exceptional circumstances. 				Control In Place		

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0006 30/01/2017	Pay and price inflation significantly more than anticipated.	Increased employer contribution rates and deficit recovery payments.	Cllr David Thomas Chris Hurst	9	4	13/07/2023	Review Summary: Considered during valuation and shorter term allowances for high inflation included (inflation expected to come down in the short to mid-term)
						11/07/2022	Review Summary: Valuation work to commenced April 2022. Discussions with Actuary and Investment Consultant to consider options

Controls and Actions				Latest Control	Reviews	Review Date
<ul style="list-style-type: none"> Employers responsible for salary awards and are reminded of effect on salary-linked pension liabilities Employers 'pay' for their own salary awards and are reminded of the geared effect on salary-linked pension liabilities. Particularly where bias towards longer serving employees may be considered. <p>Actuary is able to consider inflation within their methodology when in a high inflation environment (such as during the 2022 valuation)</p>				Action Completed		

Detail							
Investment Risk							
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST007 03/03/2016	Insolvency of an investment manager investing Pension Fund assets.	A reduction in the capital value of the Fund; a loss of liquidity as creditors agree on distribution of assets; the costs of legal representation; and, reputational damage.	Cllr David Thomas Chris Hurst	9	6	09/01/2023	Review Summary: Considered by Investment Consultant and at each Committee meeting
						08/07/2022	Review Summary: Investment Consultants monitor and review
Controls and Actions				Latest Control		Reviews	Review Date
	<ul style="list-style-type: none"> diversification of investment managers, limits for individual investments mandates Diversification of investment managers; adherence to the limits for individual investment mandates as set out in the LGPS investment regulations; regular meetings with investment managers undertaken by the Fund's investment consultant; Statement on Standards for Attestation Engagements No. 16 internal controls are monitored on an annual basis; due diligence by investment consultants to ensure that custodians are used by each investment manager; equity investment mandates are invested in pooled funds; and, only well respected and researched investment managers are selected in the first place. <p>Managers closely monitored at the Pool Level. Any issues would be fast tracked in line with the process in place at the WPP.</p>			Control In Place			
	<ul style="list-style-type: none"> Increased investment manager diversification facilitated via the Wales Pension Partnership Increased investment manager diversification facilitated via the Wales Pension Partnership . 			Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0008 30/03/2017	Pooling of Pension Fund assets with other LGPS Pension Funds.	Investment of Fund Officer and Committee time. Front loaded costs before potential savings are realised on a per-sub fund basis; Transition Risk and costs.	Cllr David Thomas Chris Hurst	9	6	04/05/2023	Review Summary: Risk updated following Pension Board meeting on the 3rd of May 2022
						11/10/2022	Review Summary: No change to process
Controls and Actions				Latest Control		Reviews	Review Date
	<ul style="list-style-type: none"> Due diligence on all pooling proposals; full transparency of all pool proposals and costs; full participation of Pension Fund Due diligence on all pooling proposals by Pool oversight Adviser , Investment Consultants and Legal Advisers; full transparency of all pool proposals and costs with local input from each of the investing funds advisers; full participation of the Pension Fund in all pooling development. <p>Regular Officer meetings via working groups ; Quarterly Joint Governance Committee meetings; 6 monthly meetings with the Board Chairs to ensure good governance.</p> <p>Regular Training provided to Committee and Board Members by the Pool .</p>			Control In Place			
	<ul style="list-style-type: none"> Pooling vehicle to be structured so that each participating Fund has full representation the pool Each participating Fund has full representation in the pool at officer and Committee level ; the pool structure enables full strategic decisions to be retained by each individual Fund; 			Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				

Detail

Investment Risk

INVEST0009 01/10/2019	MIFID II ongoing compliance to ensure retention of Institutional Investor Status	Financial implications of not being treated as an institutional investor. Restricted Investment opportunities and diversification. Reputational Risk	<i>ClIr David Thomas</i> Chris Hurst	12	6	11/07/2022 10/01/2022	Review Summary: Current process continues, but updated as required when new manager appointed or training needs identified. Review Summary: Current process continuing, but updated as required when new manager appointed or training needs identified.
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Controls and Actions			Latest Control	Reviews	Review Date
<ul style="list-style-type: none"> Regular Review of MIFID Status Regular Review of MIFID Status by Investment Managers. Training provided (and logged) to decision makers (Pensions and Investment Committee). Good Governance project expected to increase governance around this risk. 			Control In Place		

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0010 01/01/2015	Fall in the returns on Government bonds.	Increase to the value placed on Fund liabilities.	<i>ClIr David Thomas</i> Chris Hurst	9	4	13/07/2023 11/07/2022	Review Summary: Regularly monitored by Consultant for each meeting Review Summary: Regularly monitored by Consultant for each meeting

Controls and Actions			Latest Control	Reviews	Review Date
<ul style="list-style-type: none"> Allowing for a risk-based approach should limit the impact of short-term changes in returns on Government bonds Allowing for a risk-based approach should limit the impact of short-term changes in returns on Government bonds. Some investment in bonds also helps to mitigate this risk. Monitoring (quarterly) helps to give an early warning of significant changes. 			Control In Place		

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0011	Increased risk on Fund Employers.	Potential Failure of Participating Employer or unsustainable Employer Contributions	<i>Unassigned</i> Jane Thomas	4	4	04/05/2022	Review Summary: Employer Risk Assessment to be conducting as part of valuation work in 2022-23

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CYNGOR SIR POWYS COUNTY COUNCIL

Pension Board
29th September 2023

REPORT BY: Board Secretary

SUBJECT: Wales Pension Partnership Update

REPORT FOR: Information

1. Introduction

- 1.1 This report has been produced as a covering report to support the quarterly update provided by the Wales Pension Partnership (WPP), with regards to pooling investments in Wales.
- 1.2 The last Joint Governance Committee (JGC) meeting was held as an online meeting on the 19th of July 2023. The minutes of that JGC meeting are available [here](#).
- 1.3 The JGC meeting scheduled for the 20th of September 2023 took place in a hybrid format both online and at the Rhondda Cynon Taf offices.

2. Pooling investments in Wales

- 2.1 Cllr Ted Palmer (Flintshire County Council) and Cllr Elwyn Williams (Carmarthenshire County Council) were appointed as Chair and Vice Chair for 2023/24.
- 2.2 The attached Quarterly update reports included are:

JGC Update
Operator Update
Business Plan Q4 Review
WPP Investment Performance Update

3. Recommendation

Note the content of this report and attachments.

