

## Powys Pensions Board

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Meeting Venue  
**Zoom/County Hall**

Meeting Date  
**Monday, 20 November 2023**

Meeting Time  
**10.00 am**

For further information please contact

**Rachel Pugh**  
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rachel.pugh1@powys.gov.uk



County Hall  
Llandrindod Wells  
Powys  
LD1 5LG  
14.11.2023

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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.

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### AGENDA

<b>1.</b>	<b>APOLOGIES</b>
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To receive apologies for absence.

<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>
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To receive any declarations of interest.

<b>3.</b>	<b>MINUTES OF THE BOARD</b>
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To authorise the Chair to sign the minutes of the meeting of the Board held on 29 September 2023 as a correct record.

(Pages 5 - 12)

<b>4.</b>	<b>MATTERS ARISING</b>
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Verbal update from the Chair.

<b>5.</b>	<b>MINUTES OF PENSIONS AND INVESTMENT COMMITTEE</b>
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To note the draft minutes of the Pensions and Investment Committee held on 06 October 2023.

(Pages 13 - 20)

<b>6.</b>	<b>THE PENSION REGULATOR [TPR] CODES OF PRACTICE</b>
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Updates made with regards to compliance with the TPR Code of Practice 14.

(Pages 21 - 50)

<b>7.</b>	<b>OPERATIONAL AND ADMINISTRATION REPORT &amp; UPDATE</b>
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To receive the report.

(Pages 51 - 52)

<b>8.</b>	<b>LEGISLATION AND GOVERNANCE UPDATE</b>
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To note the report.

(Pages 53 - 56)

<b>9.</b>	<b>RISK MANAGEMENT POLICY</b>
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To receive the report.

(Pages 57 - 66)

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

(Pages 67 - 80)

<b>11.</b>	<b>DATA QUALITY TESTING</b>
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To note the report.

(Pages 81 - 84)

<b>12.</b>	<b>WALES PENSION PARTNERSHIP UPDATE</b>
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To receive the report.

(Pages 85 - 114)

<b>13.</b>	<b>STANDING ITEMS WITH NO UPDATES REQUIRED</b>
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- a) Breaches Register
- b) Audit Reports
- c) Board Communications Log
- d) Internal Dispute Resolution Procedure [IDRP]

(Pages 115 - 118)

<b>14.</b>	<b>FUTURE BOARD MEETINGS</b>
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2024
Friday 09 February
Monday 10 June
Monday 09 September
Monday 18 November

<b>15.</b>	<b>CONFIDENTIAL</b>
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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.

<b>16.</b>	<b>UPDATE BY CHAIR OF PENSIONS BOARD</b>
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To receive the update from the Chair.

<b>17.</b>	<b>PERFORMANCE MEASUREMENT</b>
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To receive the report.  
(Pages 119 - 126)

<b>18.</b>	<b>EMPLOYER PERFORMANCE</b>
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To receive a verbal update.

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## MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT ON FRIDAY, 29 SEPTEMBER 2023

### PRESENT

Gerard Moore (Chair)

David Powell (Scheme Member Representative)

John Byrne (Scheme Member Representative)

Graham Evans (Employer Representative)

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

<b>1.</b>	<b>APOLOGIES</b>
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Apologies were received from:

Nigel Brinn (Employer Representative)

Ian Jones (Scheme Member Representative)

Wayne Thomas (Employer Representative)

The Board thanked Nigel Brinn for his service to the Powys Pension Board due to him leaving the Council at the end of October.

<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>
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There were no declarations of interest.

<b>3.</b>	<b>MINUTES OF THE BOARD</b>
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The minutes of the last meeting held on 12 June 2023 were agreed as a correct record.

<b>4.</b>	<b>MATTERS ARISING</b>
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Matters arising points were covered in agenda items below.

<b>5.</b>	<b>MINUTES OF PENSIONS AND INVESTMENT COMMITTEE</b>
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The Board noted the draft minutes of the Pensions and Investment Committee of 07 July 2023.

It was highlighted that the Committee:

Item 4 – carried out considerable discussion around risks concerning climate change and AON have provided helpful documentation.

The climate change risk would be added to the risk register by the Pension Fund Manager and would be circulated to the Board.

Item 6 – approved the Administration Strategy Statement.

Item 7 – more detail and transparency would be provided around the Overpayment Policy.

Reassurance was provided to the Board by the Pension Fund Manager regarding the Committees acknowledgement of cashflow risks, and papers will be presented to the Committee at the meeting next week.

<b>6.</b>	<b>DRAFT ANNUAL REPORT OF THE POWYS PENSION BOARD FOR 2022/2023</b>
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The Board considered the draft Board Annual report 2022/2023 and noted it would be included in the Pension Fund's Annual report, which would be considered by the Pensions and Investment Committee on 29 November 2023 to enable the Annual accounts to be published by 01 December 2023.

It was commented that the report was very comprehensive and demonstrated the work of the Board, it was agreed that flexibility was needed for a successful work programme and online meetings have aided the progress.

The Pension Fund Manager thanked the Board for work carried out to strengthen the risk register and a thorough report would be provided to Committee.

The Board approved the draft Board Annual report.

<b>7.</b>	<b>THE PENSION REGULATOR [TPR] CODES OF PRACTICE</b>
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The Board reviewed the following sections and noted the following [numbers refer to the Compliance indicator]:

**Publishing Information about the Schemes [92 – 98]**

The Pension Fund Manager advised the Board that links had been updated to ensure sites were accessible to all members.

**Providing Information to Members [188-240]**

196 – notifications to members that have left the scheme within three months showed an amber status, correspondence takes place within three months but does not always provide deferred benefit amounts which is represented on the Breaches Register. It was explained to the Board that a loss of expertise had been experienced within the Pension Team but were reassured that steps were being taken to address issues and that the LGPS had also acknowledged wider issues.

**It was agreed by the Board that item 196 would remain amber.**

208 – a facility is used for 'gone away members' alongside a process used by the Pensions Team to locate individuals.

**The Board agreed to keep item 208 as an amber status and for the Pension Fund Manager to provide more detail at the next meeting.**

It was noted that refunds were not always paid within 5 years, which is recorded on the Breaches Register.

**Reporting Breaches of the law [244-270]**

All items in the section showed green, it was explained that the LGPS had a resolution process in addition to the Council two stage internal process as well as a Council Complaints and Compliments procedure.

The Board were reassured that the Council receive very few complaints and more information could be provided if requested.

<b>8. OPERATIONAL AND ADMINISTRATION REPORT &amp; UPDATE</b>
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The Board received the Operational and Administration report (June – August 2023).

The Pension Fund Manager updated the report to reflect the request from the Board to add the number of active participating employers (3.3).

**In response to a comment the Pensions Fund Manager agreed to add trends to the report and to include any changes (period on period) due to the current financial climate including the number of members opting out of the scheme.**

<b>9. LEGISLATION AND GOVERNANCE UPDATE</b>
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The Board noted the Legislation and Governance Update.

The Pension Fund Manager highlighted:

2.Scheme Advisory Board Updates

2.2 – the total membership of the scheme had increased by 2.6%, with a positive cashflow which includes the investment return and noted that management charges have risen by 22.5% which was a significant increase, but the Powys scheme had benefited by being part of the WPP.

It was noted that the Scheme Advisory Board acknowledged the risks and work would be undertaken to review value for money for funds, however time restrictions for the collection and reporting of information would be an additional pressure on limited resources within the Pensions Team, any issues would be flagged up to the Committee.

2.3 – the annual report guidance would be reviewed in order to reduce duplication around reporting requirements.

2.5 – the valuation report showed improvements, with overall contribution rates falling due to an improvement in the funding level. With a slight increase to employee contribution rates from 6.5% to 6.6%.

### 3.LGPS Updates

3.1 - the Department for Levelling Up, Housing and Communities (DLUHC) consultation period would close on 02 October regarding pooling and levelling up, in which a response would be submitted by the Pension Fund Manager and shared with the Pension Board and Committee.

It was felt that the Welsh Pension Partnership had its own identity and beliefs, and consistency in responses would be key. The Chair explained that concerns have been raised around this issue and highlighted the dangers of merging pools.

3.2 - McCloud (Local Government Pension scheme amendment) would take effect from the 01 October 2023. The Pension Fund Manager answered a query and reassured the Board that the Pensions Team had grown by five members in preparation and was fully prepared for the implementation of the McCloud amendment. However, this would be regularly monitored to ensure the resource is sufficient.

<b>10. REVIEW OF RISK REGISTER</b>
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The Board noted the Risk Register.

The Pension Fund Manager commented that wording has been updated and the new climate change and responsible investment risk would be added to the Investment Pillar and circulated after the meeting.

INVEST0010 – it was asked if policies were being addressed due to recent market activity, the Pension Fund Manager explained that the Council rely heavily on advice from investment consultants and had received assurances from AON and would be able to provide more information after the Committee meeting next week when the strategy paper would be presented.

It was noted that mitigations were in place and the residual risk heat maps showed all risks being outside the catastrophic areas.

**The Board recommended that the heat map title (summary of risk ratings) could include more detail (residual risk heat map), which the Pension Fund Manager will raise with the Powys Risk Team.**

**GOVERN002 – the Pension Fund Manager would request a forward cashflow forecast (12months – 3 years) from AON as requested by the Board in order for**

GOVERN0015 – the Board were reassured that a process was in place to secure a new Chair of the Board for 2024.

Two Employer Representative posts would become vacant shortly, it was noted that filling positions was proving difficult, and every opportunity was being taken to highlight vacant positions.



INVEST001 / INVEST003 – taken from observations by the Committee the Chair felt that the two performance related risks could be brought together, further discussions would be held by the Board to determine if this would be deemed appropriate.

<b>11. WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE</b>
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The Board noted the Wales Pension Partnership (WPP) – Investment Pooling Update.

The Pension Fund Manager highlighted:

The Sustainable Active Equity Sub-Fund was launched at the end of June, which aligns with net zero ambitions and climate change responsible investment which all eight funds will make an allocation to.

Page73 – JGC Update - the Board received reassurance that the Pension Fund Manager had full confidence in the representation on the Officer Working Group and a three tier approval process was in place.

Page 84 – Q1 2023 review - It was confirmed that there were no liability driven investments in the WPP.

Page 91 – Q1 2023 Review – the Business Plan for 2022-23 would be produced by the WPP and timescales would be provided to the Board if requested.

Page 94 – It was noted for awareness that the total costs of the WPP were being recharged to the eight funds and deducted from the net asset plan.

<b>12. STANDING ITEMS WITH NO UPDATES REQUIRED</b>
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The Board noted the following in respect of standing items:

a. Breaches Register – a recordable breach was added to the register.

As a result of work carried out around employers a breach was identified around the statutory requirement of submitting contributions and returns to the fund within set timeframes in which the Pension Team continue to actively monitor and log each contribution. A separate breach was confirmed, breaches relating to automatic payment of refunds would remain in place and the breach recorded on the register until a change in legislation as payments had not been made relating to the late receipt of contributions.

**The Board agreed that reliable and consistent information was in place and the breach would be added to the Breaches Register.**

b. Audit Reports – no reports.

c. Board Communications Log – noted.

d. Internal Dispute Resolution Procedure [IDRP] – A company had approached the Council regarding an overseas transfer ten years ago which has been dealt with at stage one of the disputes resolution procedure.

<b>13. FUTURE BOARD MEETINGS</b>
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The Board noted the 2023 meeting date: 20 November - 10am.  
It was hoped that the meeting would be held in County Hall, Llandrindod Wells.

<b>14. CONFIDENTIAL</b>
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**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.**

<b>15. UPDATE BY CHAIR OF PENSIONS BOARD</b>
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The Chair announced:

- that a hybrid engagement meeting for Pension Board Chairs had proved constructive.
- the minutes from the 20 September meeting of the Joint Governance Committee had been released.
- an email had been sent to the 151 Officer and the Pension Fund Manager regarding risks associated with investment performance for consideration on how the Board may provide support including a specific training event. The Pension Fund Manager let the Board know that the WPP would be presenting an item around performance.
- the Cost Transparency Workshop held by the Scheme Advisory Board (SAB) would have implications on Pensions Teams and also identify training needs. The Pension Fund Manager added concerns around the manual process used by the SAB for data input and would need to ensure data is correct before used for benchmarking purposes. Concerns were raised by the Chair regarding available resources for monitoring and benchmarking purposes for each fund which vary according to the size of the fund and felt that smaller funds such as Powys could be squeezed.

<b>16. PERFORMANCE MEASUREMENT</b>
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The Board received the Performance Management Report (July and August 2023).

The Pension fund Manager presented Improvements within the report, however progress on developments of the reporting tools has been paused due to staff absence.

Discussions took place regarding the statutory legal and internal targets within the report and how they were set and achieved. The Board agreed that the report was both open and transparent.

**It was suggested that one key column should be available to the Committee to highlight and link together the breaches register and the legal targets.**

The report presented was part of a suite available to the Pension Fund Manager as a significant management tool to monitor and ensure that sufficient resource was available in the Pensions Team and noted that this system may benefit other services of the Council.

<b>17. EMPLOYER PERFORMANCES</b>
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The Board received the Employer Performance Report (April – July 2023).

The Pension Fund Manager thanked the Board and Committee for support and agreement in order to create and appoint to an employer specific role and have seen many benefits.

It was emphasised that all employers received support from the Pensions Team, and many were provided with an electronic system in order for data to submit to the Fund. The Board were reassured that processes were tested, recorded, and undertaken in a timely manner in accordance with regulations.

For employers that do not comply with legislation a robust formal process was in place which includes adding employers to the breaches register and ensuring the guidance within the Administration Strategy is followed accordingly.

**It was suggested by the Board that the report could include confirmation and percentage payments made by employers to provide more clarity around breaches.**

**Gerard Moore (Chair)**

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## MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE HELD AT ON FRIDAY, 6 OCTOBER 2023

PRESENT County Councillors

A Kennerley  
C Kenyon-Wade  
D A Thomas  
D H Williams  
E A Jones  
P E Lewis

Gerard Moore Independent Chair, Powys Pension Board

Chris Hurst -Pension Fund Manager, Secretary to the Board  
Jane Thomas - Section 151 Officer  
Dan Paley - Financial Reporting & Policy Accountant  
Craig Flynn - Deputy Head of Finance-Strategic Finance

Aon representatives:

Benjamin Bryant  
Kenneth Ettles  
Becky Durran

LINK Fund Solutions representative:

James Zealander

Russell Investments representatives:

Aidan Quinn  
Ioanna Ali  
Katherine Husvaeg  
William Pearce  
Adreas Koester

<b>1. APOLOGIES</b>
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Apologies were received from:  
Trish Fretten (Employer Representative)

<b>2. DECLARATIONS OF INTEREST</b>
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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.

<b>3. MINUTES</b>
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The Chair was authorised to sign the minutes of the Pensions and Investment Committee meeting held on 07 July 2023 as a correct record.

<b>4. ADMINISTRATION AND GOVERNANCE REPORT</b>
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The Committee reviewed the Update. The Pension Fund Manager highlighted the following:

**2. Scheme Advisory Board (SAB) Updates**

2.2 – a full Annual Report has been produced by the SAB using data from the individual LGPS funds has been produced by the Local Government Pension Scheme (LGPS), which the fund showed a positive trend in funding levels and assets held.

A query was answered in response to management fees and explained that it was percentage based, and more information would be presented to the Committee at the next meeting.

2.3 – the Powys Fund's Annual Report would be published by 01 December 2023. Additional guidance on how to make the report easier to produce will be provided by the SAB in future .

2.5 – The Scheme Advisory Board published a scheme valuation report, derived from the individual Funds valuation reports from 31 March 2022 which showed improvements in the overall funding level of the LGPS as a whole.

**3. Local Government Pension Scheme (LGPS) Updates**

3.1 – a response had been submitted on behalf of the Powys Pension Fund to the Department for Levelling Up, Housing and Communities (DLUHC) regarding the levelling up and pooling of funds consultation.

The Pension Fund Manager explained that a strong message had been provided from Wales including potential implications from changes that may be introduced. It was noted that the Powys Fund value is approximately £800m and the Welsh Pensions Partnership (WPP) was over £20b.

3.2 – McCloud, a Local Government Pension Scheme amendment was implemented on 01 October 2023, retrospective work would be undertaken by the Pensions Team in order to ensure that all member records affected were corrected accordingly. The Pension Fund Manager responded to a query around the costs within the scheme and explained that the impact would be on administration and liability and not expected on the investment management cost.

Assurance was provided to the Committee by the Section 151 Officer that any review around resources will be carried out with benchmarking against other funds and emphasised that Powys did not have the same economies of scale as other funds.

The Chair of the Powys Pensions Board commented that a key link was evident between the level of resource and frequency of breaches, and adequate

resources was expected by the Pensions Regulator to provide the administrative function.

6. Risk Register

6.1 – an addition was added to the Investment Pillar around climate change. INVEST0012 – the risk reflected the actions of the Welsh Pensions Partnership (WPP), the Committee requested that the risk be aligned with separate issues of the eco system and food production.

ADMIN0010 – Work is ongoing in respect of existence checking for overseas pensioners. The Pensions Team had reached out to gain more understanding on how other funds carry out checks which may in turn be introduced.

7. Breaches Register

7.2 - a new breach had been identified and added to register for employers that do not submit pension contributions within the statutory timeframes. The Pensions Team have introduced a dedicated post in place to monitor and support all employers to ensure compliance with the regulations.

It was moved and duly seconded to note the report and approve the risk register.

**Resolved:**

1. Administration and Governance Update be noted.
2. The Risk Register be approved.

**Recommendation:** INVEST0012 to include separate elements that are aligned with climate change (food production and the eco system).

<b>5.</b>	<b>NEW FUND EMPLOYER</b>
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The Committee considered the report. The Pension Fund Manager notified the Committee that Forden with Leighton and Trelystan community Council had become a Pension Fund employer. Support and guidance had been provided to the new employer to ensure that all processes and regulations were adhered to.

<b>6.</b>	<b>WALES PENSION PARTNERSHIP [WPP] UPDATE</b>
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The Committee received the update. Policy reviews had been undertaken by the WPP and a new Breaches Policy had been published and seen as progress around governance. The WPP had produced packs which enables each of the constituent authorities in Wales to provide and share information in a consistent way.

