

Powys Pensions Board

Meeting Venue
**Committee Room A - County Hall,
Llandrindod Wells, Powys**

Meeting Date
Tuesday, 10 July 2018

Meeting Time
10.00 am



County Hall
Llandrindod Wells
Powys
LD1 5LG

For further information please contact
Steve.boyd@powys.gov.uk

3 July 2018

AGENDA

1.	APOLOGIES
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To receive apologies for absence.

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

3.	MINUTES OF THE BOARD
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To authorise the Chair to sign the minutes of the previous meeting of the Board as a correct record.

(Pages 5 - 12)

4.	MATTERS ARISING
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4.1. **Data Quality Testing Update**

(Pages 13 - 16)

4.2. **Board Work Programme**

Confirm to Board that amendments requested have been made.

(Pages 17 - 22)

4.3. **iConnect Employer Interface**

- 4.4. **TPR Code 14 Compliance re Register of Board Members' interests**
For discussion.
(Pages 23 - 24)
- 4.5. **Scheme Member Communications update**
- 4.6. **Board Member Indemnity**

5.	CHAIR'S ANNOUNCEMENTS
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6.	MINUTES OF PENSIONS AND INVESTMENT COMMITTEE
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Minutes of Pensions and Investment Committee held on 9th March 2018.
(Pages 25 - 30)

7.	BOARD MEMBER TRAINING [STANDING ITEM]
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To consider the training programme.
(Pages 31 - 32)

7.1. **TPR Training (Chair)**

7.2. **Officer Training Topic (PFM) Data Improvement Plans/ Data Quality Testing**

8.	TPR 2018 ANNUAL RETURN
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9.	REVIEW OF COMPLIANCE WITH TPR CODE 14
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Action plan for addressing amber and red items identified.

10.	INVESTMENT STRATEGY STATEMENT
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11.	REVIEW OF RISK REGISTER [STANDING ITEMS]
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To receive an oral report. Full review at next meeting.
(Pages 33 - 60)

12.	WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE
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To receive an oral report.

13.	RECORDING OF BREACHES OF THE LAW.
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To consider the attached report.
(Pages 61 - 62)

14.	AUDIT REPORTS [STANDING ITEM]
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15.	ADMINISTRATION LEGISLATION UPDATE AND ACTIVITY REPORT (2018 LGPS AMENDMENT REGULATIONS)
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To consider the attached report.
(Pages 63 - 64)

16.	CESSATION OF CONTRACTING OUT - UPDATE [STANDING ITEM]
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To receive an oral report.

17.	INTERNAL DISPUTE RESOLUTION PROCEDURE [IDRP] UPDATE [STANDING ITEM]
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To receive an oral report.

18.	GDPR ACTION PLAN UPDATE: POST IMPLEMENTATION REVIEW
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To consider the attached report.
(Pages 65 - 66)

19.	BOARD SCHEME EMPLOYER REPRESENTATIVE (PCC)
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To receive an oral report.

20.	FUTURE BOARD MEETINGS
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6th September 2018
23rd November 2018
Mid January 2019

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**MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT
COMMITTEE ROOM B - COUNTY HALL, LLANDRINDOD WELLS, POWYS ON
FRIDAY, 12 JANUARY 2018**

PRESENT

1.	APOLOGIES
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Apologies were received from John Byrne [Member Representative] as he was on other business.

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

3.	MINUTES OF THE BOARD
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The minutes of the last meeting held on 20 October, 2017 were agreed as a correct record.

4.	MATTERS ARISING
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4.1. Item 4a) - TPR Annual Return [verbal report]

The Board noted that following the last meeting it had been noted that the submission had not referred to the Pension Funds Auditors. The submission had been amended accordingly.

4.2. Item 4c) - Board Work Programme

The Board noted that the Work Programme had been updated to take into account the comments made at the previous meeting. The triennial valuation would be added to the Programme and training session would be added to the Board training programme. The Board Members advised that they were happy with receiving emails from the Chair on issues in between Board meetings.

It was noted that at a training event in Cardiff a member of the Pensions & Investment Committee had questioned the role and value of Pension Boards. The Chair commented that there was a statutory requirement to establish a Board. It was noted that the role of the Board was complimentary to the

Committee and the Board was there to support and help the Committee to manage risk and reputational risk.