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Wales Pension Partnership (WPP) - JGC Update

JGC meeting date: Wednesday 19 July 2023

Location: Virtual meeting

Chair: Cllr Ted Palmer, Clwyd

Vice Chair: Cllr Elwyn Williams, Dyfed

Agenda item	Detail
Chair / Vice Chair	Cllr Ted Palmer and Cllr Elwyn Williams were appointed as Chair and Vice Chair for 2023/24
Annual Return 2022/23	Anthony Parnell of the Host Authority and Jason Blewitt of Audit Wales presented the 2022/23 Annual Return and Audit letter. The audit is now complete and there were no issues raised.
Host Authority update	<p>Anthony Parnell of the Host Authority provided an update in relation to work that has been completed since the last JGC meeting and WPP's next steps / priorities.</p> <p>Anthony mentioned that the pooling consultation has now been released and the WPP will be providing a pooled response in addition to the individual CAs responses. The consultation will last for a period of 12 weeks, from 11 July 2023 to 2 October 2023. Hymans has drafted a summary of the consultation's main issues, which can be found on the following link: LGPS 60ss - next steps on investments.pdf (hymans.co.uk)</p> <p>Anthony also presented the 2022/23 Business Plan update as at 31 March 2023 (attached).</p>
Risk Register Q2 2023 Review	The OWG is responsible for maintaining the WPP Risk Register and reporting back any changes or developments to the JGC on a quarterly basis. The OWG has a dedicated Risk Sub-Group to take ownership of the Risk Register and the quarterly review of the document.

	<p>During Q2 2023, a review was undertaken of some of the risks within the Governance and Regulation section of the Risk Register, risks G7 to G14. Another risk has also been added, risk G.15.</p> <p>Hymans presented the changes which were approved by the JGC. The Risk Register has been uploaded on the WPP website.</p>
<p>Policy Reviews: Climate Policy Voting Policy</p>	<p>The WPP have approved several policies / plans which are to be reviewed on a regular basis. This quarter, the OWG have undertaken an annual review of the Climate Risk Policy and Voting Policy.</p> <p>The Climate Risk Policy sets out WPP's approach to addressing the requirements of the Constituent Authorities with regard to climate related risks and the monitoring of these risks. Following this year's review, the policy has been amended to be in keeping with the goals of the Paris agreement (point 28).</p> <p>The WPP voting policy sets out the WPP's policy on proxy voting. This policy has now been updated as an overall Stewardship Policy to better reflect WPP's stewardship (voting and engagement) aims and practices, including the development of an escalation policy, when enhanced engagement has failed. WPP will continue to adopt Robeco's House Voting Policy.</p> <p>Hymans also presented an annual progress update of WPP in relation to Responsible Investment and Climate Risk and the proposed areas for future focus.</p> <p>The updated policies have been approved and these policies have been updated on the WPP website. The progress update has also been uploaded to the website.</p> <p>There were no new policies this quarter.</p>
<p>Operator Update</p>	<p>Link presented their quarterly update report as at 31 March 2023 (attached). This provides an update on WPP's sub funds and corporate and engagement activity.</p>

Performance Reports as at 31 March 2023	Russell Investments presented a Q1 2023 performance summary paper (attached) summarising the performance of each individual ACS sub fund for the quarter ending 31 March 2023.
Exempt Items – the following items were discussed during the non-public part of the meeting.	
Securities Lending Performance Review 2022/23	Stock Lending commenced in March 2020 and Northern Trust presented the Securities Lending Performance Review for the fiscal year 2022/23.
Robeco Engagement Report – Q1 2023	In March 2020, Robeco was appointed as WPP’s Voting & Engagement Provider to undertake Voting and Engagement functions on behalf of the WPP. Robeco commenced their engagement service in April 2020, and they have provided an engagement report for Quarter 1 2023. The engagement theme chosen for Q1 2023 was SDG Engagement.
Responsible Investment and Climate Risk reports	Each quarter, Hymans Robertson produce quarterly Responsible Investment & Climate Risk Reports for the WPP’s sub funds. For Quarter 1 2023 (quarter ending 31 March 2023), the Global Growth and Global Opportunities reports were produced. Hymans presented the reports to the JGC members.
Sub fund reviews	Hymans Robertson undertake an annual performance review of a selection of WPP Sub Funds. During 2022/23, reviews were undertaken of the WPP’s UK Opportunities, Global Credit and Global Government Bond Sub Funds. Hymans presented the reports to the JGC members.
Operator Procurement evaluation criteria	The current contract with Link Fund Solutions, WPP’s existing operator comes to an end in December 2024. The procurement process for a new operator has commenced and the WPP are developing the

	<p>procurement documentation, with the Invitation to tender due to be issued mid-October 2023.</p> <p>Hymans Robertson presented the proposed evaluation criteria which was approved by the JGC. The evaluation criteria is now to be approved by the individual Constituent Authorities.</p>
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Webcast link for the 19 July 2023 JGC meeting below:

[Agenda for Wales Pension Partnership Joint Governance Committee on Wednesday, 19th July, 2023, 10.00 am](#)

WPP's website address - [Wales Pension Fund | Home \(walespensionpartnership.org\)](#)

Next meeting:

- Wednesday 20 September 2023 – Hybrid meeting, hosted by RCT

Wales Pension Partnership
Joint Governance Committee
Q1 2023 review – 17 July 2023



Market Updates

Proposed Acquisition

As discussed since the last Joint Governance Committee on 29 March 2023;

Below is the update in relation to the progress of the sale of the Fund Solutions business (FS Business) and ongoing negotiations with the UK Financial Conduct Authority (FCA) to settle the FCA investigation against Link Fund Solutions Limited (LFSL).

Link Group announced on 20th April 2023 (Sydney time) that:

Link Group and LFSL have reached a conditional agreement for the sale of the FS Business, excluding its Luxembourg and Swiss entities, and excluding Woodford related liabilities, on a debt and cash free and normalised working capital adjustments basis, to the Waystone Group for an aggregate consideration value of between £110 million and £140 million (the Sale).

At the same time, Link Group and LFSL have reached a conditional agreement with the FCA to settle its investigation into LFSL in respect of LFSL's role as authorised corporate director (ACD) of the LF Woodford Equity Income Fund (now known as the LF Equity Income Fund) (WEIF), (the Settlement).

The Settlement is conditional on, amongst other things, completion of the Sale and the English High Court sanctioning a scheme of arrangement proposed under Part 26 of the Companies Act 2006 addressing WEIF related redress and claims against LFSL (Scheme), as outlined below. The FCA has confirmed its intention to support the Scheme and intends to support its approval by WEIF Investors.

As part of the Settlement, and conditional on the Scheme, Link Group has agreed to contribute to LFSL all of the available consideration to be received from the Waystone Group under the Sale, meaning Link Group would receive no net proceeds of the Sale. There is no further contribution required of Link Group'.

The Scheme will provide that the payment of amounts to WEIF Investors, in accordance with the Scheme, will be in return for a full and final release from WEIF Investors to LFSL and the wider Group.

The Sale is targeted to complete by October 2023 and is not contingent on the Scheme or the Settlement becoming unconditional.