It was moved and duly seconded to note the reports for agenda 6.

**Resolved:** The WPP Update Report be noted.

<b>7.</b>	<b>EXEMPT ITEM</b>
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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).

<b>8.</b>	<b>OPERATOR UPDATE</b>
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The Committee reviewed the reports from the Link Group presented by James Zealander. The Committee received reassurance from James that there would be no impact on operations and support for all those involved in the Wales Pension Partnership (WPP) when Link Group move to the Waystone Group in the near future. The presentation provided the Committee with the operational oversight and the core principles in which they were governed, and details of fund launches and changes that had occurred.

**Resolved:** The Link Group Operator Update report be noted.

<b>9.</b>	<b>RUSSELL INVESTMENTS UPDATE</b>
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The Committee received an update on the WPP's Sustainable Active Equity and Emerging Markets sub-funds from the Russell Investments Team and commented that the reports provided were extremely comprehensive. The presentation included a detailed overview of the market environment and the strategies held within the global market.

A performance breakdown was provided around emerging markets for quarter three and the Committee noted that the presentation provided a clear position. The WPP Sustainable Active Equity Fund structure provided the Committee with details of the asset allocation, fund details and important exclusions.

**Resolved:** The Russell Investment Update report be noted.

<b>10.</b>	<b>INVESTMENT STRATEGY</b>
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The Committee considered the Investment Strategy Paper from AON representatives. The purpose of the presentation was to provide the Committee with details around the review of the funding strategy which interacts between investment risk and the discount rate in which market conditions had significantly changed reflecting impacts from global interest rates.

Discussions were held concerning the broader view of the discount rate and the volatility of the assessment made around liabilities and how risks and protection structures demonstrated the stability of the fund. Before the recommendations were put before the Committee for decision clarification was provided by AON.



It was moved and duly seconded to approve the paper and recommendations.

**Resolved:**

1. The Investment Strategy Paper be approved.
2. All three recommendations within the report be approved.

<b>11. CASHFLOW</b>
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The Committee considered the Cashflow Report presented by the Fund Actuary (Aon). The presentation covered liability and asset cashflows and modelled how different cashflow management approaches were in place to ensure resilience was realised including that of the impact to inflation, along with proposals to changes around those approaches.

It was moved and duly seconded to approve the report and recommendation.

**Resolved:**

1. The Cashflow Report be approved.
2. Recommendation B be approved.

<b>12. PRIVATE EQUITY</b>
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The Committee considered the Private Equity Report presented by Kenneth Ettles a representative from AON, which provided the Committee with reassurance following an assessment that was undertaken by AON on the suitability of the WPP Private Equity Sub-fund for the Powys Pension Fund.

It was moved and duly seconded to approve the Private Equity Report and recommendation.

**Resolved:**

1. The Private Equity Report be approved.
2. The recommendation that the WPP Private Equity Sub-fund was appropriate for the Powys Pension Fund and be funded accordingly to maintain the strategic allocation to the private equity asset class.

<b>13. INVESTMENT PERFORMANCE</b>
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The Committee considered the Investment Performance Report presented by Ben Bryant, a representative from AON, which included an executive summary covering quarter two key statistics.

Following a discussion at the last meeting additional information has been provided to show the outline of discussion points in relation to how performance compared to the LGPS peer group.

It was agreed that the Pension Fund Manager would obtain more information from AON to share with Committee and consider a performance training session.

**Resolved:** The Aon Investment Performance Report be noted.

**Recommendation:** A performance training session would be provided to members of the Committee.

<b>14. WALES PENSION PARTNERSHIP PROCUREMENT</b>
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The Committee considered the Wales Pension Partnership Procurement Report. The Governance arrangements required approval from the Committee for the evaluation criteria before the publishing the tender.

It was moved and duly seconded to approve the evaluation criteria required within the tender.

**Resolved:** The Wales Pension Partnership Operator Procurement Report be approved.

<b>15. DRAFT ANNUAL REPORT</b>
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The Committee considered the Draft Annual Report which had been passed to the Welsh Audit Committee for consideration at a meeting on the 20 November 2023.

The final report would be presented to the Pension Investment Committee on the 29 November 2023 before publication on 01 December 2023.

A discussion took place around timescales of the publication and the Committee were urged to read the report and contact officers with any queries.

It was moved and duly seconded to note the report.

**Resolved:** The Draft Annual Report be noted.

<b>16. RESPONSIBLE INVESTMENT SUB-GROUP</b>
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The Committee considered the Responsible Investment Sub-Group Report. It was discussed at the last meeting that a sub-group could be formed to review topics before Committee meetings due to time constraints and felt it was a positive way forward. It was also suggested that the sub-group could undertake training which would be a significant benefit to members.

It was moved and duly seconded to note the report and approve the proposed recommendation to establish a sub-group.

**Resolved:**

1. The Responsible Investment Sub-Group report be noted.
2. The recommendation to establish a Responsible Investment Sub-Group be approved.

<b>17. EMPLOYERS PERFORMANCE</b>
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The Committee reviewed the Employers Performance Report. It was explained by the Pension Fund Manager that not all employers achieved statutory timescales for the submission of data and contributions, and the process within the Administration Strategy was being followed by the Pensions Team in order to ensure all employers comply with regulations. He also added that all employers receive a quarterly newsletter that included desensitised performance information along with support and guidance contract details and information.

**Resolved:** The Employers Performance Report be noted.

**County Councillor P E Lewis (Chair)**

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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>
<b>Governing your Scheme</b>			
38	Schemes <b>should</b> establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support their pension board members. Schemes <b>should</b> designate a person to take responsibility for ensuring that a framework is developed and implemented.		Training Log kept. Maintened by Secretary to the Board
39	However, it is the responsibility of individual pension board members to ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the pension board.		Annual Training Needs Analysis conducted each April or upon joining the Board. Training opportunities regularly shared with Committee & Board
40	Pension board members <b>must be conversant with their scheme rules</b> , which are primarily found in the scheme regulations, and documented administration policies currently in force for their pension scheme. Being ‘conversant’ means having a working knowledge of the scheme regulations and policies, so that pension board members can use them effectively when carrying out their duties.		Training needs assessed and needs identified. Remain Amber as always ongoing. Training opportunities regularly shared with Board.
41	They <b>must also have knowledge and understanding of the law</b> relating to pensions (and any other matters prescribed in legislation) to the degree appropriate for them to be able to carry out their role, responsibilities and duties.		Training needs assessed and needs identified. Remain Amber as always ongoing.

Nov-23

42	<p>In terms of documented administration policies, specific documents recording policy about administration will vary from scheme to scheme. However, the following are examples of administration policies which the regulator considers to be particularly pertinent and would expect to be documented where relevant to a pension scheme, and with which pension board members must therefore be conversant where applicable. This list is not exhaustive and other documented policies may fall into this category:</p> <p>any scheme-approved policies relating to:  conflicts of interest and the register of interests  record-keeping  internal dispute resolution  reporting breaches  the appointment of pension board members  maintaining contributions to the scheme  risk assessments/management and risk register policies for the scheme</p> <p>scheme booklets, announcements and other key member and employer communications, which describe scheme policies and procedures</p> <p>the roles, responsibilities and duties of the scheme manager, pension board and individual pension board members</p> <p>In terms of reference, structure and operational policies of the pension board and/or any sub-committee</p> <p>statements of policy about the exercise of discretionary functions, statements of policy about communications with members and scheme employers  the pension administration strategy, or equivalent, and</p> <p>any admission body (or equivalent) policies.</p>		<p>Appropriate policies, documents and procedures in place and published (where applicable). Suggestion on setting up a Pension Board knowledge/document library, but policies published to website in the meantime. This has started with the consolidation of the Fund training videos into one area with links shared. Ongoing. Risk registers in place, but an overall risk policy currently under review</p>
43	<p>For pension board members of funded pension schemes, documents which record policy about the administration of the scheme will include those relating to funding and investment matters. For example, where relevant they must be conversant with the statement of investment principles and the funding strategy statement.</p>		<p>Available on Fund website</p>
44	<p>Pension board members must also be conversant with any other documented policies relating to the administration of the scheme. For example, where applicable, they must be conversant with policies relating to:</p> <p>the contribution rate or amount (or the range/variability where there is no one single rate or amount) payable by employers participating in the scheme</p> <p>statements of assurance (for example, assurance reports from administrators)</p>		<p>Available on Fund website</p>
45	<p>Where DC or DC AVC options are offered, pension board members should also be familiar with the requirements for the payment of member contributions to the providers, the principles relating to the operation of those arrangements, the choice of investments to be offered to members, the provider's investment and fund performance report and the payment schedule for such arrangements.</p>		<p>AVC Training has been carried out. New AVC Risk documentation introduced. AVC Training to be included with TNA.</p>
46	<p><b>Schemes should prepare and keep an updated list of the documents with which they consider pension board members need to be conversant.</b> This will enable them to effectively carry out their role. They should make sure that both the list and the documents are available in accessible formats.</p>		<p>To be included in Pension Board Document Library</p>

47	The roles, responsibilities and duties of pension boards and their individual members will vary between pension schemes. Matters for which the pension board is responsible will be set out in scheme regulations. Clear guidance on the roles, responsibilities and duties of pension boards and the members of those boards should be set out in scheme documentation.		To be included in Pension Board Document Library
48	Schemes <b>should assist individual pension board members</b> to determine the degree of knowledge and understanding that is sufficient for them to effectively carry out their role, responsibilities and duties as a pension board member.		Achieved through Training Needs Assessments
49	Pension board members <b>must have a working knowledge of their scheme regulations and documented administration policies</b> . They <b>should understand their scheme regulations and policies</b> in enough detail to know where they are relevant to an issue and where a particular provision or policy may apply.		Regular Training reviews in place and all training logged
50	Pension board members <b>must have knowledge and understanding of the law relating to pensions</b> (and any other prescribed matters) sufficient for them to exercise the functions of their role. Pension board members should be aware of the range and extent of the law relating to pensions which applies to their scheme, and have sufficient understanding of the content and effect of that law to recognise when and how it impacts on their responsibilities and duties.		Regular Training reviews in place and all training logged
51	Pension board members <b>should be able to identify and where relevant challenge any failure to comply with:</b>  the scheme regulations  other legislation relating to the governance and administration of the scheme  any requirements imposed by the regulator, or  any failure to meet the standards and expectations set out in any relevant codes of practice issued by the regulator.		Pension Board members have the knowledge, skills and comfort to challenge Committee and Officers
52	Pension board members' breadth of knowledge and understanding <b>should be sufficient</b> to allow them to understand fully and challenge any information or advice they are given. They <b>should understand</b> how that information or advice impacts on any issue or decision relevant to their responsibilities and duties.		Regular Training reviews in place and all training logged
53	Pension board members of funded pension schemes <b>should ensure that</b> they have the appropriate degree of knowledge and understanding of funding and investment matters relating to their scheme to enable them to effectively carry out their role. This includes having a working knowledge of provisions in their scheme regulations and administration policies that relate to funding and investment, as well as knowledge and understanding of relevant law relating to pensions.		Annual Training Needs Analysis conducted every April. Training opportunities regularly circulated.
54	All board members <b>should attain appropriate knowledge</b> so that they are able to understand the relevant law in relation to their scheme and role. The degree of knowledge and understanding required of pension board members may vary according to the role of the board member, as well as the expertise of the board member. For example, a board member who is also a pensions law expert (for instance, as a result of their day job) <b>should have a greater level of knowledge</b> than that considered appropriate for board members without this background.		Annual Training Needs Analysis conducted every April. Training opportunities regularly circulated.
55	Pension board members <b>should invest sufficient time in their learning and development</b> alongside their other responsibilities and duties. <b>Schemes should provide</b> pension board members with the relevant training and support that they require. Training is an important part of the individual's role and will help to ensure that they have the necessary knowledge and understanding to effectively meet their legal obligations.		Annual Training Needs Analysis conducted every April

56	Newly appointed pension <b>board members should be aware</b> that their responsibilities and duties as a pension board member begin from the date they take up their post. Therefore, they <b>should immediately start to familiarise</b> themselves with the scheme regulations, documents recording policy about the administration		Each new board member receives one to one training with the Chair.
57	Pension board members <b>should undertake a personal training needs analysis</b> and regularly review their skills, competencies and knowledge to identify gaps or weaknesses. They <b>should use a personalised training plan</b> to document and address these promptly.		Annual Training Needs Analysis conducted every April
58	Learning <b>programmes should be flexible</b> , allowing pension board members to update particular areas of learning where required and to acquire new areas of knowledge in the event of any change. For example, pension board members who take on new responsibilities will need to ensure that they gain appropriate knowledge and understanding relevant to carrying out those new responsibilities.		
59	The regulator will provide an e-learning programme to help meet the needs of pension board members, whether or not they have access to other learning. If schemes choose alternative learning programmes they should be confident that those programmes:  cover the type and degree of knowledge and understanding required  reflect the legal requirements, and  are delivered within an appropriate timescale.		
60	Schemes <b>should keep appropriate records of the learning activities of individual pension board members and the board as a whole</b> . This will help pension board members to demonstrate steps they have taken to comply with legal requirements and how they have mitigated risks associated with knowledge gaps. A good external learning programme will maintain records of the learning activities of individuals on the programme or of group activities, if these have taken place.		Attendance at training events (and what types) logged and reviewed. This information is required for Mifid II compliance.
<b>Conflicts of Interest and Representation</b>			Nov-23
62	In relation to the pension board, <b>scheme regulations must include provision</b> requiring the scheme manager to be satisfied:  that a person to be appointed as a member of the pension board does not have a conflict of interest and  from time to time, that none of the members of the pension board has a conflict of interest.		COI declared at every Board meeting



63	Scheme <b>regulations must require</b> each member or proposed member of a pension board to provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of meeting the requirements referred to above.		COI declared at every Board meeting
64	Scheme <b>regulations must include provision</b> requiring the pension board to include employer representatives and member representatives in equal numbers.		Equal representation from employer and scheme representatives appointed and each meeting maintains a quorate status
70	Some, if not all, of the 'Seven principles of public life' (formerly known as the 'Nolan principles') will already apply to people carrying out roles in public service pension schemes, for example through the Ministerial code, Civil Service code or other codes of conduct. These <b>principles should be applied to all pension board members</b> in the exercise of their functions as they require the highest standards of conduct. <b>Schemes should incorporate the principles into</b> any codes of conduct (and across their policies and processes) and other internal standards for pension boards.		Nolan's available for Board.
73	Scheme regulations will set out matters for which the pension board is responsible. <b>Schemes should set out</b> clear guidance on the roles, responsibilities and duties of pension boards and the members of those boards in scheme documentation. This <b>should cover</b> , for example, whether they have responsibility for administering or monitoring the administration of the scheme; developing, delivering or overseeing compliance with requirements for governance and/or administration policies; and taking or scrutinising decisions relating to governance and/or administration. Regardless of their remit, potential conflicts of interest affecting pension board members need to be identified, monitored and managed effectively.		Chairman meets with new members to provide guidance and explanation of expectations
74	<b>Schemes should consider</b> potential conflicts of interest in relation to the full scope of roles, responsibilities and duties of pension board members. It is recommended that all those involved in the management or administration of public service pension schemes take professional legal advice when considering issues to do with conflicts of interest.		
76	<b>Schemes should ensure</b> that there is an agreed and documented conflicts policy and procedure, which includes identifying, monitoring and managing potential conflicts of interest. They should keep this under regular review. Policies and procedures should include examples of scenarios giving rise to conflicts of interest, how a conflict might arise specifically in relation to a pension board member and the process that pension board members and scheme managers should follow to address a situation where board members are subject to a potential or actual conflict of interest.		Policy in place and published
77	Broadly, <b>schemes should consider potential conflicts</b> of interest in three stages:  identifying  monitoring, and  managing.		Policy in place and published

78	<b>Schemes should cultivate a culture of openness and transparency. They should recognise</b> the need for continual consideration of potential conflicts. Disclosure of interests which have the potential to become conflicts of interest should not be ignored. <b>Pension board members should have a clear understanding of their role</b> and the circumstances in which they may find themselves in a position of conflict of interest. They should know how to manage potential conflicts.		COI declared at every Board meeting
79	<b>Pension board members</b> , and people who are proposed to be appointed to a pension board, <b>must provide</b> scheme managers with <b>information</b> that they reasonably require to be satisfied that pension board members and proposed members do not have a conflict of interest.		
80	<b>Schemes should ensure</b> that pension board members are appointed under procedures that require them to disclose any interests, including other responsibilities, which could become conflicts of interest and which may adversely affect their suitability for the role, before they are appointed.		Identified at interview/appointment
81	All terms of engagement, for example appointment letters, <b>should include a clause requiring disclosure</b> of all interests, including any other responsibilities, which have the potential to become conflicts of interest, as soon as they arise. All interests disclosed should be recorded. See the section of this code on 'Monitoring potential conflicts'.		Policy in place and published
82	<b>Schemes should take time to consider</b> what important matters or decisions are likely to be considered during, for example, the year ahead and identify and consider any potential or actual conflicts of interest that may arise in the future. <b>Pension board members should be notified as soon as practically possible and mitigations should be put in place</b> to prevent these conflicts from materialising.		Would be identified in the workplan
83	As part of their risk assessment process, <b>schemes should identify, evaluate and manage dual interests</b> which have the potential to become conflicts of interest and pose a risk to the scheme and possibly members, if they are not mitigated. <b>Schemes should evaluate</b> the nature of any dual interests and assess the likely consequences were a conflict of interest to materialise.		Would be identified in the workplan
84	<b>A register of interests should provide</b> a simple and effective means of recording and monitoring dual interests and responsibilities. <b>Schemes should also capture decisions</b> about how to manage potential conflicts of interest in their risk registers or elsewhere. The register of interests and other relevant <b>documents should be circulated to</b> the pension board for ongoing review and published, for example on a scheme's website.		Policy in place and published
85	<b>Conflicts of interest should be included as an opening agenda item</b> at board meetings and revisited during the meeting, where necessary. This provides an opportunity for those present to declare any interests, including other responsibilities, which <b>have the potential to become conflicts of interest</b> , and to minute discussions about how they will be managed to prevent an actual conflict arising.		COI declared at every Board meeting
86	<b>Schemes should establish and operate procedures</b> which ensure that pension boards are not compromised by potentially conflicted members. They <b>should consider</b> and determine the roles and responsibilities of pension boards and individual board members carefully to ensure that conflicts of interest do not arise, nor are perceived to have arisen.		