RESOLVED	Reason for decision
<p>1. An invitation should be forwarded to the Pensions & Investment Committee members reminding them that they could attend Powys Pensions Board meetings as observers.</p> <p>2. To provide joint training between the Powys Pension Board and the Pensions & Investment Committee.</p> <p>3. That the Board Chair would have an informal discussion with the Pensions & Investment Committee Chair regarding the views expressed by the Committee member.</p>	<p>1. To develop links between the Powys Pension Board and Pensions & Investment Committee.</p> <p>2. To support the development of the understanding of the respective roles of the Pensions & Investment Committee and the Powys Pension Board.</p>

4.3. Item 8 - MIFID 2 Opting up Update [verbal report]

The Secretary advised that all but one asset manager had confirmed that the Fund met the required criteria to operate at the Opting Up level. Aberdeen Standard had confirmed by email but a letter had not yet been received. Pending the receipt of this letter the process had been completed in the required timescale. The Secretary advised he would follow this up with Aberdeen Standard.

4.4. Item 9 - TPR Code 14 Compliance re register of Board Members' Interests

The Board considered the Declaration of interest form.

RESOLVED	Reason for decision
<p>That the Board members complete and return the forms and that the information be published on the Board's website.</p>	<p>To ensure interests are recorded and published.</p>

4.5. Item 12 - Legal status of Pooled Funds [verbal report]

The Secretary advised that the legal status of pooled funds had been discussed with colleagues in other Funds and also with the Monitoring Officer. He advised that the Inter Authority Agreement makes clear the ownership of assets remains with each individual Pension Fund Authority.

5. CHAIRMAN'S ANNOUNCEMENTS

The Chair advised a half day event for Pension Board members was scheduled for 8 March, 2018 in Cardiff and a meeting for officers would take place in Wolverhampton on 28 February, 2018. The Secretary advised the latter would be a good meeting for his successor to attend.

The Chair advised that he was meeting the new Interim Section 151 Officer after the Board meeting.

6. MINUTES OF PENSIONS AND INVESTMENT COMMITTEE
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The Board received the Pensions and Investment Committee's minutes for 17 November, 2017 and the draft minutes for the meeting held on 15 December, 2017.

In respect of the minutes of the meeting on 15 December the following were noted:

- Item 9 – Quarterly investment update – it was noted that some funds showed investments gross of fees and it was important that comparisons were made on the same basis.
- Item 15 – Stock lending – the issue of fees had been raised by the Board previously. For transparency the level of fees should be split.
- Item 16 – Infrastructure – the Secretary advised that Aon Hewitt had informed the Committee that it was investigating how the Fund could get exposure to infrastructure investments via a pooled fund.

The Chair advised he would provide future P & I Committees with a brief summary report of the business of each Board meeting as a frontispiece to Board minutes.

7. BOARD MEMBER TRAINING [STANDING ITEM]

The Board received the Training Plan for 2018/19. The Secretary advised that a log is kept of the training completed by the Board and where members arrange training themselves they should advise the Secretary so that their training log is complete. The need for accredited training for Board members was raised and the Secretary advised he would raise this with the Local Government Association [LGA] and CIPFA. The Welsh Local Government Association [WLGA] now had a Training Manager and he would raise the issue of accreditation with this individual.

The Chair advised he was writing a Guide for Pension Board members which would be published by CIPFA. He was due to complete this by the end of January, 2018 and would share this with the LGA.

As agreed earlier in the meeting, joint training with the Pensions & Investment Committee would be developed. The Board noted that the TPR and Ombudsman training session was provisionally scheduled for the March Pensions & Investment Committee. The Board was advised that a minimum of six training sessions would be provided but members would not have to attend all. It was noted that some discussions at meetings could also be classed as training. Members were advised that training was available online and they were encouraged to access this. The Boards asked that an on-line database of Fund Scheme documents would support their development and role.

The Secretary advised that the development of the training programme dates would be passed to his successor. It was noted that the Secretary was waiting the return of one Training Needs Analysis form.