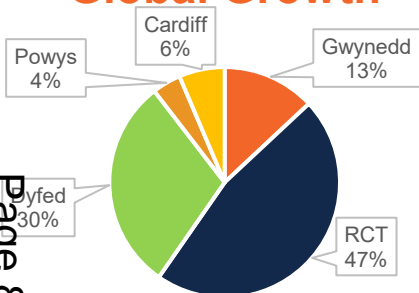
March 2023 LF Wales PP Fund Summary AUM

Fund	AUM	Inception date
Global Growth	£3,274,152,681	6 th Feb 2019
Global Opportunities	£3,269,124,129	14 th Feb 2019
UK Opportunities	£760,143,154	10 th Oct 2019
Emerging Markets	£354,601,402	20 th Oct 2021
Sterling Credit	£520,721,095	19 th Aug 2020
Global Credit	£693,664,784	21 st Aug 2020
Multi Asset Credit	£655,191,299	12 th Aug 2020
Global Government Bond	£481,416,739	20 th Aug 2020
Absolute Return Bond	£559,106,849	30 th Sept 2020
Total Active Investments	£10,568,122,134	
Total Passive Investments	£5,074,366,199	
Total Pooled Assets	£15,642,488,333 as at 31 March 2023	

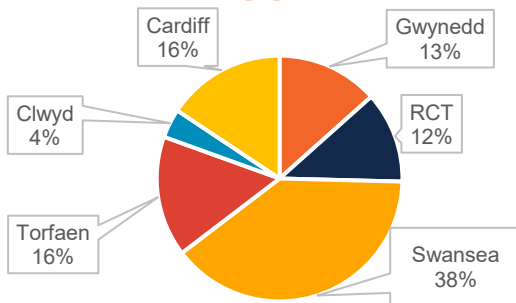
March 2023 Fund Snapshot - Equities

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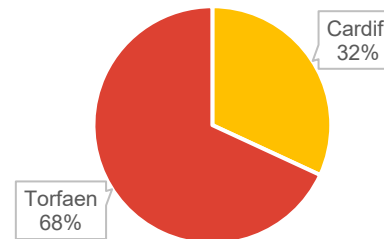
Global Growth



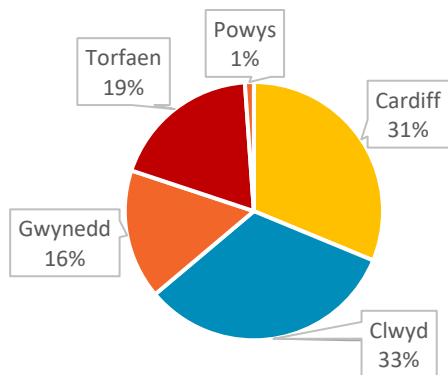
Global Opportunities



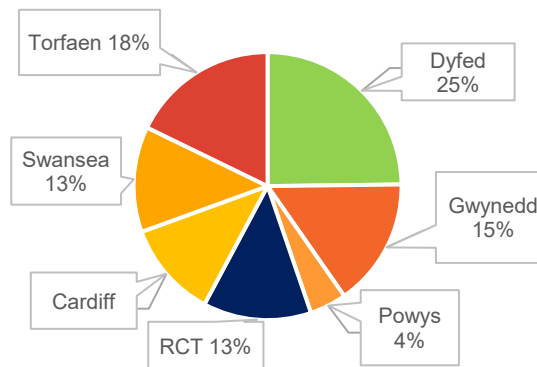
UK Opportunities



Emerging Markets



Passive*

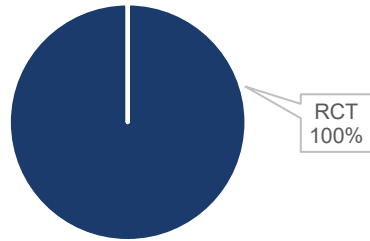


- Key:
- Dyfed
 - Powys
 - Gwynedd
 - RCT
 - Torfaen
 - Clwyd
 - Swansea
 - Cardiff

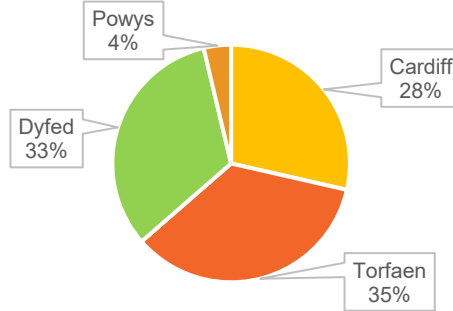
* Assets with BlackRock

March 2023 Fund Snapshot - Fixed Income

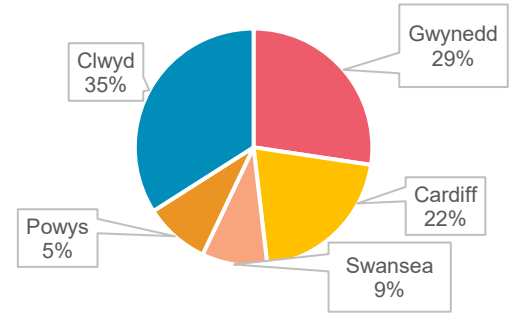
Sterling Credit



Global Credit



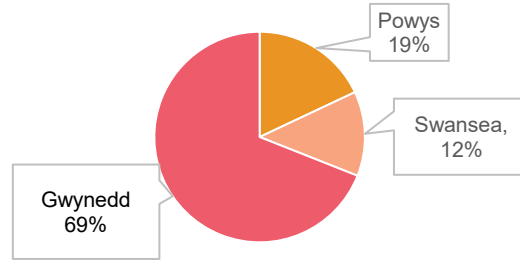
Multi Asset Credit



Global Gov. Bond



Absolute Return Bnd



- Key:
- Dyfed
 - Powys
 - Gwynedd
 - RCT
 - Torfaen
 - Clwyd
 - Swansea
 - Cardiff





Sub-Funds Update

Fund Launches & Changes

	Activity	Status	Commentary
Completed Fund Launches & Changes	N/a		N/a
Ongoing Fund Launches & Changes	Addition of Robeco to the Global Credit fund, removal of T Rowe Price	✓	New Investment Manager 'Robeco' to be implemented June 2023
	Establishment of a Sustainable Equities Fund	✓	Weekly Transition Calls ongoing with full working party and Legacy managers with launch date agreed for 20 June 2023
	Addition of New Investment Manager to the Global Growth Fund, as an addition to current Managers	✓	Proposed addition new manager to be discussed at OWG. Paper to be shared with all investing Constituent Authorities with rationale behind the change

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Status key:

	Completed or already in place
	On target;
	Delay Expected;
	Not Applicable





Initiatives

Business as Usual + Key Changes

	Activity	Status	Commentary
Management Information	Move to Quarterly Reporting cycle with changes to information captured	✓	Working with internal Teams to move from monthly to quarterly with updates to information provided
Class action reporting	Rolled out class action reporting to the Host on quarterly basis	✓	We have continued to provide the Class Action reporting to the Host Authority

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Status key:





	Completed or already in place
	On target;
	Delay Expected;
	Not Applicable

Market Updates

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	Activity	Status	Commentary
Russia / Ukraine	Impact to ACS sub-funds holding Russian companies	✓	LFSL continue to monitor the situation and will advise Constituent Authorities of any developments. Our Fair Value Pricing Committee regularly discuss and assets are still priced accordingly.
LDI	Liability Driven Investments & market volatility	✓	No LDI investments in the WPP sub-funds.