90	While scheme regulations <b>must require pension boards to have an equal number</b> of employer and member representatives, there is flexibility to design arrangements which best suit each scheme.		Equal numbers appointed and each Board meeting is quorate
91	Arrangements should be designed with regard to the principles of proportionality, fairness and transparency, and with the aim of ensuring that a pension board has the right balance of skills, experience and representation (for example, of membership categories and categories of employers participating in the scheme). <b>Those responsible for appointing members to a pension board should also consider the mix of skills</b> and experience needed on the pension board in order for the board to operate effectively in light of its particular role, responsibilities and duties.		On-going traing needs analysis carried out

**Publishing Information about Schemes**

Sep-23

92	<b>The scheme manager for a public service scheme must publish information</b> about the pension board for the scheme(s) and <b>keep that information up-to-date.</b>		<a href="#">Available on Fund website.</a>
93	The information <b>must include:</b> 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 <b>schemes should have a properly constituted</b> , 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.		<a href="#">Powy Pension Board terms of reference provides the detail</a>
95	<b>Scheme managers must publish the information required about the pension board</b> 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.		<a href="#">Available on Fund website.</a>

96	<p>When publishing information about the identity of pension board members, the representation of scheme members and matters for which the board is responsible, <b>schemes should also publish</b> useful related information about the pension board such as:</p> <p>the employment and job title (where relevant) and any other relevant position held by each board member</p> <p>the pension board appointment process</p> <p>who each pension board member represents</p> <p>the full terms of reference for the pension board, including details of how it will operate, and</p> <p>any specific roles and responsibilities of individual pension board members.</p>		Discussed at Pension Board meeting 28.10.22 and happy to leave in current state, no reason to change.
97	<p>Schemes <b>should also consider publishing information</b> 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 <b>should consider any requests for additional information</b> to be published, to encourage scheme member engagement and promote a culture of transparency.</p>		<a href="#">Available online.</a>
98	<p><b>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.</b></p>		Minutes regularly uploaded and documentation reviewed.
<b>Managing Risks</b>			
104	<p>Good internal controls are an important characteristic of a well-run scheme and one of the main components of the scheme manager's role in securing the effective governance and administration of the scheme. Internal controls can help protect pension schemes from adverse risks, which could be detrimental to the scheme and members if they are not mitigated.</p>		Discussed at each Board meeting
105	<p><b>Scheme managers must establish and operate internal controls. These should address</b> significant risks which are likely to have a material impact on the scheme. Scheme managers <b>should employ a risk-based approach</b> and ensure that sufficient time and attention is spent on identifying, evaluating and managing risks and developing and monitoring appropriate controls. They <b>should seek advice, as necessary.</b></p>		Discussed at each Board meeting and included in risk register
106	<p>Before implementing an internal controls framework, <b>schemes should carry out a risk assessment.</b> They should begin by:</p> <p>setting the objectives of the scheme</p> <p>determining the various functions and activities carried out in the running of the scheme, and</p> <p>identifying the main risks associated with those objectives, functions and activities.</p>		Discussed at each Board meeting

107	An effective risk assessment process will help schemes to identify a wide range of internal and external risks, which are critical to the scheme and members. When identifying risks, <b>schemes should refer to relevant sources</b> of information, such as records of internal disputes and legislative breaches, the register of interests, internal and external audit reports and service contracts.		Discussed at each Board meeting
108	Once schemes have identified risks, they <b>should record them in a risk register and review them regularly. Schemes should keep appropriate records</b> to help scheme managers demonstrate steps they have taken to comply, if necessary, with legal requirements.		Discussed at each Board meeting and included in risk register
109	Not all risks will have the same potential impact on scheme operations and members or the same likelihood of materialising. <b>Schemes should consider both these areas</b> when determining the order of priority for managing risks and focus on those areas where the impact and likelihood of a risk materialising is high.		Discussed at each Board meeting and included within risk register reviews
110	Many pension schemes will already have adequate internal controls in place, some of which may apply to a variety of the functions of the administering authority. <b>Schemes should review their existing arrangements and procedures</b> to determine whether they can prevent and detect errors in scheme operations and help mitigate pension scheme-related risks. For example, schemes could obtain assurance about their existing controls through direct testing or by obtaining reports on controls. <b>Any such review should be appropriate to the outcome of the risk evaluation.</b>		Discussed at each Board meeting and regularly reviewed as part of business as usual operations
111	<b>Schemes should consider what internal controls are appropriate to mitigate the main risks they have identified and how best to monitor them.</b> For example, the scheme manager(s) for a funded scheme should establish and operate internal controls that regularly assess the effectiveness of investment-related decision making. Scheme managers for all pension schemes should establish and operate internal controls that regularly assess the effectiveness of data management and record-keeping.		Discussed at each Board meeting and considered on risk register.
113	Risk assessment is a <b>continual process and should take account of a changing environment</b> and new and emerging risks, including significant changes in or affecting the scheme and employers who participate in the scheme.		Discussed at each Board meeting and during regular risk register reviews
114	For example, where relevant, <b>schemes should put in place systems and processes for making an objective assessment of the strength of an employer's covenant</b> (which should include analysis of their financial position, prospects and ability to pay the necessary employer contributions).		In Place - ongoing throughout 2023. Work with Fund actuary to assess as required.
115	An effective risk assessment process will provide a mechanism to detect weaknesses at an early stage. <b>Schemes should periodically review the adequacy of internal controls in:</b>  mitigating risks  supporting longer-term strategic aims, for example relating to investments  identifying success (or otherwise) in achieving agreed objectives, and  providing a framework against which compliance with the scheme regulations and legislation can be monitored.		Discussed at Board meeting accordingly. Risk Register regularly reviewed and investment strategy monitored and reviewed regularly.
116	<b>Internal or external audits and/or quality assurance processes should ensure that adequate internal controls are in place and being operated effectively.</b> Reviews should take place when substantial changes take place, such as changes to pension scheme personnel, implementation of new administration systems or processes, or where a control has been found to be inadequate.		Annual Wales Audit Office reviews. Internal Audit of Administration due in 2022.

119	The legal requirements relating to internal controls apply equally where schemes outsource services connected with the running of the scheme. <b>Providers should be required to demonstrate that they will have adequate internal controls in their tenders</b> for delivering services. <b>The requirements should be incorporated in the terms of engagement</b> and contract between the scheme and service provider. Outsourced services may include, for example, the maintenance of records and data, calculation of benefits and investment management services. Where services are outsourced, <b>scheme managers should be satisfied that internal controls associated with those services are adequate and effective.</b>		Annual Assurances from providers sought.
120	An increasing number of service providers are obtaining independent assurance reports to help demonstrate their ability to deliver quality administration services. <b>Schemes should ask their service providers to demonstrate</b> that they have adequate internal controls relating to the services they provide. <b>It is vital that schemes ensure they receive sufficient assurance from service providers.</b> For example, the information from providers should be sufficiently detailed and comprehensive and the <b>service level agreements should cover all services that are outsourced.</b> <b>Schemes should also consider including provisions in contracts for outsourced services requiring compliance with appropriate standards.</b> This should help to ensure effective administration.		Annual Assurances from providers sought.
<b>Administration</b>			
124	Failure to maintain complete and accurate records and put in place effective internal controls to achieve this can affect the ability of schemes to carry out basic functions. Poor record-keeping can result in schemes failing to pay benefits in accordance with scheme regulations, processing incorrect transactions and ultimately paying members incorrect benefits. For funded schemes, it may lead to schemes managing investment risks ineffectively. There is also the potential for the maladministration of members' contributions and failure to identify any misappropriation of assets. <b>Schemes should be able to demonstrate to the regulator, where required, that they keep accurate, up-to-date and enduring records to be able to govern and administer their pension scheme efficiently.</b>		Data Quality testing Undertaken annually (Conducted in October 2023)
125	<b>Scheme managers must establish and operate adequate internal controls, which should include processes and systems to support record-keeping requirements and ensure that they are effective at all times.</b>		Monthly and annual data checking exercise
126	<b>Scheme managers must ensure that member data across all membership categories specified in the Record Keeping Regulations is complete and accurate. Member data should be subject to regular data evaluation.</b>		Monthly and annual data checking exercise
127	<b>Scheme managers must keep specific member data, which will enable them to uniquely identify a scheme member and calculate benefits correctly.</b> This is particularly important with the establishment of career average revalued earnings (CARE) schemes. <b>Scheme managers must be able to provide members with accurate information regarding their pension benefits (accrued benefits to date and their future projected entitlements)</b> in accordance with legislative requirements, as well as pay the right benefits to the right person (including all beneficiaries) at the right time.		Final Salary and CARE data held in Admin system accordingly

128	<b>Schemes should require participating employers to provide them with timely and accurate data in order</b> for the scheme manager to be able to fulfil their legal obligations. <b>Schemes should seek to ensure that processes are established by employers</b> which enable the transmission of complete and accurate data from the outset. Processes will vary from employer to employer, depending on factors such as employee turnover, pay periods, number of employees who are members and the timing and number of payroll processing systems.		New process in place from April 2023 and regularly monitored. Process identified in the published Administration Strategy
129	<b>Schemes should seek to ensure that employers understand the main events</b> which require information about members to be passed from the employer to the scheme and/or another employer, such as when an employee:  joins or leaves the scheme  changes their rate of contributions  changes their name, address or salary  changes their member status, and  transfers employment between scheme employers.		Guidance and training provided at time of Admission into Fund. Iconnect allows electronic input and updating. Communication and training plan in place for 2023.
130	<b>Schemes should ensure that appropriate procedures and timescales are in place for scheme employers to provide updated information when member data changes,</b> for checking scheme data against employer data and for receiving information which may affect the profile of the scheme. If an employer fails to act according to the procedures set out above, meaning that they and/or scheme managers may not be complying with legal requirements, those under a statutory duty to report breaches of the law to the regulator under section 70 of the Pensions Act 2004 should assess whether there has been a relevant breach and take action as necessary.		Guidance and training provided at time of Admission into Fund and periodically thereafter
131	<b>Schemes should be able to trace the flow of funds into and out of the scheme and reconcile these against expected contributions and scheme costs.</b> In doing so, they will have clear oversight of the core scheme transactions and <b>should be able to mitigate risks swiftly.</b>		Finance Section carry out checks
132	Scheme managers <b>must keep records of transactions made to and from</b> the scheme and any amount due to the scheme which has been written off. They <b>should be able to demonstrate</b> that they do so.		Audit trails available in Admin system and quarterly reconciliation with Finance.
133	<b>Scheme managers must keep records of pension board meetings including any decisions made. Schemes should also keep records of key discussions,</b> which may include topics such as compliance with policies relating to administration of the scheme.		Available in Minutes and held on fund website
134	<b>Scheme managers must also keep records relating to any decision taken by members of the pension board other than at a pension board meeting, or taken by a committee/sub-committee, which has not been ratified by the pension board. The records must include the date, time and place of the decision and the names of board members participating in that decision. This will ensure that there is a clear and transparent audit trail of the decisions made in relation to the scheme.</b>		Available in Minutes

135	<b>Schemes should retain records for as long as they are needed.</b> It is likely that data will need to be held for long periods of time and schemes will need to retain some records for a member even after that individual has retired, ensuring that pension benefits can be properly administered over the lifetime of the member and their beneficiaries. <b>Schemes should have in place adequate systems and processes to enable the retention</b> of records for the necessary time periods.		GDPR notice advises that data will be held for as long as required to administer the scheme appropriately.
136	<b>Schemes should have policies and processes that monitor data on an ongoing basis to ensure it is accurate and complete,</b> regardless of the volume of scheme transactions. This <b>should be in relation to all membership categories</b> , including pensioner member data where queries may arise once the pension is being paid.		Data Improvement Plan in place on fund website and regularly reviewed
137	<b>Schemes should adopt a proportionate and risk-based approach to monitoring,</b> based on any known or historical issues that may have occurred in relation to the scheme's administration. This is particularly important for the effective administration of CARE pension schemes, which requires schemes to hold significantly more data than needed for final salary schemes.		Monthly and annual data monitor and cleanse processes in place.
138	<b>Schemes should continually review their data and carry out a data review exercise at least annually.</b> This <b>should include an assessment of the accuracy and completeness</b> of the member information data held. Schemes should decide the frequency and nature of the review in light of factors such as the level of data quality, any issues identified and key scheme events.		Data Quality Testing and Improvement Plan in place and regularly reviewed
139	Where the <b>management of scheme data has been outsourced, it is vital that schemes understand and are satisfied that the controls in place will ensure the integrity of scheme member data.</b> They <b>should ensure that the administrator has assessed the risks that poor or deficient member records</b> may present to the scheme and has taken the necessary steps to mitigate them, where applicable.		Not applicable
140	Where there has been a change of administrator or the administration system/platform, <b>schemes should review and cleanse data records and satisfy themselves</b> that all data are complete and accurate.		Completed in 2019 with regular data cleansing taking place since then
141	Where schemes <b>identify poor quality or missing data, they should put a data improvement plan in place</b> to address these issues. The plan <b>should have specific data improvement measures</b> which schemes can monitor and a defined end date within a reasonable timeframe when the scheme will have complete and accurate data.		Data Quality testing and Improvement Plan, but monitored Annually
142	<b>Schemes should ensure that member records are reconciled with information held by the employer,</b> for example postal address or electronic address (email address) changes and new starters. Schemes should also ensure that the numbers of scheme members is as expected based on the number of leavers and joiners since the last reconciliation. Schemes should be able to determine those members who are approaching retirement, those who are active members and those who are deferred members.		Monthly/Annual Reconciliation
143	Schemes <b>must ensure that processes that are created to manage scheme member data meet the requirements of the Data Protection Act 1998 and the data protection principles.</b>		Reviewed under GDPR exercise



144	<p>Schemes <b>should understand:</b></p> <ul style="list-style-type: none"> <li>• their obligations as data controllers and who the data processors are in relation to the scheme</li> <li>• the difference between personal data and sensitive personal data (as defined in the Data Protection Act 1998)</li> <li>• how data are held and how they should respond to data requests from different parties</li> <li>• the systems which need to be in place to store, move and destroy data, and</li> <li>• how data protection affects member communications.</li> </ul>		Reviewed under GDPR exercise
146	Where applicable, schemes should be able to demonstrate that they keep records in accordance with these and any other relevant legal requirements. Schemes should read the relevant legislation and any guidance in conjunction with this code where applicable.		reviewed under GDPR exercise
<b>Maintaining Contributions</b>			
147	<b>Employer contributions must be paid to the scheme in accordance with any requirements in the scheme regulations.</b> Where employer contributions are not paid on or before the date they are due under the scheme and the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to the regulator in the exercise of any of its functions, the scheme manager must give a written report of the matter to the regulator as soon as reasonably practicable.		Breaches Log and procedure in place. Ongoing risk requiring monitoring. Stricter monitoring in place and performance now reported to Board at each meeting.
148	Where employee contributions are deducted from a member's pay, <b>the amount deducted must be paid to the managers of the scheme at the latest by the 19th day of the month following the deduction, or by the 22nd day if paid electronically</b> (the 'prescribed period'), or earlier if required by scheme regulations. References to 'days' means all days. References to 'working days' do not include Saturdays, Sundays or Bank Holidays.		Breaches Log and procedure in place. Ongoing risk requiring monitoring. Stricter monitoring in place and performance now reported to Board at each meeting.
149	<b>failure is likely to be of material significance</b> to the regulator in the exercise of any of its functions, they <b>must give notice of the failure to the regulator</b> and the member within a reasonable period after the end of the prescribed period. Where there is a failure to pay employee contributions on an earlier date in accordance with scheme regulations, <b>schemes should also consider their statutory duty under section 70 of the Pensions Act 2004 to assess and if necessary report breaches of the law.</b> For more information about reporting breaches of the law, see this section of the code.		Breaches Log and procedure in place. Ongoing risk requiring monitoring. Stricter monitoring in place and performance now reported to Board at each meeting.
150	As part of the requirement to establish and operate adequate internal controls, <b>scheme managers should ensure that there are effective procedures and processes in place to identify payment failures that are – and are not – of material significance to the regulator.</b> A 'payment failure' is where contribution payments are not paid to the scheme by the due date(s), or within the prescribed period and a 'materially significant payment failure' refers to a payment failure which is likely to be of material significance to the regulator in the exercise of its functions.		Breaches Log and procedure in place. Ongoing risk requiring monitoring. Stricter monitoring in place and performance now reported to Board at each meeting.
151	Schemes <b>should monitor pension contributions, resolve payment issues and report payment failures, as appropriate,</b> so that the scheme is administered and managed in accordance with the scheme regulations and other legal requirements.		Breaches Log and procedure in place. Ongoing risk requiring monitoring. Stricter monitoring in place and performance now reported to Board at each meeting.