RESOLVED	Reason for decision
<p>1. The Pension Administration Manager would check the access requirements to enable members to access online training.</p> <p>2. An on-line database of Fund Scheme documents would be developed detailing when last reviewed and review dates.</p>	<p>1. To enable members to use a variety of training resources.</p> <p>2. To support the ongoing development of Board Members.</p>

8.	SF3 RETURN
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The Board received the SF3 Local Government Pension Scheme Funds returns for 2015-16 and 2016-17 which are sent to the Department for Communities and Local Government [DCLG]. It was noted that the information provides the DCLG with an overview of Schemes across the country.

9.	REVIEW OF COMPLIANCE WITH THE PENSION REGULATOR [TPR] CODE 14
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The Secretary advised that there was nothing to report to the Board as the work had not been completed as it had been a challenge to meet the timescales. The Board noted that the areas classified as “red” would be reviewed first to identify actions to be taken to address issues. The Secretary advised that this work would form part of the planned handover to his successor.

The Board noted the above but hoped that the Secretary could review two areas and share this with the Board by email for the Board to formalise the outcomes at its meeting in June. If this was completed the Board could refer to this in its annual report.

10. BOARD KEY PERFORMANCE INDICATORS

The Board received the Secretary's paper on the draft Key Performance Indicators [KPIs].

It was considered that it would be useful to compare the Board's performance with other Boards.

RESOLVED	Reason for decision
To reword KPI PB03a and PB03b to reflect the discussions at the meeting [as detailed in Item 7].	To reflect the views of the Board.

11. REVIEW OF RISK REGISTER [STANDING ITEMS]

The Secretary advised there was nothing to report. The Chair questioned if the Risk Register had been updated to reflect the appointment of an Interim Section 151 Officer. The Secretary advised that he would check this but thought this may be covered in the general risk regarding changes in key personnel.

12. WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE [STANDING ITEM]
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The Secretary reported that the procurement exercise for the appointment of an operator for the Wales Pensions Partnership [WPP] had been completed and Link Fund Solutions had been appointed. The latter had already had a preliminary meeting with the Partnership.

The Secretary confirmed that all the funds had formalised their contractual relationship with Link Fund Solutions. The latter would now have meetings with each Fund to develop relationships and inform discussions at the WPP. Running alongside this, Link Fund Solutions was applying to the Financial Conduct Authority [FCA] for authorisation of the collective scheme and to become a proper Registered Authority to pool assets. The DCLG was content with this process and noted that the FCA would process the application as quickly as possible.

It was assumed that the transition of assets would begin as soon as possible after 1 April, 2018. Initially the operator would replicate the current funds' investments but over time these would change. Carmarthenshire County Council was the host authority and had appointed an additional member of staff, funded by the eight authorities. The Joint Officers Working Group will consider representation on the Joint Governance Committee by trade unions, the WLGA and independent advisers and make recommends to the Joint Governance Committee.

The Secretary advised that all Joint Governance Committee meetings will be webcast via Carmarthenshire County Council's website. Link Fund Solutions will at some stage make a presentation to the Pensions & Investment Committee.

13. ESG AND INVESTMENT REGULATIONS GUIDANCE

The Board received the Chair's report on the Pensions & Investment Committees' processes for complying with the guidance on formulating its Investment Strategy Statement, in particular in relation to Regulation 7 (2) (e).

The Board noted the recent national debate about the investments by public service Pensions Funds in fossil fuels. The Secretary advised that a Motion had been placed on the next council Agenda, regarding this issue. He advised that although the Council could not mandate the Pensions and Investment Committee to take action, the Committee would consider the issue at its next meeting. A debate by the Committee would also inform the Fund when involved in similar discussions at the Wales Pension Partnership and with Link Fund Solutions.

RESOLVED	Reason for decision
The Board noted the content of the Investment Strategy Statement in respect of Regulation 7 (2) (e).	To provide focus on ESG matters in relation to Pension Fund investment.

14. RECORDING BREACHES OF THE LAW

The Chair advised that he would share the information recorded by another Pensions Fund and that he considered that at some stage the criteria should be reviewed. The Secretary advised that although no breaches had been recorded he was aware that there were some low risk breaches. The Secretary advised that this issue would be included in the handover to his successor, to consider whether this was a priority.

15. AUDIT REPORTS [STANDING ITEM]

The Board noted that the draft was not yet available. It was agreed that the Work Programme would be adjusted for this item to be added to the June meeting.