Status key:

	Completed or already in place
	On target;
	Delay Expected;
	Not Applicable

LFS Corporate Update & Engagement

Key Q1 and future WPP Engagement

Link attendance at OWG/JGC meetings in period:

- OWG 7 February 2023
- WPP JGC 29 March 2023

Link attendance at OWG/JGC meetings in next quarter:

- OWG 23 May 2023
- WPP JGC 19 July 2023

Link - Pension Committee attendance in period:

- RCT Panel Meeting - 23 March 2023
- RCT – Pension Committee meeting 27 March 2023
- Gwynedd – Pension Committee meeting 27 March 2023
- Dyfed – Pension Committee meeting 28 March 2023

Link - Pension Committee attendance in next quarter :

- Clwyd – Pension committee 23 June 2023

Other meetings in period

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly
- WPP briefing / training session – (First session)

Other meetings in next quarter

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly
- Pension Board Chairs Engagement Meeting 25 April 2023

LFS Engagement Protocol – Business as Usual

Strategic Relationship Review	Frequency	Objective
WPP Attendees <ul style="list-style-type: none"> Chris Moore Anthony Parnell Two Section 151 / Deputy Section 151 officers 	<ul style="list-style-type: none"> Bi-annual 	<ul style="list-style-type: none"> Ensure strategic alignment between Host Authority and Link
JGC Engagement	<ul style="list-style-type: none"> Quarterly 	<ul style="list-style-type: none"> Engage with JGC on pertinent matters and strategic deliverables
WPP Attendees <ul style="list-style-type: none"> Joint Governance Committee (JGC) 		Link Attendees <ul style="list-style-type: none"> Karl Midl, Managing Director / Adam Tookey, Head of Product – as required Richard Thornton, Head of Relationship Management, Asset Owners James Zealander, Senior Relationship Manager Russell Investments
OWG Engagement	<ul style="list-style-type: none"> Every 2 Months 	<ul style="list-style-type: none"> Identify and deliver on opportunities to improve and expand the relationship Provide update on open projects or issues Monthly KPI Review (Data supplied monthly)
WPP Attendees <ul style="list-style-type: none"> Officers Working Group (OWG) 		Link Attendees <ul style="list-style-type: none"> James Zealander, Senior Relationship Manager Richard Thornton, Head of Relationship Management, Asset Owners Alistair Coyle/Heidi Robinson, Relationship Managers (as required) Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc. Russell Investments

Note: The OWG Engagement and Monthly KPI meetings may be conducted remotely and/or amalgamated where required.

Link Engagement Protocol continued...

Host Authority Update	Frequency	Objective
WPP Attendees <ul style="list-style-type: none"> ▪ Anthony Parnell ▪ Tracey Williams 	<ul style="list-style-type: none"> ▪ Bi-Weekly 	<ul style="list-style-type: none"> ▪ Regular Host Authority – LFS to discuss deliverables and business updates ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ James Zealander, Senior Relationship Manager ▪ Alistair Coyle/Heidi Robinson, Relationship Managers (as required) ▪ Clair Baguley, Client Service Manager (as required)
WPP Working Group	Frequency	Objective
WPP Attendees <ul style="list-style-type: none"> ▪ Officers Working Group (OWG) ▪ Hyman 	<ul style="list-style-type: none"> ▪ Bi-Weekly 	<ul style="list-style-type: none"> ▪ Regular project call to discuss progress of deliverables ▪ Link Client Team ▪ Northern Trust ▪ Russell Investments ▪ Other consultants (e.g. bFinance)
Annual Shareholder Day	Frequency	Objective
<ul style="list-style-type: none"> ▪ Open to all involved parties 	<ul style="list-style-type: none"> ▪ Annual 	<ul style="list-style-type: none"> ▪ Open day for presentations on strategy and performance (with IM) ▪ Link Client Team ▪ Northern Trust ▪ Russell Investments and other Investment Managers (e.g. Global Growth Managers) ▪ Other consultants as required (e.g. bFinance)
Pension Fund Committees		Objective
<ul style="list-style-type: none"> ▪ Individual Pension Fund Committee meetings 	<ul style="list-style-type: none"> ▪ Annual 	<ul style="list-style-type: none"> ▪ General update on the ACS and planned initiatives ▪ James Zealander, Senior Relationship Manager ▪ Alistair Coyle/Heidi Robinson, Relationship Managers (as required) ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Russell Investments

Relationship Managers

Name: James Zealander
Role: Senior Relationship Manager
Number: +44 (0)20 7954 9727
Email: James.Zealander@linkgroup.co.uk

Name: Heidi Robinson
Role: Relationship Manager
Number: +44 (0) 7843 804917
Email: Heidi.Robinson@linkgroup.co.uk

Head of Client Relations

Name: Richard Thornton
Role: Head of Relationship Management – Asset Owners
Number: +44 (0)20 7954 9806
Email: Richard.Thornton@linkgroup.co.uk

Executive Contact

Name: Karl Midl
Role: CEO & Managing Director
Number: +44 (0)7951 266225
Email: karl.midl@linkgroup.co.uk

Disclaimer

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Wales Pension Partnership Business Plan 2022-2023 Q4 Review

Governance

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Development of a WPP Whistleblowing Policy 	Yes	Approved at the July 2022 JGC
<ul style="list-style-type: none"> Development of a WPP Business Continuity Plan (including Cyber) 	Yes	Approved at the July 2022 JGC
<ul style="list-style-type: none"> Development of a WPP Complaints Policy 	Yes	Approved at the December 2022 JGC
<ul style="list-style-type: none"> Development of a WPP Breaches and Errors Policy 	In progress	To be finalised in Q2 (April to June) 2023
<ul style="list-style-type: none"> Ongoing review of the Inter Authority Agreement 	Ongoing	
<ul style="list-style-type: none"> Annual/biennial review of WPP's policies and plans 	Ongoing	
<ul style="list-style-type: none"> Quarterly reviews of the Risk Register 	Ongoing	

Ongoing Establishment

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Appoint Private Market Allocators 	In progress	Private Debt and Infrastructure Allocators appointed in April 2022. Private Equity Allocator appointed in December 2022. Real Estate/Property method of implementation to be decided
<ul style="list-style-type: none"> Launch of Private Debt & Infrastructure Sub-Funds 	Yes	Infrastructure and Private Debt investment programmes launched
<ul style="list-style-type: none"> Launch of Private Equity Sub-Fund 		Launch due Q2 (April to June) 2023
<ul style="list-style-type: none"> Launch Sustainable Equities Sub-Fund 		Launch due Q2 (April to June) 2023