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152	Adequate procedures and processes are likely to involve:  developing a record to monitor the payment of contributions  monitoring the payment of contributions  managing overdue contributions, and  reporting materially significant payment failures.		In place.
153	These procedures and processes <b>should help scheme managers to meet their statutory duty to report materially significant payment failures to the regulator</b> , as well as ensuring the effective management of scheme contributions and payment of the right pension.		Breaches Log and Policy in place
155	Public service pension schemes which meet these exemptions <b>should nonetheless develop a record for monitoring the payment of contributions to the scheme</b> (a contribution monitoring record, which must reflect any requirements in scheme regulations where relevant). <b>Schemes should prepare the contributions monitoring record in consultation with employees.</b>		Procedure in place, but looking to develop using software for reconciliation and monitoring.
156	A contributions monitoring record will enable schemes to check whether contributions have been paid on time and in full, and, if they have not, provide a trigger for escalation for schemes to investigate the payment failure and consideration of whether scheme managers need to report to the regulator and, where relevant, members.		Procedure in place, but looking to develop using software for reconciliation and monitoring to help
157	A <b>contributions monitoring record should include the following information:</b>  <ul style="list-style-type: none"> <li>• contribution rates</li> <li>• the date(s) on or before which employer contributions are to be paid to the scheme</li> <li>• the date by when, or period within which, the employee contributions are to be paid to the scheme</li> <li>• the rate or amount of interest payable where the payment of contributions is late.</li> </ul>		Noted. Statement of fact/process.
158	The date when employer contributions must be paid is the date on or before which they are due under the scheme in accordance with the scheme regulations (or other scheme documentation). Schemes should assess the timing of payments against the date specified.		Noted. Statement of fact/process.
159	While there is a legal requirement for employee contributions to be paid to the scheme by the 19th day of the month following deduction, or by the 22nd day if paid electronically, this does not override any earlier time periods required by the scheme regulations. There are special rules for the first deduction of contributions on automatic enrolment under the Pensions Act 2008.		Noted. Statement of fact/process.
160	A contributions monitoring record should help schemes to identify any employers who are not paying contributions on time and/or in full, support schemes to ensure that contributions are paid and employers to develop and implement new processes, as appropriate. The contributions monitoring record should provide schemes with information to maintain records of money received and will be useful for schemes to ensure that their member records are kept up-to-date.		Procedure in place and being developed in 2023 for deeper review and monitoring

161	Schemes <b>should monitor contributions on an ongoing basis for all the membership categories within the scheme. Schemes should regularly check payments due against the contributions monitoring record.</b>		Procedure in place, but looking to develop using software for reconciliation and monitoring to help
162	Schemes <b>should apply a risk-based and proportionate approach to help identify employers and situations which present a higher risk of payment failures</b> occurring and which are likely to be of material significance and require the scheme manager to intervene.		Procedure in place, but looking to develop using software for reconciliation and monitoring to help
163	Schemes <b>should be aware of what is to be paid in accordance with the contributions monitoring record</b> or other scheme documentation, which may be used by the pension scheme. Schemes <b>should also have a process in place to identify where payments are late or have been underpaid, overpaid or not paid at all.</b>		Procedure in place, but looking to develop using software for reconciliation and monitoring to help
165	Schemes <b>should have adequate internal controls in place to monitor the sharing of payment information between the employer, pension scheme and member.</b> Where the necessary payment information is not automatically available or provided by employers, <b>schemes should request the additional information</b> they need. Schemes may not need to obtain payment information as a matter of course, only where it is required for effective monitoring.		Procedure in place within the Finance Section but looking to develop by using software
166	Scheme managers must record and retain information on transactions, including any employer and employee contributions received and payments of pensions and benefits, which will support them in their administration and monitoring responsibilities.		Procedure in place within the Finance Section
167	Where the <b>administration of scheme contributions is outsourced</b> to a service provider, <b>schemes should ensure that there is a process in place to obtain regular information on the payment of contributions to the scheme</b> and a <b>clear procedure in place</b> to enable them to identify and resolve payment failures which may occur.		Procedures and policy in place
168	When schemes identify or are notified of a problem, they <b>should assess whether a payment failure has occurred before taking steps to resolve and, if necessary, report it.</b> During their assessment, <b>schemes should take into account:</b> <ul style="list-style-type: none"> <li>• legitimate agreed payments made directly by an employer for scheme purposes, ie where the scheme has agreed that a contributions payment can be made late due to exceptional circumstances</li> <li>• legitimate agreed payment arrangements made between an employee and employer, ie where the employer has agreed that a contribution payment can be made late due to exceptional circumstances</li> <li>• contributions paid directly to a pension provider, scheme administrator or investment manager</li> <li>• any AVCs included with an employer's overall payment.</li> </ul>		Procedures and policy in place

169	<p>Where schemes identify a payment failure, they should follow a process to resolve issues quickly. This should normally involve the following steps:</p> <p>a. Investigate any apparent employer failure to pay contributions in accordance with the contributions monitoring record or legal requirements.</p> <p>b. Contact the employer promptly to alert them to the payment failure and to seek to resolve the overdue payment.</p> <p>c. Discuss it further with the employer as soon as practicable to find out the cause and circumstances of the payment failure.</p> <p>d. Ask the employer to resolve the payment failure and take steps to avoid a recurrence in the future.</p>		Breaches Log and procedure in place.
<b>Providing information to Members</b>			
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.

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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"> <li>• basic scheme information</li> <li>• information about the scheme that has materially altered</li> <li>• information about the constitution of the scheme</li> <li>• 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)</li> <li>• information about transfer credits</li> <li>• information about lifestyling (this requirement will not apply in respect of DB benefits in public service pension schemes)</li> <li>• information about accessing benefits, and</li> <li>• information about benefits in payment.</li> </ul>		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"> <li>• active members</li> <li>• deferred members</li> <li>• pensioner members</li> <li>• prospective members</li> <li>• spouses or civil partners of members or prospective members</li> <li>• other beneficiaries, and</li> <li>• recognised trade unions.</li> </ul>		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"> <li>• scheme members and beneficiaries being provided with the option to opt out of receiving information electronically by giving written notice to the scheme</li> <li>• managers being satisfied that the electronic communications have been designed: <ul style="list-style-type: none"> <li>– so that the person will be able to access and either store or print the relevant information and</li> <li>– taking into account the requirements of disabled people</li> <li>• 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"> <li>– it is proposed to provide information electronically in the future and</li> <li>– scheme members and beneficiaries may opt out of receiving information electronically by sending written notice.</li> </ul> </li> </ul> </li> </ul>		<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"> <li>• a statement advising that the information is available on the website</li> <li>• the website address</li> <li>• details of where on the website the information or document can be read, and</li> <li>• an explanation of how the information or document may be read on the website.</li> </ul>		<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"> <li>• at least two documents have been given to the recipient by hand or sent to the recipient's last known postal address</li> <li>• 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</li> <li>• 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</li> <li>• 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.</li> </ul>		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"> <li>• available to view free of charge, at a place that is reasonable having regard to the request</li> <li>• 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)</li> <li>• given for a charge that does not exceed the expense incurred in preparing, posting and packing the information, or</li> <li>• publicly available elsewhere.</li> </ul>		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"> <li>• scheme members</li> <li>• widows, widowers, surviving civil partners or surviving dependants of deceased scheme members</li> <li>• surviving non-dependant beneficiaries of deceased scheme members, and</li> <li>• prospective scheme members.</li> </ul>		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"> <li>• a person who has ceased to be within the categories in paragraph 224 above</li> <li>• 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.</li> </ul>		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 <sup>123</sup> . 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 <sup>123</sup> . 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 circumstances<sup>124</sup>:</p> <ul style="list-style-type: none"> <li>• prospective members, if it is practicable to do so</li> <li>• any scheme members who have not already been given the information</li> <li>• certain relevant people who request the information and who have not been given that information in the previous 12 months, and</li> <li>• members or prospective members when schemes receive jobholder information, or when a jobholder becomes an active member, in connection with automatic enrolment.</li> </ul>		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 <sup>125</sup> . 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	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: <ul style="list-style-type: none"> <li>• the procedure and processes to apply for a dispute to be resolved</li> <li>• the information that an applicant must include</li> <li>• the process by which any decisions are reached, and</li> <li>• an acknowledgement once an application has been received.</li> </ul>		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.
<b>Reporting Breaches of the Law</b>			
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"> <li>• a process for obtaining clarification of the law around the suspected breach where needed</li> <li>• a process for clarifying the facts around the suspected breach where they are not known</li> <li>• 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</li> <li>• a clear process for referral to the appropriate level of seniority at which decisions can be made on whether to report to the regulator</li> <li>• an established procedure for dealing with difficult cases</li> <li>• 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</li> <li>• 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</li> <li>• a process for identifying promptly any breaches that are so serious they must always be reported.</li> </ul>		<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"> <li>• cause of the breach</li> <li>• effect of the breach</li> <li>• reaction to the breach, and</li> <li>• wider implications of the breach.</li> </ul>		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"> <li>• dishonesty</li> <li>• poor governance or administration</li> <li>• slow or inappropriate decision making practices</li> <li>• incomplete or inaccurate advice, or</li> <li>• acting (or failing to act) in deliberate contravention of the law.</li> </ul>		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"> <li>• 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</li> <li>• 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</li> <li>• 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</li> <li>• 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</li> <li>• 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</li> <li>• 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</li> <li>• any other breach which may result in the scheme being poorly governed, managed or administered.</li> </ul>		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	The report should be dated and include as a minimum: <ul style="list-style-type: none"> <li>• full name of the scheme</li> <li>• description of the breach or breaches</li> <li>• any relevant dates</li> <li>• name of the employer or scheme manager (where known)</li> <li>• name, position and contact details of the reporter, and</li> <li>• role of the reporter in relation to the scheme.</li> </ul>		Noted. Statement of fact/process.
265	Additional information that would help the regulator includes: <ul style="list-style-type: none"> <li>• the reason the breach is thought to be of material significance to the regulator</li> <li>• the address of the scheme</li> <li>• the contact details of the scheme manager (if different to the scheme address)</li> <li>• the pension scheme's registry number (if available), and</li> <li>• whether the concern has been reported before.</li> </ul>		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  
20<sup>th</sup> November 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 1<sup>st</sup> July 2023 to 30<sup>th</sup> September 2023.

**2. Pensions Administration Financial Statistics - Income & Expenditure**

- 2.1 The figures to 30<sup>th</sup> September were not available for this meeting, so the 3 months to 31<sup>st</sup> August 2023 are presented for information.

<b><u>Payments</u></b>	<b><u>June</u></b>	<b><u>July</u></b>	<b><u>August</u></b>
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
<b>Total Payments</b>	<b>2,691,344</b>	<b>2,695,654</b>	<b>2,798,527</b>
<b><u>Income</u></b>			
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
<b>Total Income</b>	<b>-2,456,308</b>	<b>-2,380,663</b>	<b>-2,421,871</b>
<b>Payments less Income</b>	<b>235,036</b>	<b>314,991</b>	<b>376,656</b>

**3. Pensions Administration membership statistics**

- 3.1 The charts below provide a high-level overview of the scheme membership profile changes from 1<sup>st</sup> July to 30<sup>th</sup> September 2023.

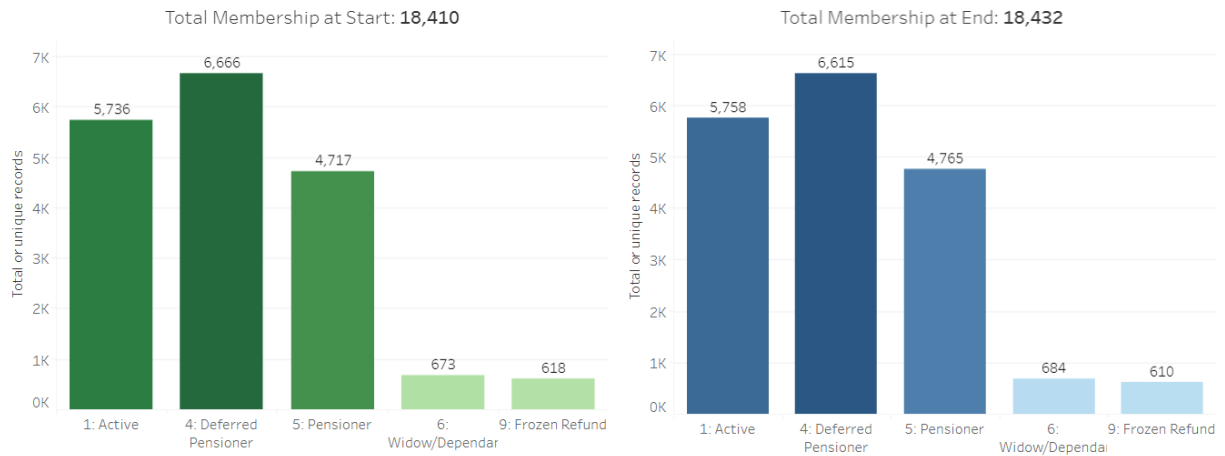
Start Date

01/07/2023

End Date

30/09/2023

Comparison



Key:

**Status**

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

**3.2 50/50 Scheme Membership**

Active	13
Deferred	9

**3.3 Number of Active Participating Employers: 22**

**CYNGOR SIR POWYS COUNTY COUNCIL****Powys Pension Board  
20<sup>th</sup> November 2023****REPORT BY: Board Secretary****SUBJECT: Legislation and Guidance Update**

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**REPORT FOR: Information**

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**1. Summary**

Since the last Pension Board meeting, the LGA have published Bulletins 242 and 243, which contain important updates for administering authorities and scheme employers. It also provides a general update for all LGPS stakeholders.

They have also produced some new McCloud and Pension dashboard information for administering authorities to use, as required.

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 (SAB) Updates**

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

**2.2 DLUHC Consultation on investment reforms**

The Board published its response to the above consultation on the 2<sup>nd</sup> of October 2023 which can be read [here](#).

**2.3 Knowledge and Skills Survey**

The SAB launched a survey for completion by Pension Committee and Board members, which closed on the 6<sup>th</sup> of November. This was circulated with Committee and Board members, who will have hopefully found the time to complete.

The survey seeks to gather information on the experience of pension committee and local pension board members in obtaining the required

knowledge and skills for their role. It builds on a survey issued earlier this year which also captured the views of officers.

## **2.4 Website**

The SAB [website](#) provides more information on the Board's work and meeting agendas/papers.

## **3. LGPS Updates**

### **3.1 DLUHC LGPS Statistics for England and Wales**

On 25<sup>th</sup> October 2023, the Department for Levelling Up, Housing and Communities (DLUHC) published the [2022/23 LGPS Statistics for England and Wales](#).

Some highlights from the report include:

- total expenditure was £15.2 billion, an increase of 5.1 per cent on 2021/22
- total income was £17.3 billion, an increase of 8.5 per cent on 2021/22
- employers' contributions amounted to £8.4 billion, an increase of 7.8 per cent on 2021/22
- employee contributions were £2.8 billion, an increase of 9.5 per cent on 2021/22
- the market value of the LGPS funds at the end of March 2023 was £357.2 billion, a decrease of 1.9 per cent
- there were 6.2 million scheme members on 31 March 2023: 2 million active members, 1.9 million pensioners and 2.3 million deferred members
- there were 87,129 retirements, a decrease of 8 per cent compared with 2021/22.

### **3.2 McCloud**

On 8 September 2023, DLUHC laid [The Local Government Pension Scheme \(Amendment\) \(No. 3\) Regulations 2023](#) which took effect from 1<sup>st</sup> October 2023.

The regulations implement the McCloud remedy and amend the underpin rules to make sure they work correctly. Part 2 of the regulations replaces the underpin rules in the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014. It also makes some related changes to the LGPS Regulations 2013. Part 3 requires administering authorities to check past calculations for events that happened between 1 April 2014 and 30 September 2023.

After the regulations come into force, administering authorities will need to consider McCloud affected cases. To encourage a broadly

consistent approach, DLUHC will shortly provide statutory guidance on how authorities should prioritise this work.

The Government Actuary's Department is updating actuarial guidance to reflect the changes and DLUHC will publish this as soon as it is available.

The Powys Pension Fund has commenced work on McCloud cases and is performing the appropriate checks on those retirement cases in scope.

### **3.3 HMRC – Abolishing the Lifetime Allowance**

The Government announced in the Spring Budget 2023 that it will abolish the LTA completely from April 2024. HMRC then released draft legislation and a policy paper on 18 July 2023 to achieve this and asked for responses by 12 September 2023.

The LGA responded and covered the following:

- they do not think the proposals simplify the pension tax regime for the local authority workforce and other LGPS employers
- having two limits for lump sums will be confusing for members
- the limit for pension commencement lump sums should go up with inflation (instead of being frozen)
- trivial commutation lump sums should not be part of the £1.073 million limit
- it will be difficult to get relevant information from members
- there is no rule on how to value lump sums paid before 6 April 2006
- there is not enough time to implement the changes for April 2024, especially for public service schemes who are already busy implementing the McCloud remedy
- it will be tough to explain the changes to members as the policy, in the LGA's view, is confusing and unclear.

## **4. The Pensions Regulator (TPR)**

### **4.1 New Blog**

On 13 September 2023, TPR [published a blog](#) entitled "Why are we building relationships with pension administrators".

The blog emphasises the importance of building close relationships with administrators, as it allows TPR to gain a better understanding of the challenges administrators face and address risks more effectively.

The blog also highlights several instances of TPR's work in this area.

### **4.2 Independent review of TPR**

The Department for Work and Pensions (DWP) has carried out an independent review of TPR and has [published](#) its findings.

The review found that TPR is broadly well-run and well-regarded, with notable achievements, such as automatic enrolment.

It also made seventeen recommendations across three themes: risk and growth, compliance and enforcement, digital transformation and value for money.

## **5. Pensions 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 Blog on common questions**

The PDP [published a blog](#) addressing some of the common dashboard questions, which covers:

- How is connection guidance different to the connection deadline?
- When will guidance be published, and how will P D P engage with industry?
- Are there any examples of how dashboards will look?
- Will smaller schemes, 1 to 99 members, be required to connect to dashboards in the future?

### **“Why are Dashboards needed” article**

On 13 September 2023, the Pensions Dashboards Programme (PDP) [published an article](#) reiterating the reasons why dashboards are needed.

## **6. Recommendation**

Board are asked to note the contents of this report.



## CYNGOR SIR POWYS COUNTY COUNCIL

Powys Pension Board  
20<sup>th</sup> November 2023

REPORT BY: Board Secretary

SUBJECT: Risk Management Policy

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REPORT FOR: Information

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## 1 Introduction

- 1.1 Board have recently conducted several deep dives into the Fund's risk register, spending time focussing on each of the individual risk pillars (Administration, Governance and Investment). In an effort to further strengthen the governance around risk management and operate best practice, a draft Risk Management Policy that clearly outlines how the Fund manages risk, is presented to Board for consideration and comment.

## 2 Background

- 2.1 A copy of the draft policy can be found within appendix 1 and the most pertinent points from the policy can be summarised as follows:
- **Risk management approach** - the acknowledgement that risk cannot be eliminated entirely, but the utilisation of an appropriate risk management process will result in better decision-making, improved performance and delivery of services, more effective use of resources and the protection of the Funds reputation.
  - **Risk management process** - the Fund adopts a risk management process consisting of risk identification, analysis, control and monitoring. This process is a continuous approach which systematically looks at risks surrounding the Fund.
  - **Monitoring of the policy** - the Fund will review the delivery of the requirements of this policy on an annual basis, taking into consideration any feedback from the Local Pension Board.
  - **Key risks to the effective delivery of the policy** - there are an array of risks that could affect the extent to which the Fund is able to deliver the objectives of the policy. The Pensions and Investment Committee, with assistance from the Local Pension Board, will monitor these and other key risks and consider how to respond to them.