16. ADMINISTRATION ACTIVITY REPORT [STANDING ITEM]

The Board received the report regarding the membership and Pensions Administration financial statistics for the period 1 October to 31 December 2017. The report was noted.

17. CESSATION OF CONTRACTING OUT - UPDATE [STANDING ITEM]
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The Pensions Administration Manager advised that it was planned that the process would be completed by the end of the summer. This was ahead of the national deadline of 31 December 2018 and so buffers had been built into the process.

18. INTERNAL DISPUTE RESOLUTION PROCEDURE [IDRP] UPDATE [STANDING ITEM]
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The Board noted that there was nothing to report.

19. SCHEME MEMBER COMMUNICATIONS

The Board agreed that any comments on the forms, used by the scheme for members, should be forwarded to officers. This would support the ongoing improvements in scheme member communications.

20. GDPR ACTION PLAN UPDATE

The Pension Administration Manager advised that a meeting had been arranged with the Data Protection Officer to discuss the New General Data Protection Regulation (GDPR) to consider what personal information is kept and also how this is kept. The Board noted that the All Wales Group Working Party was designing communications information to forward to scheme members.

It was agreed that information on the outcome of these discussions would be emailed to the Board, as the next Board meeting was not until after the deadline for GDPR compliance.

21. BOARD SCHEME EMPLOYER REPRESENTATIVE [PCC]

The Board received an update on how Geoff Petty, Employer Representative was since his accident, which took place the week following the last meeting. The Board commended Geoff for his work and with regret noted that he would be unable to continue in his role.

The Board agreed that a letter should be sent to his wife, acknowledging Geoff's contribution to the Board.

The Secretary advised that he had spoken to the Acting Chief Executive regarding a replacement and a number of individuals had been mentioned and these needed to be pursued and discussed with the Chair.

The Chair noted that this was the last meeting for Joe Rollin, Secretary who was to retire before the next meeting. The Board thanked him for his advice and guidance and wished him the very best for his retirement.

22. FUTURE BOARD MEETINGS

The Board noted the following:

7 June, 2018

6 September, 2018

23 November, 2018

4.1

CYNGOR SIR POWYS COUNTY COUNCIL

Powys Pension Board
10th July 2018

REPORT BY: Board Secretary

SUBJECT: Data Quality Testing

REPORT FOR: Information

1. Introduction

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. Specific targets were set for data TPR deemed as 'common' and Aquila Heywood has assisted Powys Pension Fund (PPF) in the collection and qualification of this data.

The Fund produced a Data Quality testing and monitoring procedure document in May 2017.

2. Background

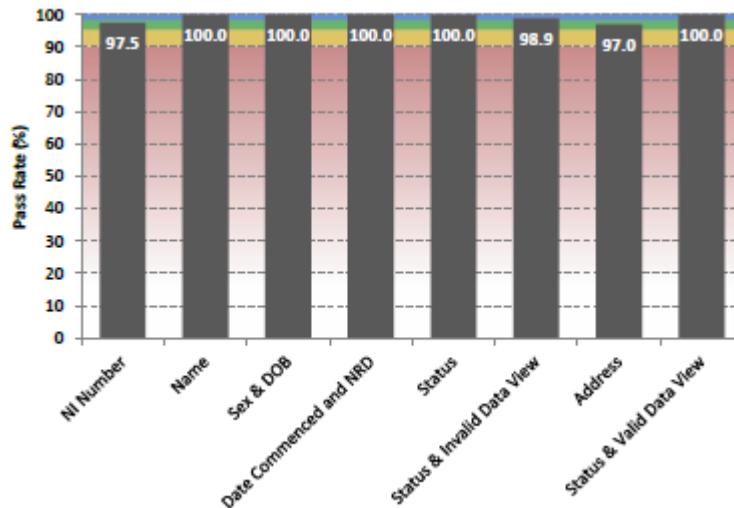
- 2.1 In May 2017, the Fund produced a Data Quality testing and monitoring procedure with specific reference to the testing and ongoing monitoring data quality. This was in advance of the requirement to report in The Pension Regulator (TPR) Annual Return, scores against specific scheme Common Data and Scheme Specific Data

3. Data Quality Testing – Common Data

- 3.1 TPR require measurement against 9 categories for Common Data:

NI Number, Name, Sex & DOB, Date Commenced and Normal Retirement Date, Membership Status, Invalid Membership Status, Address and Status and valid Data View.