<ul style="list-style-type: none"> Formulate the WPP's Property requirements and optimal means of implementation 	In progress	Work is progressing, currently at mandate specification stage
<ul style="list-style-type: none"> Consultation with CAs on need for further sub-funds 	Ongoing	
<ul style="list-style-type: none"> Consideration of Local Investment opportunities 	Ongoing	

Operator Services

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Operator contract / procurement process 	In progress	Procurement work has commenced
<ul style="list-style-type: none"> Operator oversight 	Ongoing	

Investments and Reporting

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Finalise Voting & Engagement Reporting Requirements 	Completed	
<ul style="list-style-type: none"> Formulate WPP Engagement Priorities and Implementation Framework 	Completed	
<ul style="list-style-type: none"> Review Sub-Fund mandates to ensure compatibility with WPP's Responsible Investment and Climate Risk Beliefs 	Ongoing	
<ul style="list-style-type: none"> Task Force on Climate-related Financial Disclosures (TCFD) reporting 		Awaiting TCFD consultation response
<ul style="list-style-type: none"> Stewardship Code reporting 	Yes	2021/22 report submitted on 31 October 2022.
<ul style="list-style-type: none"> Consider additional reporting that demonstrates WPP's commitment to Responsible Investment 	Ongoing	

<ul style="list-style-type: none"> On-going Investment Manager performance reporting, scrutiny and challenge 	Ongoing	
<ul style="list-style-type: none"> Annual review of WPP's Cost Transparency Requirements 	Yes	
<ul style="list-style-type: none"> Annual performance review of WPP Sub Funds (Equity and Fixed Income) 	Yes	
<ul style="list-style-type: none"> On-going engagement with Constituent Authorities regarding minimum ESG / RI standards and their climate ambitions 	Ongoing	

Communication, Training and Reporting

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Formulation of the WPP's Annual Responsible Investment Progress Report 	Yes	Report presented at the July 2022 JGC and published on website
<ul style="list-style-type: none"> Formulation of the WPP's annual training plan 	Yes	2023/24 training plan being taken to the March JGC for approval
<ul style="list-style-type: none"> Formulation of the WPP's Annual Update 	Yes	2021/22 Annual Update published in September 2022
<ul style="list-style-type: none"> Formulation of the WPP's Annual Report 	Yes	2021/22 Annual Report published in October 2022

Resources, budget and fees

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> Annual review of resources and capacity 	Yes	Reviewed when formulating the 2023/24 budget
<ul style="list-style-type: none"> Formulation of Annual WPP Budget 	Yes	Formulated and included in the 2023-26 Business Plan
<ul style="list-style-type: none"> Review and Monitoring of Fees (including Link & Russell) 	Ongoing	

Training Plan

Training topics to be completed during 2022–2023 as per approved 2022-2023 Training Plan and progress to date:

	Completed	Comments
• Private Market Asset Classes & the role of the Allocator	Yes – September 2022	
• Active Sustainable Equities	Yes – September 2022	
• Governance and Administration	Yes – October 2022	
• Roles and Responsibilities	Yes – October 2022	
• What RI means for the WPP	Yes – December 2022	
• Stewardship Code and TCFD Reporting	Yes – December 2022	
• Progress of other LGPS Pools	Yes – February 2023	
• Collaboration Opportunities	Yes – February 2023	

An introductory training session was also held in September 2022 for new JGC members

Budget

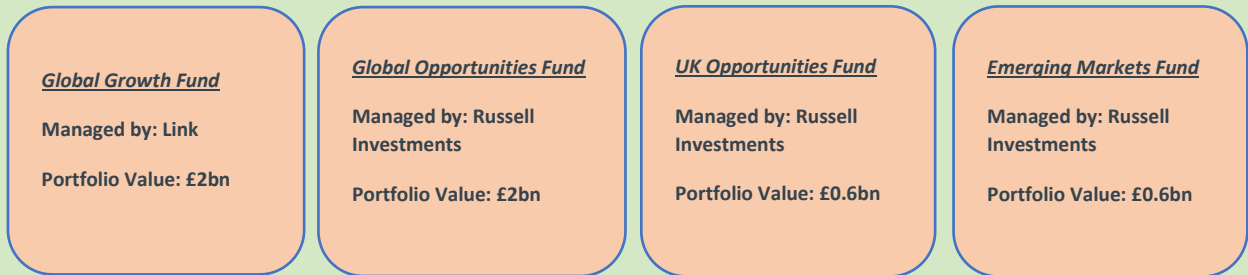
2022-2023 Budget Monitoring Report:

	Budget 2022 – 2023 £000	Forecast 2022 – 2023 £000	Variances 2022 – 2023 £000
Host Authority *	191	167	24
External Advisors *	1,206	1,097	109
TOTAL to be recharged	1,397	1,264	133
Operator Services **	33,319	33,326	(7)
TOTAL to be deducted from the NAV	33,319	33,326	(7)

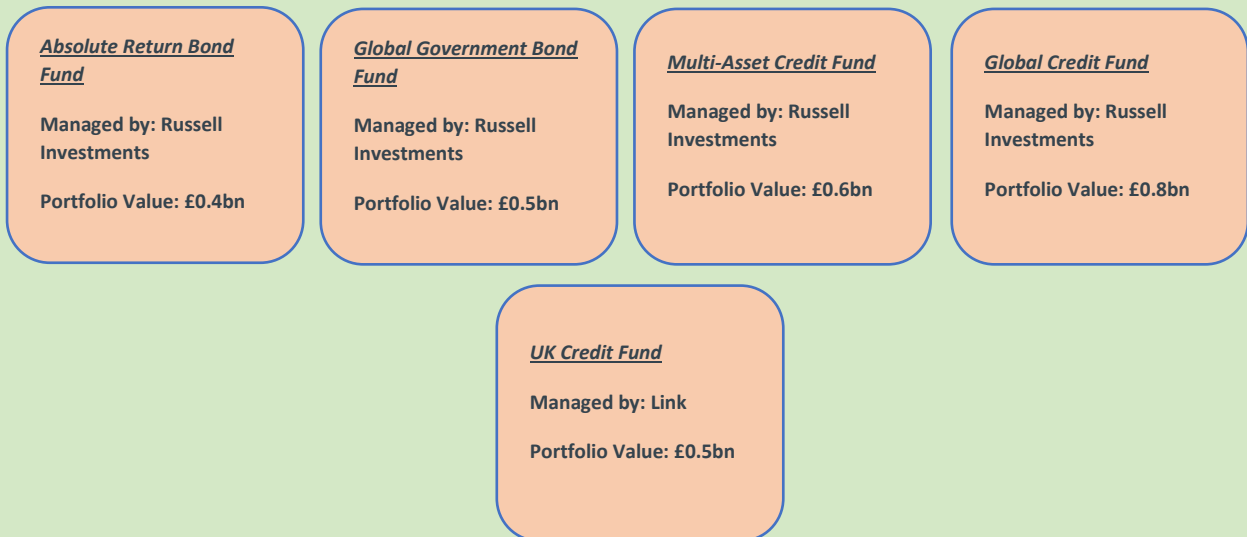
**Host Authority and External Advisor costs are to be funded equally by all eight of the WPP's Constituent Authorities and these will be recharged on an annual basis.*