**3. Recommendation**

- 3.1 To note the contents of this report and the draft Risk Management Policy.
- 3.2 It is intended that this policy will be presented to the Pensions and Investment Committee for approval at the December 2023 meeting.



# Powys

**CRONFA BENSIWN  
POWYS PENSION FUND  
Risk Management Policy**

x 2023

## **Introduction**

This is the Risk Management Policy for the Powys Pension Fund (the Fund) which is managed and administered by Powys County Council (the Administering Authority).

The Policy details the risk management strategy for the Fund, including:

- The approach towards risk management for the Fund, and in particular attitudes to, and appetite for risk
- how risk management is implemented
- risk management responsibilities
- the procedures that are adopted in the Fund's risk management process

The Administering Authority recognises that effective risk management is an essential element of good governance in the Local Government Pension Scheme (LGPS). By identifying and managing risks through an effective policy and risk management strategy, the Administering Authority can:

- Demonstrate best practice in governance
- Improve financial management of the fund and minimise the risk and effect of adverse conditions of the Fund
- Anticipate and respond appropriately to emerging risk and threats
- identify and maximise opportunities that may arise
- Ensure a high quality of Pensions Administration

The Fund will adopt best practice risk management, which will support a structured and focused approach to managing risks and ensure that risk management is an integral part in the governance of the Fund, at a strategic and operational level.

This policy will be implemented alongside the Powys County Council (the Council) risk management policy and approach. The Fund utilises the Council's risk management process to identify, analyse, control and monitor risk.

### **To whom this policy applies**

This Policy applies to all members of the Pensions and Investment Committee and the Local Pension Board, including scheme members and employer representatives. It also applies to senior officers involved in the management of the Fund.

Senior officers involved in the daily management of the Fund and administration of the LGPS are also integral to managing risk and will be required to have appropriate understanding of risk management relating to their roles.

Advisers and suppliers to the Fund are also expected to be aware of this Policy, and assist officers, Pension and Investment Committee members and Pension Board members as required, in meeting the objectives of this Policy.

## **Aims and Objectives**

In relation to the governance of the Fund, the Administering Authority's objectives are to:

- Act in the best interests of the Fund's members and employers
- Have robust governance arrangements in place, which facilitate informed decision making and are supported by appropriate advice, policies and strategies
- Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise
- Act with integrity and ensuring that decisions taken are robust and well documented
- Understand and monitor risk
- Strive to ensure compliance with appropriate legislation and statutory guidance and to follow best practice

To assist in achieving these objectives in the management, the Fund, the will aim to comply with appropriate legislation and guidance, which include:

- the Pensions Act 2004 and the Pensions Regulator's Code of Practice for Public Service Pension Schemes as they relate to managing risk.
- Any other guidance, such as that produced by professional bodies (for example – CIPFA).

## **Approach To Managing Risk**

The Fund recognises that it is not possible, or even desirable, to eliminate all risks. Accepting and actively managing risk is therefore a key part of the risk management strategy required for the Fund. A key determinant in selecting the action to be taken in relation to any risk, will be its potential impact on the Fund's objectives in the light of its risk appetite, particularly in relation to investment matters. Equally important is striking a balance between the cost of risk control actions against the likelihood or impact of the risk occurring.

In managing risks, the Fund will:

- Ensure that there is a proper balance between risk taking and the opportunities to be gained.
- Adopt a system that will enable the Fund to anticipate and respond positively to change.
- Minimise loss and damage to the Fund and to other stakeholders who are dependent on the benefits and services provided.
- Make sure that when embarking upon new areas of activity (new investment strategies, joint-working, framework agreements etc.), the

risks they present, their probability and potential impact are fully understood and considered in making decisions.

The Fund also recognises that risk management is not an end, nor will it remove risk from the Fund or the Administering Authority. However, it is a sound management technique that is an essential part of how the Fund is managed. The benefits of a sound risk management approach include better decision-making, improved performance and delivery of services, more effective use of resources and the protection of reputation. Additionally, there is an understanding by the decision makers of the potential risks, and required controls, that are faced by the Fund.

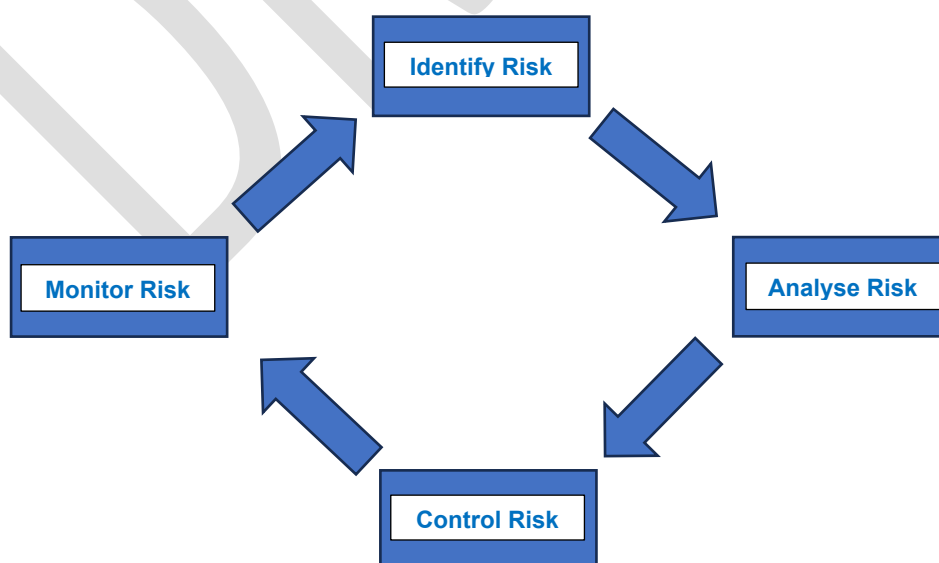
### **Responsibility**

The Administering Authority must be satisfied that risks are appropriately managed. For this purpose, Senior Officers within the Fund are responsible for ensuring the process outlined below is carried out subject to the oversight of both the Pensions and Investment Committee and Local Pensions Board.

However, it is the responsibility of everyone covered by this Policy to identify any potential risks for the Fund and ensure that they are fed into the risk management process.

### **Risk Management Policy**

The Fund's risk management process is in line with that recommended by CIPFA and is a continuous approach which systematically looks at risks surrounding the Fund's past, present and future activities. The main processes involved in risk management are identified in the figure below and detailed in the following sections.



## Identify Risk

Risk identification involves assessing risks in the context of the objectives and targets of the Fund. The risk identification process is both a proactive and reactive. It requires horizon scanning for new or emerging risks and hazards; and learning from review of how past and current risks have manifested.

Once identified, risks will be documented on the Fund's risk register, which is the primary control document for the subsequent analysis and classification, control and monitoring of those risks.

A full review of the risk register will be conducted annually, with a deeper dive into each of the Administration, Governance and Investment pillars on a more frequent basis.

New risks can emerge at any time and risk identification should include allocation of sufficient time and resource identifying these and should therefore be integral to the day-to-day management of the Fund. Such changes to the risk register will be reported to the Pensions Committee and Local Pensions Board on a quarterly basis.

## Analyse Risk

Once potential risks have been identified, the next stage of the process is to analyse and profile each risk. Risks will be assessed against the following where the score for likelihood (from one to five) will be multiplied by the score for impact (from one to five) to determine the current risk category, as set out below.

Both "likelihood" and "impact" are multiplied together to arrive at a quantified risk. The higher the number, the higher the risk. The risk evaluation criteria below set out officers assessment of each risk category and their perceived impact on the Fund.

	Insignificant Impact (1)	Minor Impact (2)	Moderate Impact (3)	Major Impact (4)	Severe Impact (5)
Almost certain likelihood (5)					
Likely (4)					
Possibly likely (3)					
Unlikely (2)					
Rare likelihood (1)					

Risk Exposure	Impact/Likelihood	Control
	Catastrophic consequences, almost certain to happen	Unacceptable level of risk exposure which requires immediate corrective action to be taken. Regular monitoring required, at least monthly.
	Major consequences, likely to happen	Unacceptable level of risk exposure which requires regular active monitoring (at least quarterly) and measures to be put in place to reduce exposure.
	Moderate consequences, possible occurrence	Acceptable level of risk exposure subject to regular active monitoring measures, at least quarterly.
	Insignificant consequences, almost very unlikely to happen	Acceptable level of risk subject to periodic passive monitoring measures, at least annually.

### Control Risk

Senior officers will review the extent to which the identified risks are covered by existing internal controls and determine whether any further action is required to control the risk, including reducing the likelihood of a risk event occurring or reducing the severity of the consequences should it occur. Before any such action can be taken, Pensions and Investment Committee approval may be required, following considerations made by the Pensions Board. The result of any change to the internal controls could result in any of the following:

TOLERATE a risk – monitor to ensure the impact and likelihood do not change.

TREAT a risk – carry out controls to reduce the likelihood/impact of the risk.

TRANSFER a risk – by insuring or passing the risk to a third party.

TERMINATE a risk – stop doing the activity.

### Monitor Risk

Risk monitoring is the final part of the risk management cycle and will be the ultimate responsibility of the Pensions and Investment Committee. In monitoring risk management activity, the Committee will consider whether:

- The risk controls taken achieved the desired outcomes
- The procedures adopted and information gathered for undertaking the risk assessment were appropriate
- Greater knowledge of the risk and potential outcomes would have improved the decision-making process in relation to that risk
- There are any lessons to learn for the future assessment and management of risks



## **Key Internal Controls**

Progress in managing risks will be monitored and recorded on the risk register. The risk register, including any changes to the internal controls, will be provided on a quarterly basis to the Pensions and Investment Committee and Local Pensions Board.

The Pension Committee will also be provided with ad hoc updates in relation to any significant changes to risks.

The Pension Board will be provided with an update at each meeting and they will be able to provide comment and input to the management of risks.

In order to identify whether the objectives of this Policy are being met, the Administering Authority will review the delivery of the requirements of this Policy on an annual basis taking into consideration any feedback from the Pension Board.

The risks identified on the Fund's risk register are of significant importance to the pension fund. Where a risk is identified that could be of significance to the Council, it would be included in either the key strategic risk register or the corporate risk register.

## **Key Risks To The Effective Delivery This Policy**

The key risks to the delivery of this Policy are outlined below. The Pensions and Investment Committee, with assistance from the Local Pension Board, will monitor these and other key risks and consider how to respond to them.

- Risk management becomes mechanistic, is not embodied into the day-to-day management of the Fund and consequently the objectives of the Policy are not delivered
- Changes in Pensions and Investment Committee and/or Local Pension Board membership and/or Senior Officers mean key risks are not identified due to lack of knowledge
- Insufficient resources being available to satisfactorily assess or take appropriate action in relation to identified risks
- Risks are incorrectly assessed due to a lack of knowledge or understanding, leading to inappropriate levels of risk being taken without proper controls
- Lack of engagement or awareness of external factors means key risks are not identified
- Conflicts of interest or other factors leading to a failure to identify or assess risks appropriately
- Overstating the effectiveness of a particular control measure and subsequently undermining the potential consequences of a given risk

## Further Information

If further information about anything in or related to this Risk Management Policy is required, please contact:

Chris Hurst – Pension Fund Manager  
Email: [chris.hurst@powys.gov.uk](mailto:chris.hurst@powys.gov.uk)  
Telephone: 01597 827640

DRAFT

# Risk Register

Administration Risk			Portfolio	Inherent	Residual	Controls and Actions		
Risk Ref	Risk Identified	Potential Consequence	Owner			Control or Action	Status	Review Date
ADMIN0004	Failure to maintain and hold up to date and accurate pension records and potential impact on scheme members and employers. <b>Latest Review:</b> 17/01/2023 Data Improvement Plan maintained and regularly updated. Constant data cleansing taking place	Payment of incorrect pension benefits; late payment of benefits; assessment of incorrect liability values. Resulting in loss of customer confidence and satisfaction; IDRPs and Ombudsman appeals; and, incorrect assessment of employer contribution rates.	<i>Cllr David Thomas</i> Chris Hurst	9	6	<ul style="list-style-type: none"> <li><b>Pensions team work with employer payrolls to ensure data quality; data validation checks undertaken &amp; training</b> 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.</li> <li><b>Additional data validation and quality checks to be implemented as required by the TPR code of practice.</b></li> </ul>	Control In Place	
ADMIN0010	Payments to overseas pensions. <b>Latest Review:</b> 17/07/2023 Existence Exercise planned for 2023	Payments continuing to potentially deceased pensioners	<i>Cllr David Thomas</i> Jane Thomas	4	4	<ul style="list-style-type: none"> <li><b>Conduct Existence Check</b> Carry out an overseas existence check</li> </ul>	Control In Place	
ADMIN0009	Cessation of Service Contract for Pensions Administration System <b>Latest Review:</b> 12/12/2022 Work ongoing	Failure to meet legislative requirements and administer the LGPS. Risk of intervention by the Pensions Regulator, legal challenges, reputational risk.	<i>Cllr David Thomas</i> Chris Hurst	10	4	<ul style="list-style-type: none"> <li><b>Monitor Contract Position</b> Work with the Administering Authority Commercial Services to conduct an appropriate procurement exercise at the appropriate time</li> </ul>	Control In Place	
ADMIN0005	Failure to communicate effectively with stakeholders. <b>Latest Review:</b> 03/07/2023 Communications regularly reviewed and amended to reflect changing legislation/landscape. Updated Welsh website now available.	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.	<i>Cllr David Thomas</i> Chris Hurst	6	4	<ul style="list-style-type: none"> <li><b>communications policy</b> 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.</li> </ul>	Control In Place	
ADMIN0006	Pensioners living longer and, changing retirement patterns. <b>Latest Review:</b> 17/01/2023 Considered during valuation	Increased employer contribution rates.	<i>Cllr David Thomas</i> Chris Hurst	6	4			

Administration Risk			Portfolio	Inherent	Residual	Controls and Actions		
Risk Ref	Risk Identified	Potential Consequence	Owner			Control or Action	Status	Review Date
						<p>• <b>The Fund actuary investigates these matters at each valuation or more frequently where appropriate.</b> 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> <p>The Fund produces a Funding Strategy Statement which considers long term funding.</p>	Control In Place	
ADMIN0001	<p>Failure to pay pensions and lump sums on time</p> <p><b>Latest Review:</b> 17/01/2023</p> <p>No current change to process. Constantly reviewed for efficiencies and improvements</p>	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.	<i>Cllr David Thomas</i> Chris Hurst	8	4	<p>• <b>Maintenance and update of Altair and Trent systems, sufficient staff resources and training. Quality assurance processes</b> Maintenance and update of Pension Administration and Trent systems, sufficient staff resources and training. Quality assurance processes in place to check work done.</p> <p>• <b>Continuing Review of processes and procedures</b> Ongoing review of process as part of continuous pensions administration workflow assessment</p>	Control In Place	
ADMIN0003	<p>Failure to hold scheme member's personal data securely.</p> <p><b>Latest Review:</b> 27/09/2023</p> <p>Data improvement plan in place and data quality testing imminent.</p>	Poor data quality; compromised data; fines	<i>Cllr David Thomas</i> Chris Hurst	8	4	<p>• <b>Compliance with Powys County Council Data Protection and ICT policies.</b> Compliance with Powys County Council Data Protection and ICT policies.</p> <p><i>05/05/2023 Data Quality Testing to Take Place in May 2023. Pensions Dashboard Data testing imminent.</i></p> <p>• <b>Data protection audit in conjunction with TPR data quality standards to be undertaken</b></p>	Action In Progress	05/12/2023
ADMIN0007	<p>Deteriorating patterns of ill health or other early retirements.</p> <p><b>Latest Review:</b> 17/01/2023</p> <p>Considered by Actuary during latest valuations</p>	Increase in employer contribution rates and deficit recovery payments.	<i>Cllr David Thomas</i> Chris Hurst	6	2	<p>• <b>Employers are required to pay the capital costs of early retirements (pension strain), upfront for all cases.</b> 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> <p>Certain Employers pooled together to share experience and help manage contribution rates (as per the Funding Strategy Statement)</p> <p><i>16/10/2023 Considered at actuarial valuation and changes considered in accordance with actuarial recommendations</i></p>	Action In Progress	16/10/2024

Administration Risk			Portfolio	Inherent	Residual	Controls and Actions		
Risk Ref	Risk Identified	Potential Consequence	Owner			Control or Action	Status	Review Date
ADMIN0002	<p>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.</p> <p><b>Latest Review:</b> 13/07/2023</p> <p>Cashflow work to be completed in 2023. reassurances received from Pensions administration software provider</p>	<p>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.</p>	<p><i>Cllr David Thomas</i> Chris Hurst</p>	8	2	<ul style="list-style-type: none"> <li><b>business continuity planning and systems providers assurance</b> 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.</li> <li><b>Business Continuity Plan under review. Periodic review by the Pension Board of provider assurances in respect of cyber security</b></li> </ul>	<p>Control In Place</p> <p>Control In Place</p>	