Summary of Common Data results



- 3.2 Six of the eight categories met the highest benchmark of greater than 98% with 1 category not recording a single failure. 4 categories achieved a pass rate of over 99.95% and were rounded up to 100%.

The categories that did not reach the highest benchmark concerned member **NI numbers** and **Addresses** which both fell within the Green benchmark at **97.5%** and **97.0%** respectively. With the exception of these categories, the general quality of the common data at PPF is of a **high standard**.

There is some work required with the above categories to bring them into the highest benchmark.

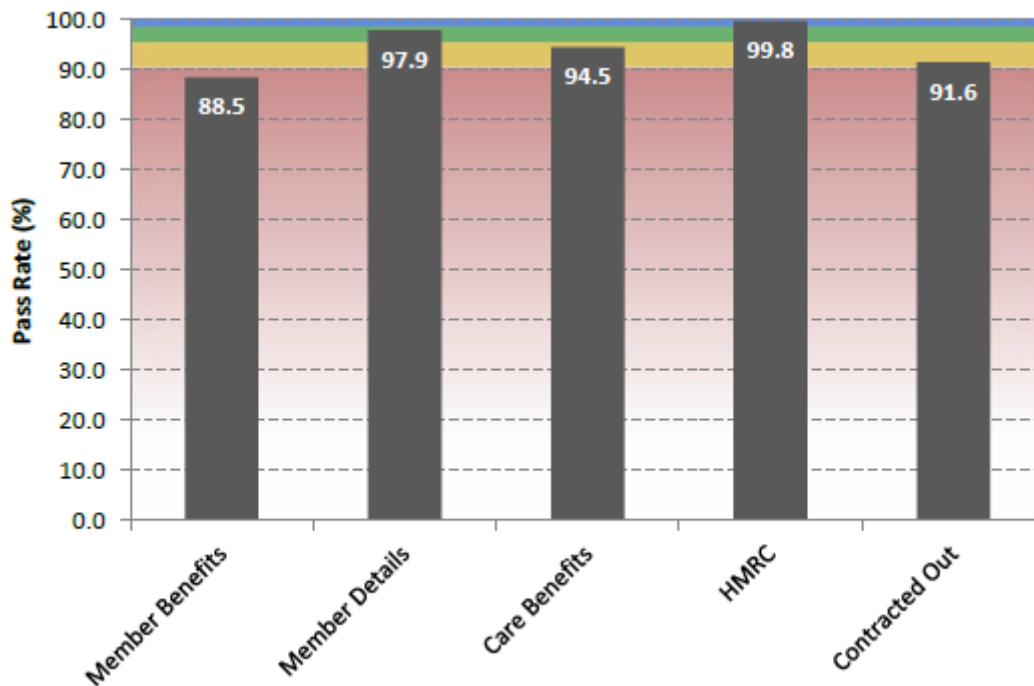
The percentage of member records without a single common data failure is **93.4%** and this is the figure that TPR will be requesting on the scheme return.

4. Data Quality Testing – Scheme Specific Data

- 4.1 TPR require measurement against 5 categories for Scheme Specific Data:

Member Benefits, Member Details, CARE Benefits, HMRC and Contracted Out data.

Summary of Common Data results



The overall percentage of tests passed for PPF's scheme-specific data is **95.7%**. The percentage of member records without a single scheme-specific data failure is **75.9%** and this is the figure that TPR will be requesting on the scheme return.

5. TPR Annual Return and Data Improvement Plan

The above scores are above average according to the Pensions Administration software providers and the scores of 93.4% (Common data) and 75.9% (Scheme Specific Data) are the ones that will be reported in the TPR Annual Return.

Both scores are an excellent starting point and highlight areas to be included in the Fund's Data Improvement Plan.

5. Recommendation

The Board is asked to note the contents of this report.