***Operator Services costs are based on each Constituent Authority's percentage share of WPP assets (held with the Operator) and are deducted directly from the Net Asset Value (NAV) of the Constituent Authority's assets (held with the Operator).*

Equity Sub-Funds



Fixed Income Sub-Funds



* Portfolio Values as at launch date



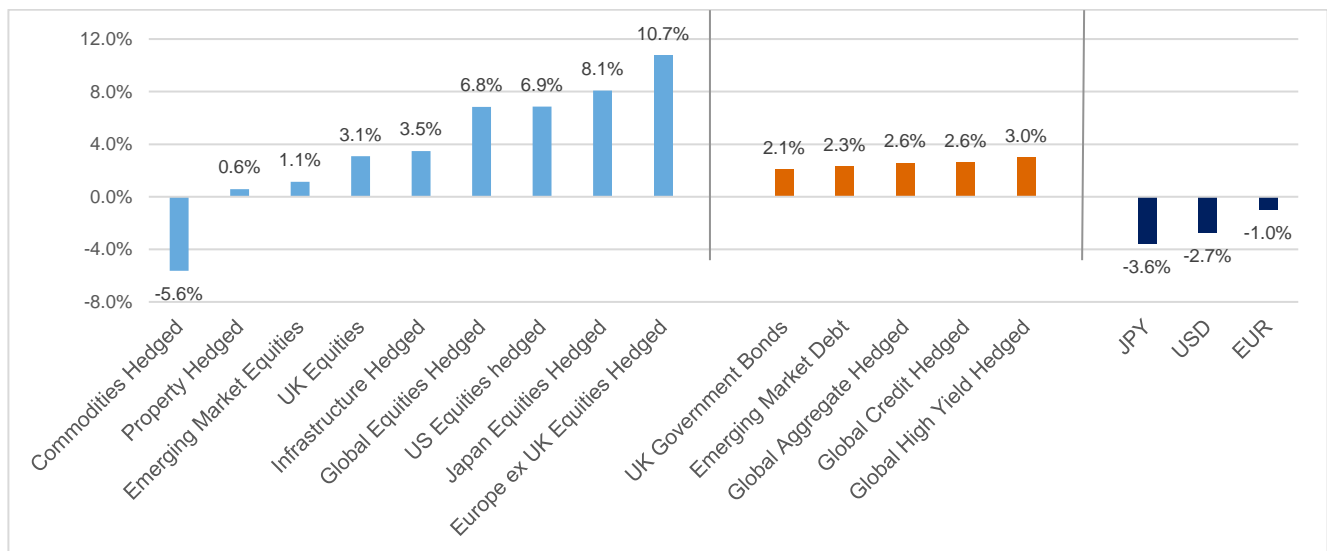
Wales Pension Partnership
<https://www.walespensionpartnership.org/>

JGC - WPP Performance Summary Q1 2023

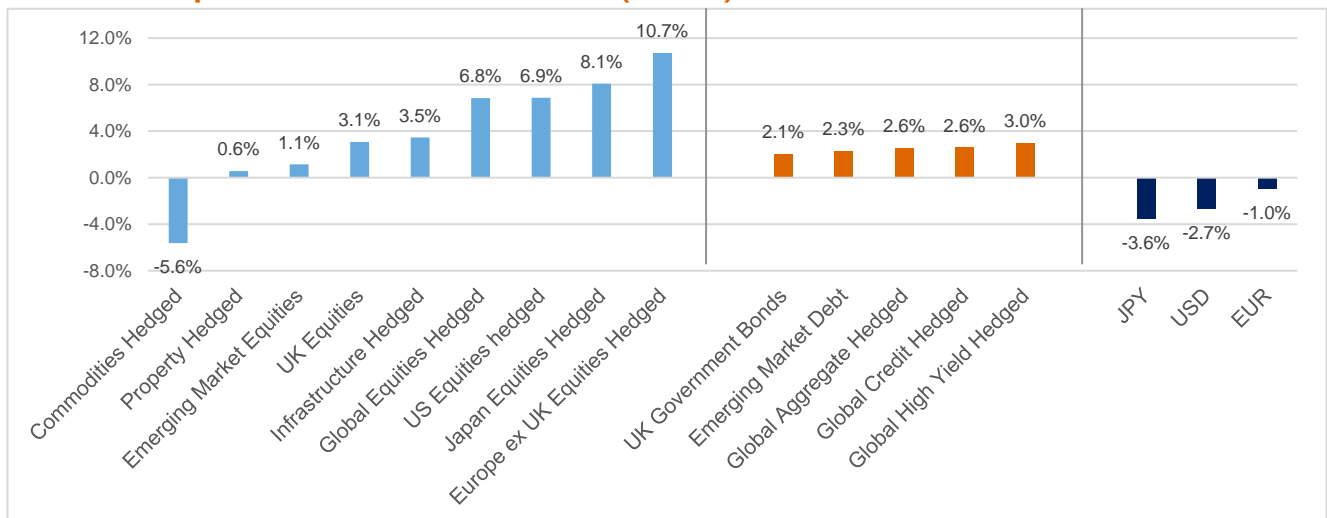
Global Market Commentary

Positive January and March performance bookended mid-quarter market volatility. Equity markets started the year strongly with investors encouraged by signs that inflation was being tamed and the prospect of China's reopening from Covid-19 restrictions boosting demand. In contrast, equities fell broadly in February amid slowing progress on inflation and resilient economic data, which implied interest rates may stay higher for longer. Investor sentiment tumbled further following the failure of three regional US banks, which triggered fears of contagion and a sell-off of banking stocks. In Europe these fears were heightened by a collapse in Credit Suisse's share price, which ultimately led to its takeover by rival UBS. Concerns subsided towards the end of the period. The US Federal Reserve (Fed), the Bank of England (BoE) and European Central Bank (ECB) all raised interest rates as expected this quarter. The US dollar depreciated while oil prices were volatile, falling below \$70 per barrel in March before recovering towards quarter-end.