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## Governance Risk Register

Governance Risk			Portfolio	Inherent	Residual	Controls and Actions		
Risk Ref	Risk Identified	Potential Consequence	Owner			Control or Action	Status	Review Date
GOVERN0002	Insufficient Fund cashflow to meet liabilities as they fall due. Potential Reputational Risk. <b>Latest Review:</b> 05/05/2023 Cashflow work to take place in Spring/Summer 2023.	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.	<i>Cllr David Thomas</i> Chris Hurst	9	6	<ul style="list-style-type: none"> <li><b>cashflow forecast in place</b> Funding strategy statement in place</li> <li><b>review strategic asset allocation to keep positive cashflow</b> 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.</li> </ul>	Control In Place	
GOVERN0016	Pension Fund Personnel and/or key suppliers are unable to work due to extreme weather, fire, epidemics <b>Latest Review:</b> 03/07/2023 Business Continuity Plans regularly reviewed and updated as required	Inability to deliver administration services or investment of the Fund. Impact of welfare of Pensions Section Staff.	<i>Cllr David Thomas</i> Chris Hurst	9	6	<ul style="list-style-type: none"> <li><b>Business Continuity Plan</b> Business Continuity Plan, assessment of Pensioner Payroll services. Electronic implementation of paperwork.</li> </ul>	Control In Place	
GOVERN0008	Failure to comply with LGPS and other statutory regulations. Potential Reputational Risk. <b>Latest Review:</b> 03/07/2023 Processes regularly reviewed and updated as required	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.	<i>Cllr David Thomas</i> Chris Hurst	8	6	<ul style="list-style-type: none"> <li><b>rigorous checking/authorisation procedures for pension benefit calculations and payments, review governance policy;</b> Rand, regular review of governance compliance policy. Staff training and development.</li> <li><b>Closer partnership working with employer payrolls to facilitate accurate data receipts;</b> Closer partnership working with employer payrolls to facilitate accurate data receipts; increased compliance oversight provided by well established Pensions Board.</li> </ul>	Action Completed	
GOVERN0009	Lack of expertise of Pension Fund Officers and expertise of members of the Pensions & Investment Committee <b>Latest Review:</b> 03/07/2023 Training needs assessments conducted and plans put in place accordingly	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	<ul style="list-style-type: none"> <li><b>training and performance reviews, conferences, seminars to upskill and develop knowledge</b> 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.</li> </ul>	Control In Place	

Governance Risk			Portfolio	Inherent	Residual	Controls and Actions		
Risk Ref	Risk Identified	Potential Consequence	Owner			Control or Action	Status	Review Date
						<ul style="list-style-type: none"> <li><b>Training plans based on the CIPFA 'Knowledge and Skills' framework, as is the the procedure for members of both PIC &amp; PB</b> 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 &amp; Investment Committee and the Pensions Board.</li> <li>Knowledge &amp; 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)</li> </ul>	Control In Place	
GOVERN0011	Failure to provide the pensions service in accordance with principles of equality. <u>Latest Review:</u> 03/07/2023 Welsh website recently updated and relaunched (June 2023)	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	<ul style="list-style-type: none"> <li><b>The Fund maintains a Welsh Language register in respect of scheme members and employers.</b> The Fund maintains a Welsh Language register in respect of scheme members and employers.</li> <li><b>To utilise technology to enable access to service and information for stakeholders with disabilities, other language needs etc.</b> To utilise technology to enable access to service and information for stakeholders with disabilities, other language needs etc.</li> </ul>	Control In Place	
GOVERN0015	Appointment of new Pension Board Chair and membership of the Local Pension Board <u>Latest Review:</u> 01/03/2023 Chair Continuing in position.	Non compliance with Public Services Pension Act. Challenge and scrutiny from the Pensions Regulator. Reduced quality of governance.	<i>Cllr David Thomas</i> Chris Hurst	12	4	<ul style="list-style-type: none"> <li><b>Pension Board Terms of Reference stipulate membership periods</b> 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.</li> </ul>	Control In Place	
GOVERN0001	Failure to collect and account for pension contributions being paid over to the Fund on time by Fund employers. Potential Reputational Risk. <u>Latest Review:</u> 17/07/2023 This is currently being reviewed and performance monitored and fed back to Board and Committee as required.	Adverse audit opinion, potential delays to Fund employer financial reporting; and potential delay to production of annual report and accounts.	<i>Cllr David Thomas</i> Chris Hurst	6	4	<ul style="list-style-type: none"> <li><b>Contributions received monitored on a monthly basis by Fund accounting staff.</b> Contributions received monitored on a monthly basis by Fund accounting staff.</li> <li><b>Requirement that each end of scheme year, Fund employers certify they have paid over contributions at the correct rates and time</b> 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.</li> </ul>	Control In Place	



Governance Risk			Portfolio	Inherent	Residual	Controls and Actions		
Risk Ref	Risk Identified	Potential Consequence	Owner			Control or Action	Status	Review Date
GOVERN0003	Inability to deliver service as a result of the loss or over reliance of key personnel. <u>Latest Review:</u> 05/05/2023 Consideration given towards succession planning and knowledge sharing. The recent restructure was designed with that in mind, so need to ensure implementation	Failure to provide service at all, or at an acceptable level	Cllr David Thomas Chris Hurst	6	4	<ul style="list-style-type: none"> <li><b>Business Continuity Plan in place for the pensions administration service</b> Assurances received from all systems providers in relation to their current resilience to the threat of a failure in cyber security.</li> </ul> <hr/> <p>05/05/2023 Cyber Security assurance received from Pensions Administration System provider in May 2023.</p> <ul style="list-style-type: none"> <li><b>Keep Business Continuity Plan under review</b></li> <li><b>Knowledge Gaps</b> 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.</li> </ul>	Action In Progress	05/12/2023
GOVERN0012	Failure to collect payments due from ceasing employers with no active members. <u>Latest Review:</u> 13/07/2023 Monitoring continuing	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	<ul style="list-style-type: none"> <li><b>employer covenants, guarantor bonds, risk sharing agreements</b> 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.</li> </ul>	Control In Place	
GOVERN0014	An admitted body ceasing to exist with insufficient funding or level of a bond available to meet all its Fund liabilities. <u>Latest Review:</u> 13/07/2023 Monitoring continues	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	<ul style="list-style-type: none"> <li><b>Regular review of admitted body covenants and financial health.</b> Regular review of admitted body covenants and financial health.</li> </ul> <hr/> <p>05/05/2023 Work to begin on latest review in 2023</p> <ul style="list-style-type: none"> <li><b>To seek funding guarantees wherever possible, from other Scheme employers or outside bodies</b> 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.</li> </ul>	Action In Progress	05/12/2023
GOVERN0006	Significant rises in employer contribution rates for Fund employers with weak covenants as a consequence of increases in liabilities. <u>Latest Review:</u> 11/10/2023 Work to progress in 2023 using valuation data.	Employer contribution rates rise to unsustainable levels that cause employers to become insolvent	Cllr David Thomas Chris Hurst	8	4			

Governance Risk			Portfolio	Inherent	Residual	Controls and Actions		
Risk Ref	Risk Identified	Potential Consequence	Owner			Control or Action	Status	Review Date
						<ul style="list-style-type: none"> <li><b>In process of developing risk sharing arrangements to enable employers with weak covenants to attain a degree of certainty</b> 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</li> </ul> <p>Consider risk sharing arrangements to enable employers with weak covenants to attain a degree of certainty over the level of employer contribution rates. control.</p> <p>13/07/2023 Ongoing and regularly reviewed.</p>	Action In Progress	13/01/2024
GOVERN0004	Loss of funds through fraud or misappropriation <b>Latest Review:</b> 03/07/2023 No change to process and continues	Financial loss to the Fund	Cllr David Thomas Chris Hurst	6	2	<ul style="list-style-type: none"> <li><b>audit and control tests, due diligence done when new manager appointed</b> 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.</li> </ul>	Control In Place	
GOVERN0005	Significant rise in employer contribution rates for Fund employers with strong covenants, as consequence of increases in liabilities. <b>Latest Review:</b> 03/07/2023 Valuation was positive and contribution rates reviewed and revised accordingly	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	<ul style="list-style-type: none"> <li><b>insurance options investigated</b> 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.</li> </ul> <p>05/05/2023 2022 Valuation Completed and deficit recovery period reduced</p> <ul style="list-style-type: none"> <li><b>Employers have Discretionary Powers Policies that help to control liability</b> 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.</li> </ul> <p>05/05/2023 Policies awaiting review in 2023</p>	Action In Progress	05/05/2024
GOVERN0007	Significant rises in employer contribution rates for employers with strong covenants as a result of poor/negative investment returns. <b>Latest Review:</b> 03/07/2023 Work with actuary to commence on covenant assessments in summer 2023	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	<ul style="list-style-type: none"> <li><b>Continual monitoring of performance; review of asset allocation strategy, including consideration of alternative asset classes</b> Continual monitoring of performance; review of asset allocation strategy, including consideration of alternative asset classes and non-market led assets.</li> </ul> <p>16/10/2023 Deeper dive into performance monitoring to take place in next few months</p>	Action In Progress	16/04/2024

Governance Risk			Portfolio	Inherent	Residual	Controls and Actions		
Risk Ref	Risk Identified	Potential Consequence	Owner			Control or Action	Status	Review Date
						<ul style="list-style-type: none"> <li>• 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.</li> </ul>	Control In Place	

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# Investment Risk Register

Investment Risk			Portfolio	Inherent	Residual	Controls and Actions		
Risk Ref	Risk Identified	Potential Consequence	Owner			Control or Action	Status	Review Date
INVEST0007	Insolvency of an investment manager investing Pension Fund assets. <u>Latest Review:</u> 09/01/2023 Considered by Investment Consultant and at each Committee meeting	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	<ul style="list-style-type: none"> <li><b>diversification of investment managers, limits for individual investments mandates</b>                              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.</li> </ul> <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> <ul style="list-style-type: none"> <li><b>Increased investment manager diversification facilitated via the Wales Pension Partnership</b>                              Increased investment manager diversification facilitated via the Wales Pension Partnership.</li> </ul>	Control In Place	
INVEST0008	Pooling of Pension Fund assets with other LGPS Pension Funds. <u>Latest Review:</u> 04/05/2023 Risk updated following Pension Board meeting on the 3rd of May 2022	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	<ul style="list-style-type: none"> <li><b>Due diligence on all pooling proposals; full transparency of all pool proposals and costs; full participation of Pension Fund</b>                              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.</li> </ul> <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	

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Investment Risk			Portfolio	Inherent	Residual	Controls and Actions		
Risk Ref	Risk Identified	Potential Consequence	Owner			Control or Action	Status	Review Date
						<ul style="list-style-type: none"> <li><b>Pooling vehicle to be structured so that each participating Fund has full representation the pool</b> 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;</li> </ul>	Control In Place	
INVEST0009	MIFID II ongoing compliance to ensure retention of Institutional Investor Status <b>Latest Review:</b> 11/07/2022 Current process continues, but updated as required when new manager appointed or training needs identified.	Financial implications of not being treated as an institutional investor. Restricted Investment opportunities and diversification. Reputational Risk	<i>Cllr David Thomas</i> Chris Hurst	12	6	<ul style="list-style-type: none"> <li><b>Regular Review of MIFID Status</b> 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.</li> </ul>	Control In Place	
INVEST0012	The Fund fails to adequately account for climate change, climate risk and Environmental, Social and Governance (ESG) factors. <b>Latest Review:</b>	Financial loss to assets held within the Fund and potential for stranded assets. Failure to achieve desired investment returns leading to a fall in funding level and increased Employer contribution rates. Environmental and ecological impact on scheme members.	<i>Cllr David Thomas</i> Chris Hurst	8	6	<ul style="list-style-type: none"> <li><b>Mitigations</b> <ul style="list-style-type: none"> <li>Development of suitable Climate Change, Climate Risk and ESG reporting metrics via the WPP</li> <li>Appointment of a proxy voting and engagement provider, who engages with managers and companies on how they manage Climate Change, Climate Risk and ESG factors at the WPP</li> <li>Publication of a local Responsible Investment policy and Climate Risk Policy (WPP)</li> <li>Constant engagement and challenging of Managers on how they account for Climate Risk/ Change and ESG factors</li> <li>Annual Climate Change, Climate Risk or ESG related training event on the WPP Training Plan</li> <li>Quarterly climate risk reporting via the WPP</li> <li>Annual stewardship code reporting at the WPP</li> </ul> </li> </ul>	Control In Place	
INVEST0001	Pension Fund assets fail to deliver returns in line with the anticipated returns underpinning the valuation of liabilities over the long-term. <b>Latest Review:</b> 13/07/2023 Reviewed at Committee meetings and performance challenges made to advisers where required.	Increased employer contribution rates.	<i>Cllr David Thomas</i> Chris Hurst	9	4	<ul style="list-style-type: none"> <li><b>anticipate long-term returns on a relatively prudent basis to reduce the risk of under-performance.</b> 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.</li> </ul>	Control In Place	

Investment Risk			Portfolio	Inherent	Residual	Controls and Actions		
Risk Ref	Risk Identified	Potential Consequence	Owner			Control or Action	Status	Review Date
INVEST0006	Pay and price inflation significantly more than anticipated. <b>Latest Review:</b> 13/07/2023 Considered during valuation and shorter term allowances for high inflation included (inflation expected to come down in the short to mid-term)	Increased employer contribution rates and deficit recovery payments.	<i>Cllr David Thomas</i> Chris Hurst	9	4	<ul style="list-style-type: none"> <li>• <b>Employers responsible for salary awards and are reminded of effect on salary-linked pension liabilities</b> 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.</li> </ul> <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	
INVEST0010	Fall in the returns on Government bonds. <b>Latest Review:</b> 13/07/2023 Regularly monitored by Consultant for each meeting	Increase to the value placed on Fund liabilities.	<i>Cllr David Thomas</i> Chris Hurst	9	4	<ul style="list-style-type: none"> <li>• <b>Allowing for a risk-based approach should limit the impact of short-term changes in returns on Government bonds</b> 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.</li> </ul>	Control In Place	
INVEST0005	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. <b>Latest Review:</b> 11/10/2022 Work with actuary as required	Instability in employer contribution rates.	<i>Cllr David Thomas</i> Chris Hurst	6	4	<ul style="list-style-type: none"> <li>• <b>Each individual employer situation is discussed with the Pension Fund actuary, with stepping restricted as appropriate</b> Each individual employer situation is discussed with the Pension Fund actuary, with stepping restricted to three years, or 6 years, in very exceptional circumstances.</li> </ul>	Control In Place	
INVEST0002	Inappropriate long-term investment strategy. <b>Latest Review:</b> 04/05/2023 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.	Failure to meet funding objectives.	<i>Cllr David Thomas</i> Chris Hurst	8	4	<ul style="list-style-type: none"> <li>• <b>Use of a Fund specific benchmark, as recommended by the Fund's investment consultant.</b> Use of a Fund specific benchmark, as recommended by the Fund's investment consultant. Strategy regularly reviewed and adjusted following the outcome of valuations.</li> </ul>	Control In Place	
INVEST0003	Active investment manager under-performance relative to the benchmark. This includes active management within the Wales Pension Partnership. <b>Latest Review:</b> 03/07/2023 Quarterly review carried out by Fund and WPP performance reported to each JGC.	Failure to meet funding objectives.	<i>Cllr David Thomas</i> Chris Hurst	4	2	<ul style="list-style-type: none"> <li>• <b>Regular investment monitoring analyses market performance and active managers relative to their index benchmark.</b> 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.</li> </ul> <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	

Investment Risk			Portfolio	Inherent	Residual	Controls and Actions		
Risk Ref	Risk Identified	Potential Consequence	Owner			Control or Action	Status	Review Date
INVEST0004	<p>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.</p> <p><b>Latest Review:</b> 13/07/2023 Recovery period reduced due to improved funding levels</p>	Increased employer deficit recovery payments.	Cllr David Thomas Chris Hurst	4	2	<ul style="list-style-type: none"> <li>• <b>Consider every such situation with the Pension Fund actuary, for each individual employer.</b> 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.</li> </ul> <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	



## CYNGOR SIR POWYS COUNTY COUNCIL

**Powys Pension Board  
20<sup>th</sup> November 2023**

**REPORT BY:** Board Secretary

**SUBJECT:** Data Quality Testing 2023

**REPORT FOR:** Information

## 1 Introduction

- 1.1 In 2015, the Pensions Regulator (TPR) assumed responsibility for Public Sector Pension Schemes. Prior to this, in June 2010, TPR issued guidance on the approach that they consider to be good practice for measuring the presence of member data.

The Fund produced a Data Quality testing and monitoring procedure document in May 2017, with a formal Data Improvement Plan published in October 2018.

This was reviewed in 2020 and again in September 2022.

## 2 Background

- 2.1 In May 2017, the Fund produced an initial data quality testing and monitoring procedure with specific reference to the testing and ongoing monitoring of data quality. This was in advance of the requirement to report in The Pension Regulator (TPR) Annual Return, where scores against specific scheme Common Data and Scheme Specific Data are reported and are now also considered within the Data Improvement Plan.

## 3. Data Quality Testing – Common Data

### 3.1 Benchmark

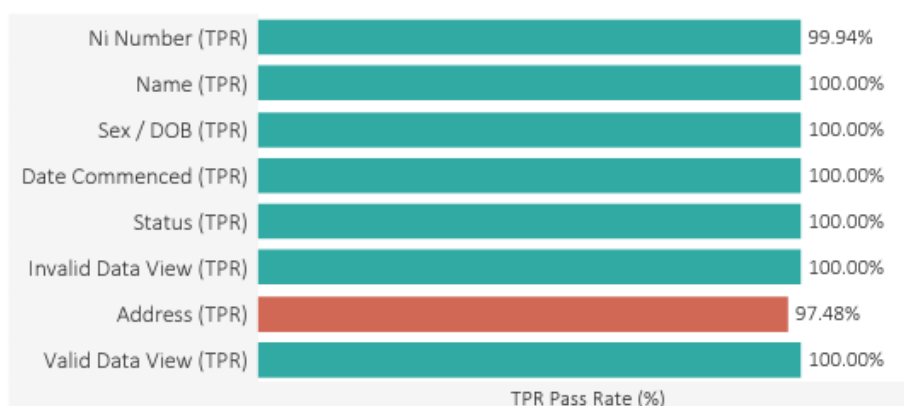
TPR have set targets of 100% accuracy for data created after June 2010 and 95% accuracy for data created beforehand.

#### Summary of 2023 Common Data results

The chart below indicates performance for each data category against the TPR benchmarks. The results presented herein are generated from data extracted from the Live Altair service in October 2023 for all tests and used a new reporting tool available to the Fund. The overall

percentage of tests passed for Powys' common data is 98.5% (98.3% in 2022 and 97.7% in 2021).

#### TPR Pass Rate % by Test Category



- 3.2 7 of the eight categories met the highest benchmark of greater than 98%. The lowest scoring category concerned member addresses, which returned a score of 97.48%.

This score is impacted on address formatting anomalies where, for example, an address is complete, but a post code sits on address line 4, rather than in the post code field.

The general quality of the common data tested at Powys is of a high standard.