Recommendation:		Reason for Recommendation:	
<ul style="list-style-type: none"> That the Board notes the above findings. 		As per report	
Person(s) To Action Decision:			
Date By When Decision To Be Actioned:			
Relevant Policy (ies):	N/A		
Within Policy:	N/A	Within Budget:	N/A
Contact Officer Name:	Tel:	Fax:	Email:

Chris Hurst	01597 827640	01597 826290	churst@powys.gov.uk
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4.2

Powys Pensions Board Work Programme 2016/19

Start	Subject	Summary Description	Target End
Each Board until completion	End of Contracting Out (GMP Reconciliation)	To receive and note regular updates on progress and to make recommendations as required	Spring 2018
Each Board	Risk Register	To monitor the risks identified and to make recommendations in relation to amendments required and new risks identified from time to time.	Ongoing
Each Board	Training and Development	To receive and make recommendations in relation to the training and development of Board members.	Ongoing
Each Board	Wales Pension Partnership	To receive and note regular updates on progress and to make recommendations as required.	Ongoing
Each Board	Breaches of the Law	To receive, monitor and recommend as required, recordable breaches of the law.	Ongoing
January 2017	Pension Fund Cahflow	To receive and review a report in relation to the Fund's cashflow position at 30 th November 2016.	January 2017 – completed 06.01.2017
January 2017	Valuation Results	Receive results from Pension Fund actuary	January 2017 – completed 06.01.2017
January 2017	Unauthorised Payments	To review the processes and procedures used in relation to unauthorised payments.	January 2017 –

			completed 10.03.2017
January 2017	The Pensions Regulator Code of Practice 14	To review the Fund's procedures against the requirements of the Code.	January 2017 - ongoing
April 2017	Annual Board Report	To draft and agree the Board's annual report for inclusion in the Pension Fund Annual Report & Accounts.	30 th June 2017 - completed
June 2017	Audit – Pension Fund Investment (Follow-up to 2016 investment audit report)	To receive and review a report from the Council's Internal Audit Service on pension fund investment administration	June 2017 – final report awaited February 2018
Autumn 2017	Pension Fund Annual Report & Accounts	To receive the Fund's audited and approved Annual Report & Accounts	Autumn 2017 – on next Board agenda
Winter 2017	Governance Policy & Compliance Statement	To receive the Fund's reviewed Governance Policy & Compliance Statement	Winter 2017
Winter 2017	Section 13 GAD Report	To review the Section 13 GAD Report received in relation to the Fund (as at 31.03.16) and recommend as required	Winter 2017
January 2018	Pension Fund Cashflow	To receive and review a report from the Pension Fund accountant of the Fund's cashflow position as at 30 th November last.	January 2018
January 2018	Administration Risks	To review administration procedures, processes and risks against guidance issued by the Pensions Regulator.	April 2018
April 2018	Annual Board Report	To draft and agree the Board's annual report for inclusion in the Pension Fund's Annual Report & Accounts	30 th June 2018

May 2018	Annual Pension Fund Report & Accounts	To review annual report in draft form and use to help inform the drafting of the Annual Board Report	31 st May 2018
June 2018	Audit – Pension Fund Investment Administration	To receive and review an audit report from the Council's Internal Audit Service on fund investment administration.	June 2018
Summer 2018	Audit – Pensions Administration (Follow-up to 2016 administration audit report)	To receive and review a report from the Council's (former) Internal Audit Service in respect of pension scheme administration.	Autumn 2018
Autumn 2018	Review of Risk Register -PEN004	To review the cyber security assurances from all providers of systems to the Pension Fund.	Autumn 2018
Autumn 2018	Administration Strategy Statement	To receive the Fund's reviewed Administration Strategy Statement	Autumn 2018
Autumn 2018	Communications Strategy Statement	To receive the Fund's reviewed Communications Strategy Statement	Autumn 2018
Autumn 2018	Fund Employer Covenants	To receive a report on the review of Fund Employer Covenants	Autumn 2018
Autumn 2018	Pension Fund Annual Report & Accounts	To receive the Fund's audited and approved Annual Report & Accounts	Autumn 2018
Winter 2018	Section 13 GAD Report	To review the Section 13 GAD Report received in relation to the Fund (as at 31.03.17) and recommend as required.	Winter 2018
Winter 2018	Governance Policy & Compliance Statement	To receive the Fund's reviewed Governance Policy & Compliance Statement	Winter 2018