Asset class performance – Quarter to Date (March) 2023



Asset class performance – Year to Date (March) 2023



Benchmarks : Global equity hedged (MSCI World ACWI), UK equity (FTSE All Share), US equity hedged (Russell 1000 Net GBPH), Europe ex UK equity (MSCI Europe ex UK Equity Net GBPH), Japan equity (TOPIX Net GBPH), Emerging equity (MSCI Emerging Markets Net), Global HY bonds (BofAML Global High Yield 2% Constrained Index), EMD LC (JP Morgan GBI-EM Global Diversified Index), Global credit hedged (Bloomberg Barclays Global Aggregate Credit Index), Global aggregate hedged (Bloomberg Barclays Global Aggregate Bond Index GBPH), UK Government Bonds (ICEBofAML UK Gilts All Stocks (GB), Property hedged (FTSEEPRA Nareit Dev Re GBP)

Global Growth Equity Fund:

	Three Months	1 Year	Since Inception
Gross	5.56	-0.54	9.40
Net	5.46	-0.90	8.98
MSCI AC World Index Net	4.39	-1.43	9.79
Excess returns (gross)	1.16	0.90	-0.40

Inception Date: 6th February 2019

Source: Northern Trust as of 31 March 2023

Overall Fund Commentary

Global equity markets made solid gains in the first quarter of 2023 with the MSCI ACWI rising 4.4% in GBP. Inflationary pressures eased, and economic data was generally stronger than expected, supporting the proposition that central banks would be able to conclude their monetary policy tightening. Financials had gained steadily from a Q3-2022 low but fell 15% in a matter of days following the collapse of Silicon Valley Bank, followed quickly by that of New York based Signature Bank. Despite a significant spike in volatility the broad market recovered to finish the quarter just short of February's high although mid-sized lenders remain under pressure. Financials joined Real Estate, Utilities, Health Care and Energy in recording negative returns for the quarter. Information Technology, Communication Services, and Consumer Discretionary sectors led the market. This mix of returns consolidated the Q1 leadership of growth over value and the crisis in the banking sector prompted a renewed focus on the quality style.

The WPP Global Growth portfolio outperformed the market by 1.0% in the quarter, returning 5.5% in GBP, net of fees. All three funds exceeded the benchmark return however the 3.8% out-performance of value biased, quality manager Veritas was the highlight. This was attributable to ongoing strength in Meta Platforms and the potential of an offer for pharmaceutical company Catalent Inc. Baillie Gifford suffered from direct exposure to Signature Bank to finish the quarter 0.2% ahead of the benchmark. Pzena's overweight exposure to value financials had served it well until underperformance driven by fears of contagion took hold and left it only 0.1% ahead for the quarter.

Global Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	3.41	0.55	10.83
Net	3.33	0.28	10.51
MSCI AC World Index Net	4.39	-1.43	9.47
Excess returns (gross)	-0.99	1.98	1.36

Inception Date: COB 14th February 2019

Source: Northern Trust as of 31 March 2023

Overall Fund Commentary

The Fund registered positive absolute returns over the first quarter but finished behind the benchmark on a relative basis. In factor performance, growth and large cap stocks were the best performing styles, significantly outperforming the global index, although this was driven by the US. Small cap stocks underperformed, however, small cap growth names fared better. In contrast, value and high dividend yielding stocks were unrewarded in the market environment. As such, growth manager Morgan Stanley significantly outperformed over the period. Value manager Sanders and quality growth manager Intermede also achieved positive excess returns. Numeric Low Volatility and Nissay were the weakest managers in the quarter. Jacobs Levy, Numeric (core) and SW Mitchell were also behind their benchmarks.

EM Market Commentary

Emerging Markets recorded a positive return in a volatile quarter but underperformed developed market equities. The first quarter of 2023 saw a dampening in risk appetite and doubts surrounding the strength of China's recovery following its reopening and the impact on global economic growth. Despite this, China's strength continued for another quarter as the market outperformed the broader emerging markets index for the second-successive quarter. In contrast, India underperformed, as names within the Adani Group dragged the market down, and Brazil also struggled following a strong 2022. The US dollar depreciated over the period. Small cap growth stocks were in the highest demand this period.

EM Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	2.57	-3.19	-6.24
Net	2.44	-3.62	-6.69
MSCI Emerging Market Index	1.14	-4.91	-7.16
Excess returns (gross)	1.43	1.72	0.92

Inception Date: COB 20th October 2021

Source: Russell Investments as of 31 March 2023

Overall Fund Commentary

The Fund outperformed the positive benchmark return. Similar to the fourth quarter of 2022, large capitalisation stocks outperformed small caps and high dividend yielding stocks were in demand amid the elevated inflation environment. Growth marginally outperformed the index return and the value factor. Small cap value stocks lagged during this period. In sectors, technology and communication services were the standout performers, driven higher by names including TSMC, Samsung Electronics and Tencent Holdings. All other sectors underperformed, with utilities and health care lagging the most. Within this environment, the Fund's effective country positioning included an underweight to India in a period where the market slipped lower. Selection was positive within Taiwan (semiconductors) and Mexico (financials, staples). However, stock selection within China was negative on aggregate this quarter, with an underweight to Tencent a key detractor. Selection within Thailand and South Korea was also negative.

UK Market Commentary

UK equities underperformed the global index. Consumer discretionary, industrials and telecommunications were the best performers, although this was offset by weakness in materials, consumer staples and health care. The Bank of England raised rates by 50 bps, and then a further 25 bps, signalling that the outlook for both economic growth and inflation had improved. However, inflation unexpectedly rose in February to 10.4% from 10.1% in January, largely driven by higher food and beverage prices. In his Budget, Chancellor Jeremy Hunt announced a 100% tax break for business investment and the launch of 12 low-tax zones to encourage economic growth and reduce regional disparity. Other measures included plans to keep people in work and an extension of free childcare. In an upbeat speech he said the economy was “proving the doubters wrong” and would avoid a technical recession this year.

UK Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
Gross	6.05	4.60	3.72
Net	5.95	4.23	3.32
FTSE All Share	3.08	2.92	4.55
Excess returns (gross)	2.97	1.68	-0.83

Inception Date: COB 11th October 2019

Source: Northern Trust as of 31 March 2023

Overall Fund Commentary

The Fund outperformed the positive benchmark return in the quarter. In factor performance, mid cap stocks produced the strongest performance while large cap and small cap stocks lagged. Growth also outperformed while value was out of favour. In sectors, consumer discretionary produced the biggest absolute returns followed by industrials. Basic materials was the only sector to produce an absolute negative return for the quarter. Overweight exposure and stock selection in communication services and consumer discretionary contributed to the positive return. Ninety One led the outperformance, benefitting from its focus on value, although all managers produced positive relative returns versus the benchmark.

Fixed Income Market Commentary

Government bonds rallied following turmoil in the banking sector. In this environment, longer duration US Treasuries, eurozone sovereigns and UK gilts outperformed equivalents elsewhere, particularly in China. The US Federal Reserve (Fed), Bank of England (BoE) and European Central Bank (ECB) all raised rates. However, the market turbulence led to increased uncertainty over the future direction of interest rates.

The Fed increased its benchmark interest rate by 25 basis points (bps) twice in the quarter to end at its highest since 2007. However, comments from the Fed were noticeably more dovish towards quarter-end. The benchmark 10-year US Treasury yield fell 40 bps over the quarter to close at 3.47%, while the 2-year yield declined 38 bps to 3.98%. In the UK, the BoE raised rates by 50 bps, and then a further 25 bps, signalling that the outlook for both economic growth and inflation had improved. The benchmark 10-year gilt yield ended the quarter 18 bps lower at 3.49%. In the eurozone the ECB raised interest rates by 50 bps twice. Over the quarter the German 10-year bund yield fell 28 bps to 2.29%.