#### **4. Data Quality Testing – Scheme Specific Data**

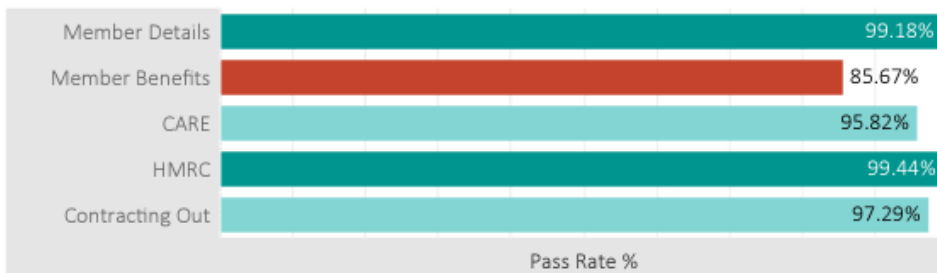
##### **4.1 Benchmark**

The graph below indicates performance for each data category against the TPR benchmarks. The results presented herein are generated from data extracted from the Live Altair service in October 2023 for all tests and used a new reporting tool available to the Fund. The overall percentage of tests passed for Powys' scheme specific data is 93.37% (91.95% in 2022 and 91.87% in 2021).

## Grand Total | TPR Pass Rate %



## Grand Total | TPR Pass Rate % by Test Category



Work has started on investigating the reasons for the Member Benefits score of 85.67%, but initial indications suggest that it is in relation to a historic way of recording internal aggregations of records, which has no impact on member benefits. A data cleansing exercise will be carried out to update these data fields over time.

### **5. TPR Annual Return and Data Improvement Plan**

5.1 The above scores will be reported to TPR as part of the annual return.

The data improvement plan places a priority on improving those areas of data that can directly impact a scheme member's pension benefits. This plan was approved at the Committee meeting on the 7<sup>th</sup> of October 2022.

### **6. Recommendation**

6.1 To note the contents of this report.

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## CYNGOR SIR POWYS COUNTY COUNCIL

Pension Board  
20<sup>th</sup> November 2023

REPORT BY: Board Secretary

SUBJECT: Wales Pension Partnership Update

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REPORT FOR: Information

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**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 a hybrid meeting on the 20<sup>th</sup> of September 2023. The minutes of that JGC meeting are available [here](#).
- 1.3 The JGC meeting scheduled for the 13th of December 2023 will be an online meeting.

**2. Pooling investments in Wales**

- 2.1 the WPP has published the annual report for 2022/23 and is available for viewing [here](#).
- 2.2 The attached Quarterly update reports included are:
- Performance Summary Report
  - Operator Update
  - Business Plan Q1 Review

**3. Recommendation**

Note the content of this report and attachments.

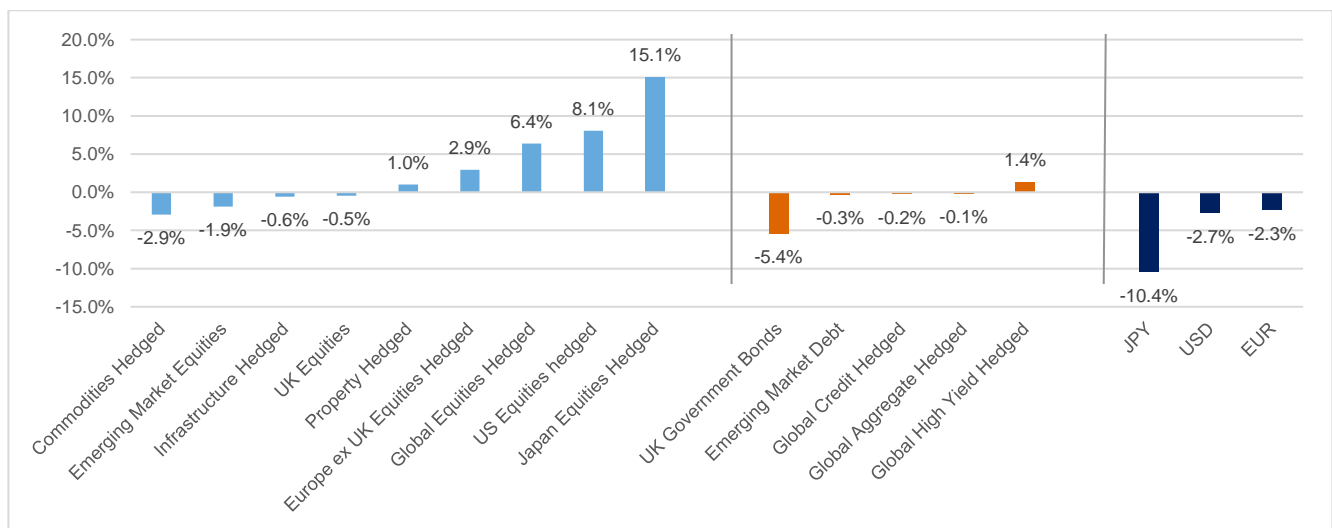
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# JGC - WPP Performance Summary Q2 2023

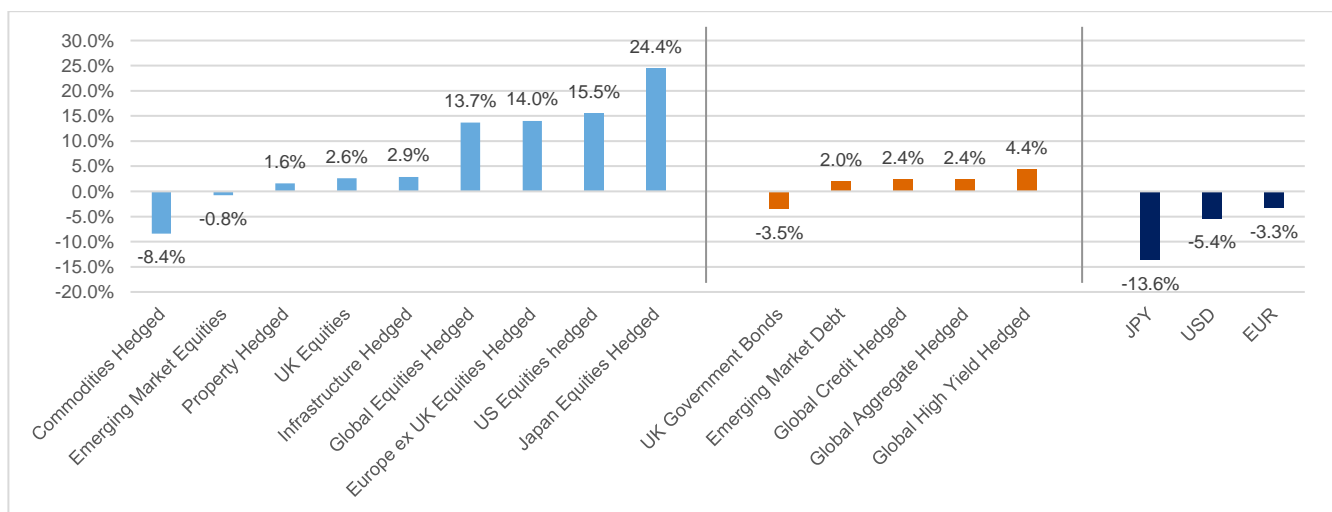
## Global Market Commentary

The MSCI World Net Index climbed 6.8% in the second quarter. Positive economic data and a resolution to the US debt ceiling talks helped propel equities higher in June following more muted performance in April and May. There was divergence across markets, with the US outpacing the global index and developed peers. Slow progress on controlling inflation and expectations of future rate hikes weighed on the UK and European markets. The US dollar gained versus the Japanese yen and most commodity-sensitive currencies but weakened against sterling and the euro. Oil prices fell as concerns about the global demand outlook persisted, in particular a sluggish post-Covid recovery in China. The Federal Reserve (Fed), European Central Bank (ECB) and the Bank of England (BoE) all raised rates over the quarter, by varying amounts.

## Asset class performance – Quarter to Date (June) 2023



## Asset class performance – Year to Date (June) 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
<b>Gross</b>	1.79	10.39	9.77
<b>Net</b>	1.69	9.99	9.35
<b>MSCI AC World Index Net</b>	3.26	11.31	10.53
<b>Excess returns (gross)</b>	-1.47	-0.92	-0.76

**Inception Date: 31<sup>st</sup> January 2019**

**Source: Northern Trust as of 30 June 2023**

### Overall Fund Commentary

The Fund returned 1.8% in GBP over the quarter but underperformed versus the benchmark return. Value was the notable factor underperformer recording a negative return for the quarter.

Pzena's value bias underperformed the broad market but outperformed the value index. Typical value sectors including Energy, Staples, and Materials all underperformed the market. Despite the setbacks in March caused by the collapse of Silicon Valley Bank, stock selection in Financials was the largest positive of any sector. Despite a growth led market Baillie Gifford performance was in-line with the market. Stock selection balanced the IT underweight. Market gains were led by a 10% return for the Information Technology sector which is the largest sector underweight in the Global Growth Fund at -10.3%. The strength of demand for Nvidia's graphics and AI processors surprised the market, prompting a 50% rally in the stock and sparking a broad rally in the sector. The largest overweight sector is healthcare which lost ground over the quarter compounded by disappointing stock action from Novocure, Bio Rad Labs, and Illumina. The prospect of a takeover fuelled a first quarter rally in Veritas' holding of Catalent however that return was largely given up in the second quarter. Healthcare contributed around two thirds of the underperformance in the quarter. Stock selection within the Consumer Discretionary sector made up the balance of the underperformance.



## Global Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
<b>Gross</b>	3.02	11.92	11.69
<b>Net</b>	2.94	11.61	11.36
<b>MSCI AC World Index Net</b>	3.26	11.31	10.53
<b>Excess returns (gross)</b>	-0.25	0.61	1.16

**Inception Date: COB 31<sup>st</sup> January 2019**

**Source: Source: Northern Trust as of 30 June 2023**

### Overall Fund Commentary

The Fund registered positive absolute returns over the second quarter but slightly underperformed against the benchmark on a relative basis.

As in the first quarter, growth and large caps were the best-performing styles, significantly outperforming the index. However, the performance of growth was driven by the US as the factor lagged in Europe ex UK and Japan. Minimum volatility was the worst performing factor. Information technology was the best-performing sector, boosted by strong earnings results from big US tech companies and excitement over the potential in AI. Consumer discretionary also made significant gains. In contrast, utilities, energy, and materials were the weakest-performing sectors.

## EM Market Commentary

The MSCI Emerging Markets (EM) Index (USD) gained 0.9%. Improved investor sentiment drove positive June performance and helped the market recover from negative April and May returns. However, EM lagged developed markets overall due to a selloff within China, as growing concerns about the strength of the economy weighed on returns. Oil prices fell as the uncertain outlook for global demand persisted.

## EM Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
<b>Gross</b>	-2.28	-0.45	-7.74
<b>Net</b>	-2.40	-0.94	-8.19
<b>MSCI Emerging Market Index</b>	-1.50	-1.34	-6.80
<b>Excess returns (gross)</b>	-0.78	0.89	-0.94

Performance Target is MSCI Emerging Market Index + 1.5%

**Inception Date: COB 20th October 2021**

**Source: Source: Northern Trust as of 30 June 2023**

### Overall Fund Commentary

The Fund underperformed the negative benchmark return. The Fund's factor positioning suited the market environment, including over-weights to value and momentum. However, selection within China was negative this quarter, particularly within the country's consumer discretionary and materials sectors. Negative country allocation included underweights to India, Taiwan and Saudi Arabia. However, an overweight to Brazil was rewarded. Selection within Brazil (oil giant Petrobras) and South Korea (semiconductor stock SK Hynix) contributed positively.

Artisan was the best-performing manager this quarter despite an unfavourable environment for its growth tilt. Axiom's growth-oriented strategy underperformed in a period where the growth factor lagged behind. Barrow Hanley extended its strong inception-to-date outperformance and Quant manager Numeric added to its longer-term outperformance. Oaktree finished in-line with the benchmark, however China specialist Bin Yuan underperformed its benchmark in a negative quarter for China.

## UK Market Commentary

UK equities struggled in the second quarter as fears over the health of the economy persisted. Inflation remained significantly higher than elsewhere despite continual monetary tightening by the Bank of England (BoE), which raised rates twice in the quarter, by 25 bps in May then by an unexpected 50 bps in June, the latter representing the 13th consecutive rate increase. BoE governor, Andrew Bailey, acknowledged the bank faces a wage price spiral as rapid rises in energy and food prices had progressed into generalised wage and price setting by companies. At the European Central Bank Forum in June he said that interest rates are likely to remain higher for longer than financial markets are. Headline inflation was unchanged at 8.7% in May, while core inflation rose to 7.1% from 6.8% in April. Meanwhile, retail sales rose 0.3% MoM in May, exceeding forecasts of a 0.2% decline.

## UK Opportunities Equity Fund:

	Three Months	1 Year	Since Inception
<b>Gross</b>	0.13	13.40	3.39
<b>Net</b>	0.04	13.00	2.99
<b>FTSE All Share</b>	-0.46	7.89	3.86
<b>Excess returns (gross)</b>	0.59	5.51	-0.48

Inception Date: COB 23<sup>rd</sup> September 2019

Source: Northern Trust as of 30 June 2023

### Overall Fund Commentary

The Fund registered positive absolute returns over the second quarter and overperformed against the negative benchmark. UK equities struggled in the second quarter as fears over the health of the economy persisted. In contrast, small cap and value lagged. In sectors, technology was the best-performing sector, benefitting from the optimism around artificial intelligence (AI) and significantly outperforming all other sectors. Financials and industrials also did well. In contrast, telecommunication and materials lagged the most.

Baillie Gifford (long-term growth) was the best-performing strategy over the quarter. Its growth focus was rewarded during the period. Ninety One (contrarian value) underperformed against the benchmark in the second quarter. The manager's tilt towards value was unfavourable during the period.

## Fixed Income Market Commentary

The Bloomberg Global Aggregate Bond Index (USDH) edged up 0.1% over the quarter. Government bond returns ended flat or lower, as policymakers indicated that additional interest rate rises would be required to bring inflation under control. Eurozone sovereigns fared better than equivalents elsewhere, particularly in Japan and China. Corporate bonds ended broadly higher, with high yield credit mostly outperforming investment grade bonds except in emerging markets. The Federal Reserve (Fed), European Central Bank (ECB) and the Bank of England (BoE) all raised rates over the quarter, by varying amounts.

### Global Government Bond Fund:

	Three Months	1 Year	Since Inception
Gross	-1.37	-1.58	-3.84
Net	-1.42	-1.82	-4.08
FTSE World Gvt Bond Index (GBP Hedged)	-4.19	-6.14	-6.19
Excess returns (gross)	2.82	4.56	2.35

Inception Date: COB 30<sup>th</sup> July 2020

Source: Source: Northern Trust as of 30 June 2023

#### Overall Fund Commentary

The Fund registered negative absolute returns but outperformed the negative benchmark return this quarter. The Fund's underweight exposure to short-dated US T-bills was detrimental. Exposure to short-dated UK gilts at a time where yields climbed higher was a further detractor. Underperformance was mitigated by an overweight to Mexican rates and, similar to the previous quarter, an overweight to Colombian rates.

### Global Credit Fund:

	Three Months	1 Year	Since Inception
Gross	-0.66	-0.44	-4.70
Net	-0.70	-0.61	-4.87
Bloomberg Barclays Global Agg Credit Index (GBP Hedged)	-0.21	-0.13	-4.53
Excess returns (gross)	-0.46	-0.31	-0.17

Inception Date: COB 27<sup>th</sup> July 2020

Source: Source: Northern Trust as of 30 June 2023

#### Overall Fund Commentary

The Fund underperformed the benchmark return this quarter.

Within this environment, an overweight to European high yield (financials) and investment grade credit contributed positively. Overweight exposure to US high yield credit to financials and industrials was also rewarded. However, an underweight to US investment grade industrials detracted. In hard currency emerging market debt, underweights to investment grade credit in Asia, Europe, Latin America and the Middle East were also detrimental to returns.

### Multi Asset Credit Fund:

	Three Months	1 Year	Since Inception
<b>Gross</b>	2.30	5.96	0.42
<b>Net</b>	2.22	5.58	0.08
<b>3 Month GBP SONIA + 4%</b>	2.10	7.29	5.26

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

**Inception Date: COB 27<sup>th</sup> July 2020**

**Source: Source: Northern Trust as of 30 June 2023**

#### Overall Fund Commentary

The Fund recorded a positive return in a quarter when financial markets rallied.

High yield (HY) was stronger than investment grade corporate debt. Global HY spreads narrowed significantly over the quarter with US HY outperforming European HY. Global investment grade spreads narrowed. US investment grade was stronger than European investment grade credit. Hard currency emerging market debt spreads narrowed in the market environment. Loan specialist ICG was the best performing manager.

### Absolute Return Bond Strategy Fund:

	Three Months	1 Year	Since Inception
<b>Gross</b>	0.67	3.65	2.17
<b>Net</b>	0.59	3.36	1.86
<b>3 Month GBP SONIA + 2%</b>	1.61	5.23	3.31

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: Source: Northern Trust as of 30 June 2023**

#### Overall Fund Commentary

The Fund recorded a positive return this quarter.

High yield (HY) was stronger than investment grade corporate debt. Global HY spreads narrowed significantly, by 56 bps to 491 over the quarter. US HY (-65 bps to 390) outperformed European HY (-38 bps to 443). Global investment grade spreads narrowed by 14 bps to 124. US investment grade (-15 bps to 114) was stronger than European investment grade credit (-7 bps to 139). Local currency emerging market debt (EMD) outperformed hard currency EMD.

## Sterling Credit Fund:

	Three Months	1 Year	Since Inception
<b>Gross</b>	-3.06	-4.91	-5.81
<b>Net</b>	-3.09	-5.03	-5.94
<b>ICE Bank of America Merrill Lynch Euro-Sterling Index plus 0.65%</b>	-3.19	-6.40	-6.21
<b>Excess returns (Gross)</b>	0.13	1.49	0.41

Inception Date: COB 27<sup>th</sup> July 2020

Source: Northern Trust as of 30 June 2023

### Overall Fund Commentary

The Fund posted negative returns but outperformed the index over the quarter. The fund's favourable sterling duration position added value. Gilts yields rose amid rising inflation which resulted in repricing of terminal rates from 5% to 6 and greater resolve by BoE to combat inflation. Additionally, an underweight position in Canadian dollar duration enhanced gains. However, an overweight position in the Euro duration detracted from performance.