December 2018	Audit – Pension Scheme Administration	To receive and review an audit report from the Council's Internal Audit Service on pension scheme administration.	December 2018
January 2019	Pension Fund Cashflow	To receive and review a report from the Pension Fund accountant of the Fund's cashflow position as at 30 th November last.	January 2019
April 2019	Annual Board Report	To draft and agree the Board's annual report for inclusion in the Pension Fund's Annual Report & Accounts	30 th June 2019
June 2019	Audit – Pension Fund Investment Administration (Follow-up to the 2018 report)	To receive and review an audit report from the Council's Internal Audit Service in respect of pension fund investment administration.	
Autumn 2019	Communications Strategy Statement	To receive the Fund's reviewed Communications Strategy Statement	Autumn 2019
Autumn 2019	Pension Fund Annual Report & Accounts	To receive the Fund's audited and approved Annual Report & Accounts	Autumn 2019
Winter 2019	Section 13 GAD Report	To receive the Section 13 GAD Report received in relation to the Fund (as at 31.03.18) and recommend as required	Winter 2019
Winter 2019	Governance Policy & Compliance Statement	To receive the Fund's reviewed Governance Policy & Compliance Statement	Winter 2019
December 2019	Audit – Pension Scheme Administration (Follow-up to the 2018 report)	To receive and review an audit report from the Council's Internal Audit Service on pension svheme administration.	December 2019

January 2020	Valuation results	To receive valuation results from the Pension Fund actuary	January 2020

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4.4
POWYS PENSION BOARD

PUBLIC SERVICE PENSIONS ACT 2013
TPR CODE OF PRACTICE 14

NOTIFICATION IN RESPECT OF:-

- (1) PERSONAL INTEREST DISCLOSED AT OR AFTER APPOINTMENT**
- (2) PERSONAL INTEREST ORALLY DISCLOSED AT A MEETING OF THE PENSION BOARD**

1.	NAME OF MEMBER:	
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2. DATE AND DETAILS OF MEETING AT WHICH ORAL DISCLOSURE OF PERSONAL INTEREST MADE:

DATE:	
MEETING:	

3. AGENDA ITEM NUMBER AND BUSINESS TO WHICH THE PERSONAL INTEREST RELATES :

AGENDA ITEM:	
BUSINESS CONSIDERED:	

4. DETAILS OF PERSONAL INTEREST

(Note: If this involves SENSITIVE information give details of the agreement of the Monitoring Officer allowing you to simply disclose the EXISTENCE of the interest)

5. PREJUDICIAL INTEREST

Complete sections (a), (b), (c) and (d) in the box below by deleting those sections and words in square brackets as appropriate.

The personal interest detailed in Section 4 above:-

[(a) Is NOT a prejudicial interest because the business concerned relates to [another relevant body of which I am also a member] [another public authority or body exercising functions of a public nature in which I hold a position of general control or management] [a body to which I have been elected, appointed or nominated] AND the business does not relate to the determination of any approval, consent, licence,

permission or registration].

[(b) Is NOT a prejudicial interest because (under the objective, public perception test in Paragraph 12 (1) of the Members' Code of Conduct) it WOULD NOT be regarded as so significant that it is likely to prejudice my judgement of the public interest].

[(c) IS ALSO A PREJUDICIAL INTEREST because (under the objective, public perception test in Paragraph 12 (1) of the Members' Code of Conduct) it WOULD BE regarded as so significant that it is likely to prejudice my judgement of the public interest].

6. IF YOU HAVE A PREJUDICIAL INTEREST IN RESPECT OF WHICH YOU HAVE THE BENEFIT OF A DISPENSATION YOU MUST ALSO COMPLETE THE BOX BELOW.

DATE OF MEETING OF THE BODY GRANTING THE DISPENSATION	
EXACT WORDING OF DISPENSATION [As an alternative you may simply attach the letter (or a copy) from the body granting the dispensation notifying you]	

7. DATE AND SIGNATURE:

DATE:	
SIGNATURE:	

This written notification, fully completed, dated and signed must be given BEFORE or IMMEDIATELY AFTER the close of the meeting to the Committee Clerk.