Global Government Bond Fund:

	Three Months	1 Year	Since Inception
Gross	2.59	-4.86	-3.50
Net	2.53	-5.10	-3.73
FTSE World Gvt Bond Index (GBP Hedged)	3.02	-6.62	-5.13
Excess returns (gross)	-0.43	1.76	1.63

Inception Date: COB 19th August 2020

Source: Russell Investments as of 31 March 2023

Overall Fund Commentary

The Fund slightly underperformed the positive benchmark return in a volatile quarter for financial markets. Within this environment, Blue Bay outperformed while Colchester underperformed the benchmark. The Fund's underweight exposure to US Treasuries was detrimental. An underweight to Japanese bonds, notably of 5- and 30-year duration also detracted. Negative exposure to shorter duration German bunds was offset by a positive contribution from 5 and 10-year issues. An overweight of Columbian rates was also additive.

Global Credit Fund:

	Three Months	1 Year	Since Inception
Gross	2.05	-8.27	-4.79
Net	2.00	-8.43	-4.96
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	2.63	-6.56	-4.94
Excess returns (gross)	-0.58	-1.71	0.15

Inception Date: COB 20th August 2020

Source: Russell Investments as of 31 March 2023

Overall Fund Commentary

The Fund underperformed the benchmark return this quarter. Within this environment, effective credit positioning early in the quarter was offset by losses in March. Overweight to US high yield credit was slightly additive, with exposure to financials detracting but industrials contributing positively. An overweight to European high yield financials detracted, while an overweight to European investment grade utilities contributed positively. In hard currency emerging market debt an underweight to Middle East investment grade credit was additive, although some of this was offset by underweights to Europe and Latin America.

Multi Asset Credit Fund:

	Three Months	1 Year	Since Inception
Gross	3.34	-5.89	-0.78
Net	3.25	-6.23	-1.13
3 Month GBP SONIA + 4%	1.94	6.36	4.96

Performance Target is 3 Month GBP SONIA + 4%, we have not shown excess return as this is a target.

Inception Date: COB 11th August 2020

Source: Russell Investments as of 31 March 2023

Overall Fund Commentary

The Fund recorded a positive return in a volatile quarter for financial markets. High yield (HY) was stronger than investment grade corporate debt, particularly in Europe but also in the US. Global investment grade spreads widened slightly. Markets were calmer towards quarter end with risk appetite starting to recover. However, concerns about the real estate sector were reflected in bond markets with issuance by some property companies coming under pressure. Hard currency emerging market debt spreads widened in the volatile market environment. Loan specialist ICG was the best performing manager.

Absolute Return Bond Strategy Fund:

	Three Months	1 Year	Since Inception
Gross	1.07	2.34	2.11
Net	1.01	2.07	1.81
3 Month GBP SONIA + 2%	1.44	4.32	2.99

Performance Target is 3 Month GBP SONIA + 2%, we have not shown excess return as this is a target.

Inception Date: COB 30th September 2020

Source: Russell Investments as of 31 March 2023

Overall Fund Commentary

The Fund recorded a positive return this quarter. Aegon and Wellington both recorded positive returns, whereas Insight and mortgage prepayment specialist Putnam recorded negative returns. Macro strategies had a positive impact. Although European asset-backed security (ABS) spreads held up well following the market volatility, primary issuance of European ABS stalled. Some issuers postponed their deals or reverted to partially or pre-placing (privately) their ABS.

Sterling Credit Fund:

	Three Months	1 Year	Since Inception
Gross	2.58	-9.26	-5.08
Net	2.54	-9.38	-5.20
ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%	2.53	-9.58	-5.59

Inception Date: COB 19th August 2020

Source: Northern Trust as of 31 March 2023

Overall Fund Commentary

The Wales Pension Partnership Sterling Credit portfolio returned 2.6% in Q1, outperforming the BofA Euro-Sterling benchmark by 0.2%.

The quarter started positively with both government yields decreasing and corporate spreads tightening as markets were hopeful the monetary policy tightening cycle was nearing an end and a recession could be avoided with China's economy reopening and Western economies more resilient to inflation pressures than expected. The fund's long sterling duration position enhanced returns but was partially offset by the underweight euro duration position. The overweight exposure to financial credits was a negative but both, the Bank of England (BoE) and the European Central Bank (ECB) on the health of their financial sectors. Stronger UK economic data supported higher than expected inflation and suggested further action by the Bank of England (BoE). A 25bp increase followed and the BoE expressed confidence in the banking system following the collapse of Silicon Valley Bank suggesting further rises ahead if inflation remains elevated. Similarly, the European Central Bank assured markets it was 'fully equipped' to ensure financial stability and raised rates by 0.5%. Despite the market turmoil in March positive risk sentiment led to further fall in UK government bond yields and a slight widening in credit spreads.

Breach No	YEAR	Breach Type	Nature of Breach	Breach Description	Action	Material Significance (Y/N)	P & I Committee Notified (and date)	Pension Board Notified (and date)	TPR Notified (and date)	RAG Status
1	2018/19	Administration	Late Notification of deferred Benefits	<p>Disclosure Regulations state that any deferred leaver should be notified of their deferred benefit options within two months of the fund receiving complete leaver information from the employer. Due to the backlog of casework in the fund these deadlines have not been met for a number of historic deferred members. Cause: The backlog has occurred through the introduction of the new LGPS and the increased complexity around administration (aggregations, final salary links etc). An increase in the numbers of deferred pensioners who have left employment through reorganisations in recent months has also had an impact. Effect: although a breach, it is not considered material, as the information is provided to the member at the appropriate time a decision is required (e.g. at retirement, transfer, aggregation etc)</p>	New letter produced and issued to leavers upon notification of leaving, stating their entitlements upon leaving membership of the LGPS (i.e. under 2 years = refund, over 2 years = Deferred)	N	N	Y	N	
2	2018/19	Administration	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members.	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.	N	Y	Y	N	
3	2023/24	Administration	Late receipt of Contributions from Employers	Regulations require submission of contributions from employers within statutory timescales. A thorough review of the process has identified two employers who have failed to meet this statutory requirement on more than one occasion.	Employers written to and process followed as per the published Administration Strategy Statement	N	N (Will be at October 2023 Meeting)	Y	N	

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CYNGOR SIR POWYS COUNTY COUNCIL

Pension Board
29th September 2023

REPORT BY: Board Secretary

SUBJECT: Powys Pension Board Communications Log

 REPORT FOR: Information

1. **Introduction**

- 1.1 This report lists the communications issued to the Board in between the official meetings, for information and discussion as required.

2. **Communications Log**

2.1

Communication**Date Sent**

TPR June Roundup

29.06.23

TPR July Roundup

07.08.23

3. **Recommendation**

Note communications issued.

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