At a sector level, the underweight position in Utility and Consumer Cyclical detracted from performance while an overweight position in Insurance and Banks & Brokers supported performance. An underweight position in European Investment Bank and Innogy Finance detracted from performance. Meanwhile, an overweight stance in insurance names such as Zurich Insurance and Pension Insurance buoyed returns. Moreover, an underweight position in Thames water supported performance as bonds plunged on fears that that company will not be able to repay due to a liquidity crisis.

Wales Pension Partnership  
Joint Governance Committee  
Q2 2023 review – 20 September 2023



# Market Updates

## Proposed Acquisition

As discussed since the last Joint Governance Committee on 19 July 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 3rd August 2023 (Sydney time) that counterparties to contracts representing the requisite threshold majority of revenue in respect of LFSL's ACD business and Link Fund Manager Solutions (Ireland) Limited's business have agreed to those contracts being transferred to the Waystone Group on completion of the FS Sale.

Satisfaction of the revenue and third-party consent conditions for the FS Sale remain subject to receiving certain regulatory approvals in the UK and Ireland.

Link Group has received clearance from the Competition and Consumer Protection Commission of Ireland in respect of the FS Sale. Link Group expects that the FS Sale will complete in October 2023, subject to remaining conditions being satisfied.

On 28 July 2023 LFSL informed the investors in the WEIF (WEIF Investors), that subject to the outcome of discussions with Link Group and the FCA, and the English High Court's availability, LFSL expects to issue a Practice Statement Letter in September 2023. The Practice Statement Letter will notify WEIF Investors of the formal launch of the Scheme and provide further details about the key terms of the Scheme and the first court hearing in relation to the Scheme.

The Settlement contemplated by the Scheme is conditional on the completion of the FS Sale. If the Scheme becomes effective, it will provide for monies, including a contribution of up to £60 million from Link Group to LFSL, to be made available to make payments to the WEIF Investors. In return for those payments to the WEIF investors, LFSL, Link Group, and their respective affiliates and officers will receive releases from liability relating to LFSL's role as ACD of the WEIF.

Link Group continues to be confident that, even if the Scheme was not approved and the Settlement was terminated, liabilities relating to the WEIF remain within LFSL and Link Group has no obligation to contribute to any of those WEIF related liabilities

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



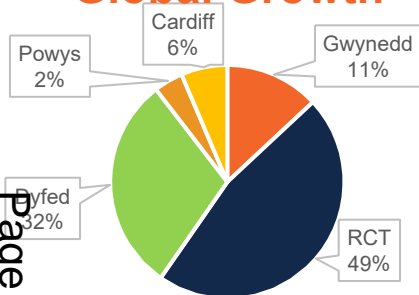
# June 2023 LF Wales PP Fund Summary AUM

Fund	AUM	Inception date
Global Growth	£3,152,544,871	6 <sup>th</sup> Feb 2019
Global Opportunities	£2,872,375,381	14 <sup>th</sup> Feb 2019
UK Opportunities	£760,439,759	10 <sup>th</sup> Oct 2019
Emerging Markets	£356,535,814	20 <sup>th</sup> Oct 2021
Sterling Credit	£505,218,736	19 <sup>th</sup> Aug 2020
Global Credit	£822,842,390	21 <sup>st</sup> Aug 2020
Multi Asset Credit	£677,453,841	12 <sup>th</sup> Aug 2020
Global Government Bond	£474,633,884	20 <sup>th</sup> Aug 2020
Absolute Return Bond	£562,410,324	30 <sup>th</sup> Sept 2020
Sustainable Active Equity Fund	£1,282,280,221	20 <sup>th</sup> June 2023
<b>Total Active Investments</b>	<b>£11,466,735,225</b>	
<b>Total Passive Investments</b>	<b>£4,738,457,626</b>	
<b>Total Pooled Assets</b>	<b>£16,205,192,851 as at 30 June 2023</b>	

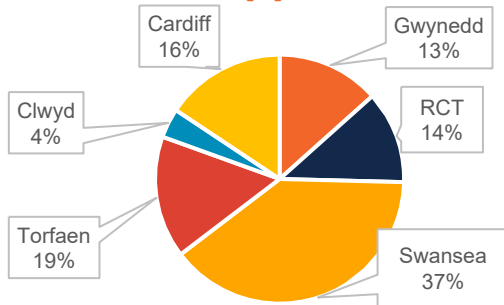
# June 2023 Fund Snapshot - Equities

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

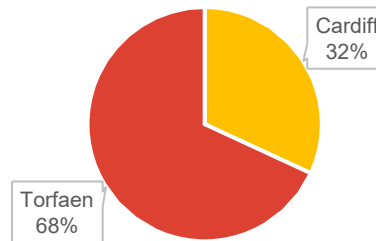
## Global Growth



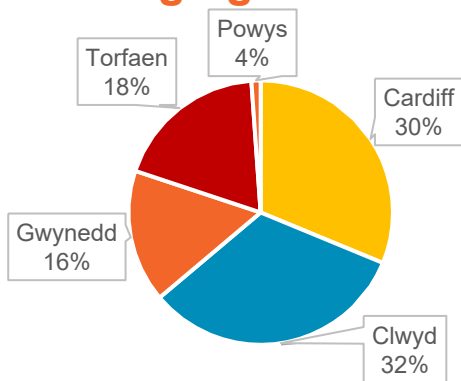
## Global Opportunities



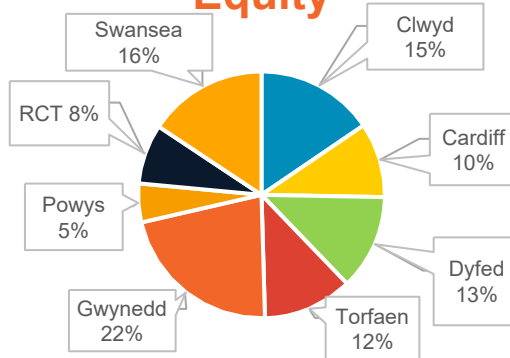
## UK Opportunities



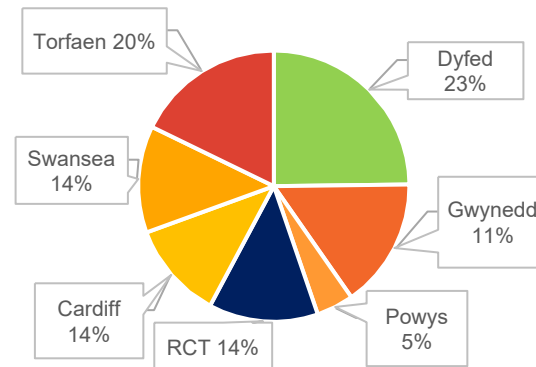
## Emerging Markets



## Sustainable Active Equity



## Passive\*

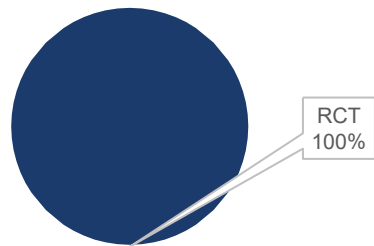


\* Assets with BlackRock 4

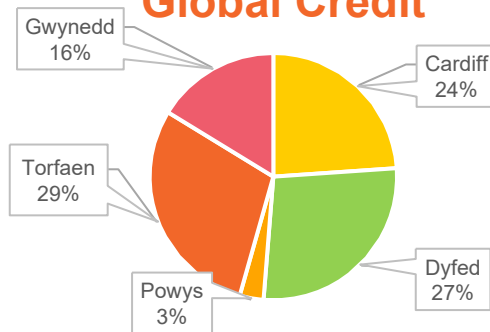
# June 2023 Fund Snapshot - Fixed Income

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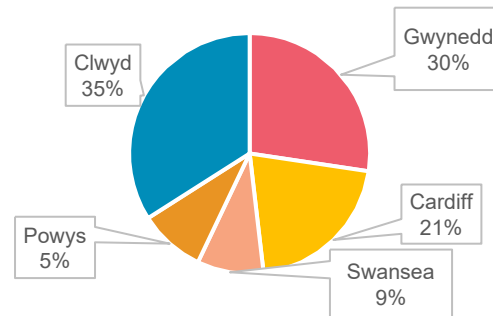
## Sterling Credit



## Global Credit



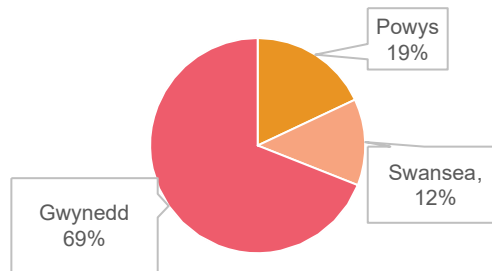
## Multi Asset Credit



## Global Gov. Bond



## Absolute Return Bond



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





# Sub-Funds Update

## Fund Launches & Changes

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	Activity	Status	Commentary
<b>Completed Fund Launches &amp; Changes</b>	Establishment of a Sustainable Equities Fund	✓	Fund Launched 20 June 2023, with handover to Russell Investments from Transition Manager due on 14 July 2023
<b>Ongoing Fund Launches &amp; Changes</b>	Addition of Robeco to the Global Credit fund, removal of T Rowe Price	✓	New Investment Manager 'Robeco' to be implemented Q3 2023.
	Addition of New Investment Manager to the Global Growth Fund, as an addition to current Managers	✓	Proposed addition new manager to be discussed with Host and Hymans before sharing with Constituent Authorities with rationale behind the change

### Status key:

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





# Initiatives

## Business as Usual + Key Changes

	Activity	Status	Commentary
<b>Management Information</b>	Move to Quarterly Reporting cycle with changes to information captured		Quarterly Reporting cycle now implemented
<b>Class action reporting</b>	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
<b>Russia / Ukraine</b>	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.

**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 23 May 2023

### **Link attendance at OWG/JGC meetings in next quarter:**

- WPP JGC 19 July 2023
- OWG 24 October 2023
- WPP JGC 20 September 2023

### **Link - Pension Committee attendance in period:**

- Clwyd – Pension committee 23 June 2023

### **Link - Pension Committee attendance in next quarter:**

- Powys Pensions and Investment Committee meeting – 6 October 2023

### **Other meetings in period**

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

### **Other meetings in next quarter**

- Host Authority update – occurs bi-weekly
- Strategic Relationship Review – 20 September 2023
- Pension Board Chairs Engagement Meeting - 3 October 2023

# LFS Engagement Protocol – Business as Usual

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

Note: Meetings may be conducted remotely and/or amalgamated where required.

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# Link Engagement Protocol continued...

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

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### ***Relationship Managers***

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Role: Senior Relationship Manager

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**Heidi Robinson**

Relationship Manager

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### ***Head of Client Relations***

**Name: Richard Thornton**

Role: Head of Relationship Management – Asset Owners

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### ***Executive Contact***

**Name: Karl Midl**

Role: CEO & Managing Director

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### **Disclaimer**

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# Wales Pension Partnership Business Plan 2023-2024 Q1 Review

## Governance

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> <li>Development of a WPP Breaches and Errors Policy</li> </ul>	In progress	To be approved at the September 2023 JGC
<ul style="list-style-type: none"> <li>Legal Services provider contract (initial 3 year review)</li> </ul>		October – December 2023
<ul style="list-style-type: none"> <li>Ongoing review of the Inter Authority Agreement</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>Annual review of WPP's policies and plans</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>Quarterly reviews of the Risk Register</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>Respond to any pooling related consultations and carry out any necessary changes as a result of consultation outcomes</li> </ul>	Ongoing	

## Ongoing Sub-Fund development

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> <li>Launch of Private Debt &amp; Infrastructure Sub-Funds</li> </ul>	Yes	Infrastructure and Private Debt investment programmes launched
<ul style="list-style-type: none"> <li>Launch of Private Equity Sub-Fund</li> </ul>	In progress	Private Equity investment programme to be launched later in the year
<ul style="list-style-type: none"> <li>Launch Sustainable Equities Sub-Fund</li> </ul>	Yes	Launched 20 June 2023
<ul style="list-style-type: none"> <li>Formulate the WPP's Property requirements and optimal means of implementation &amp; launch the property Sub-funds</li> </ul>	In progress	Work is progressing, currently at mandate specification stage
<ul style="list-style-type: none"> <li>Consideration of WPP's Levelling up / impact requirements</li> </ul>	Ongoing	

<ul style="list-style-type: none"> <li>Launch of other Private Market sub-funds (TBC)</li> </ul>		Discussions to be held with individual CA's
<ul style="list-style-type: none"> <li>Consultation with CAs on need for further sub-funds, review and develop a mechanism to pool any suitable non-pooled assets</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>Consideration of Local Investment opportunities</li> </ul>	Ongoing	

### Operator Services

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> <li>Operator contract / procurement process</li> </ul>	In progress	Procurement work has commenced, ITT to be issued October 2023
<ul style="list-style-type: none"> <li>Operator oversight</li> </ul>	Ongoing	

### Investments and Reporting

Work to be completed	Completed	Comments
<ul style="list-style-type: none"> <li>Review Sub-Fund mandates to ensure compatibility with WPP's Responsible Investment and Climate Risk Beliefs</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>Task Force on Climate-related Financial Disclosures (TCFD) reporting</li> </ul>		Awaiting TCFD consultation response
<ul style="list-style-type: none"> <li>Stewardship Code reporting</li> </ul>	In progress	2022/23 report to be submitted by 31 October 2023
<ul style="list-style-type: none"> <li>Consider additional reporting that demonstrates WPP's commitment to Responsible Investment</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>On-going Investment Manager performance reporting, scrutiny and challenge</li> </ul>	Ongoing	

• Annual review of WPP's Cost Transparency Requirements		To be reviewed in Q1 (January to March) 2024
• Annual performance review of WPP Sub Funds (Equity and Fixed Income)		To be reviewed in Q1 (January to March) 2024
• On-going engagement with Constituent Authorities regarding minimum ESG / RI standards and their climate ambitions	Ongoing	

### Communication and Training

Work to be completed	Completed	Comments
• Formulation of the WPP's Annual Responsible Investment Progress Report	Yes	Report presented at the July 2023 JGC and published on website
• Formulation of the WPP's annual training plan		To be formulated in Q1 (January to March) 2024
• Formulation of the WPP's Annual Update	Yes	2022/23 Annual Update published in August 2023
• Formulation of the WPP's Annual Report	In progress	2022/23 Annual Report to be published Autumn 2023

### Resources, budget and fees

Work to be completed	Completed	Comments
• Annual review of resources and capacity		To be reviewed in Q1 (January to March) 2024
• Formulation of Annual WPP Budget		To be formulated in Q1 (January to March) 2024
• Review and Monitoring of Operator / external provider fees	Ongoing	

## Training Plan

Training topics to be completed during 2023–2024 as per approved 2023-2024 Training Plan and progress to date:

	Completed	Comments
• Private Market Asset Classes – Private Equity / Property	Yes	8 June 2023
• Levelling up / development opportunities	Yes	8 June 2023
• TCFD reporting		
• Performance reporting		
• Voting & Engagement		Scheduled for 21 September 2023
• RI within the WPP sub funds		Scheduled for 21 September 2023
• Progress of other LGPS pools & Collaboration Opportunities		
• Pooling Guidance		

## Budget

2023-2024 Budget Monitoring Report:

	<b>Budget 2023 – 2024 £000</b>	<b>Forecast 2023 – 2024 £000</b>	<b>Variances 2023 – 2024 £000</b>
Host Authority *	200	195	5
External Advisors *	1,448	1,448	0
<b>TOTAL to be recharged</b>	<b>1,648</b>	<b>1,643</b>	<b>5</b>
Operator Services **	37,257	37,257	0
<b>TOTAL to be deducted from the NAV</b>	<b>37,257</b>	<b>37,257</b>	<b>0</b>

*\*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).*



## Investments

### Equity Sub-Funds

#### Global Growth Fund

Managed by: Link Fund Solutions

Portfolio Value: £2bn\*

#### Global Opportunities Fund

Managed by: Russell Investments

Portfolio Value: £2bn\*

#### UK Opportunities Fund

Managed by: Russell Investments

Portfolio Value: £0.6bn\*

#### Emerging Markets Fund

Managed by: Russell Investments

Portfolio Value: £0.6bn\*

#### Sustainable Active Equity Fund

Managed by: Russell Investments

Portfolio Value: £1.2bn\*

### Fixed Income Sub-Funds

#### Absolute Return Bond Fund

Managed by: Russell Investments

Portfolio Value: £0.4bn\*

#### Global Government Bond Fund

Managed by: Russell Investments

Portfolio Value: £0.5bn\*

#### Multi-Asset Credit Fund

Managed by: Russell Investments

Portfolio Value: £0.6bn\*

#### Global Credit Fund

Managed by: Russell Investments

Portfolio Value: £0.8bn\*

#### UK Credit Fund

Managed by: Link Fund Solutions

Portfolio Value: £0.5bn\*

### Private Markets

#### Infrastructure – closed ended

Managed by: GCM Grosvenor

#### Infrastructure – open ended

Managed by: CBRE, IFM and Octopus

#### Private Credit

Managed by: Russell Investments

\* Portfolio Values as at launch date



Wales Pension Partnership

<https://www.walespensionpartnership.org/>

Breach No	YEAR	Breach Type	Nature of Breach	Breach Description	Action	Material Significance (Y/N)	P & I Committee Notified	Pension Board Notified	TPR Notified	RAG Status
1	2018/19	Administration	Late Notification of deferred Benefits	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. <b>Cause:</b> 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. <b>Effect:</b> although a breach, it is not considered material, as the information is not critical when making future decisions. Where a deferred member reaches retirement age their calculation will be completed at that point. This is a national issue for most funds across the LGPS.	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. 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.	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		Employers written to and process followed as per the published Administration Strategy Statement	N	Y	Y	N	

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## CYNGOR SIR POWYS COUNTY COUNCIL

Pension Board  
20<sup>th</sup> November 2023

REPORT BY: Board Secretary

SUBJECT: Powys Pension Board Communications Log

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 REPORT FOR: Information
 

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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 August Roundup	09.10.23
TPR September Roundup	09.10.23
TPR October Roundup	26.10.23

3. **Recommendation**

Note communications issued.

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