V:\WLEGAL\CLARENCE\STANDARDS\COUNTY COUNCILS – DECLARATION OF INTERESTS

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE
HELD AT COMMITTEE ROOM A - COUNTY HALL, LLANDRINDOD WELLS,
POWYS ON FRIDAY, 9 MARCH 2018**

PRESENT

County Councillor P E Lewis (Chair)

County Councillors T J Van-Rees, E A Jones, DW Meredith, JG Morris and
A W Davies

Mr G Moore, Chair of the Powys Pensions Board
Mr M. Weale – co-opted Member

Strategic Director Resources, Pension Fund Manager, Head of Business Services,
Pension Administration Manager

Chris Archer, Sion Cole, Simon Maine and Rachel Pinder, Aon Hewitt

1.	APOLOGIES
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There were no apologies.

The Chair welcomed Rachel Pinder, Aon to her first meeting since her return from a 12 month sabbatical and congratulated Chris Hurst on his appointment as Pension Fund Manager to replace Joe Rollin on his retirement.

2.	DECLARATIONS OF INTEREST
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Members of the Committee declared interests as members of the Local Government Pensions Scheme. These are personal interests, not prejudicial interests in accordance with Paragraph 12(b) (iv) of the Members Code of Conduct 2016.

3.	MINUTES
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The Chair was authorised to sign the minutes of the last meeting held on 15th December, 2017 as a correct record.

The Committee agreed to consider the draft Pension Board minutes on the arrival of the Pension Board Chair.

4.	TRAINING PLAN [AON HEWITT]
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Mr G Moore, Chair Pension Board arrived.

The Committee noted that in respect of Asset Allocations a specialist could attend a future meeting to provide training on this issue. In response to a question regarding training opportunities Aon Hewitt advised that the training requirements of each Committee member could be assessed and then a training programme developed.

The Pension Fund Manager advised that a training programme had been agreed for the Pension Board and that the Committee could participate in this programme.

The Chair went back to Item 4 on the Agenda, Pension Board minutes.

5.	PENSIONS BOARD MINUTES
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The Pension Board Chair introduced the cover report to the minutes of the meeting held on 12 January, 2018. He advised that he would use the cover report to highlight recommendations from the Board and also advise the Committee of assurances received by the Board and other issues discussed, so that the work of the Board becomes more transparent to the Committee.

The Committee noted the report.

RESOLVED	Reason for decision
<ol style="list-style-type: none"> 1. That the Committee approves the new process for informing them of the outcomes of Board meetings. 2. that the Committee notes the invitation to attend as observers the Board meetings, so that Committee members fully understand and appreciate the role, purpose and achievements of the Board. 3. That the Pensions Manager makes available an on-line database of scheme documents. 4. That some of the procedures associated with the need to record, and if deemed of material significance, report any breaches of the law to the Pensions Regulator, are strengthened as a priority. 	<ol style="list-style-type: none"> 1. A structured “executive summary” should increase the Committee’s awareness and help focus on key issues identified by the Board, without needing to study the more detailed Board minutes, and should also assist the transparency agenda. 2. This will help develop the links and understanding between the Committee and the Board. 3. In order to be fully compliant with paragraph 46 of the Pension Regulator’s Code of Practice 14 4. Whilst, since the inception of the Public Service Pensions Act 2013, there have been no breaches of the law by the Powys Pension Fund which have been deemed to be of material significance and therefore reportable to the Pensions Regulator, nevertheless the procedures for monitoring breaches which are merely recordable, but not reportable, leave scope to be more robust in order to secure full compliance with Code of Practice 14.

The Pension Fund Manager advised that due to his unfortunate accident in October last year, Geoff Petty, was unable to continue as one of the Employer’s Representatives on the Pension Board. Discussions were taking place between the Acting Chief Executive and the Cabinet regarding a replacement.

6. INVESTMENT STRATEGY STATEMENT [AON HEWITT]

The Committee received the Investment Strategy Statement [ISS].

It was questioned whether the ISS should state that Investment Managers should meet MIFID2 requirements and whether the long term Investment objectives should also refer to the solvency of funds. It was agreed that the definition of the term “solvency” needed to be considered. The Pension Fund Manager advised that the ISS would be attached to the annual report which would be published prior to the next meeting.

It was noted that although the County Council had not formally signed up to the UK Stewardship code it aims to abide by the principles of the code where appropriate. The Pension Fund Manager advised that the Regulator states that if a Council does not sign up to the Code, it should explain its reason. He advised that the Council could consider this issues but this could be via the Pooled Fund.

RESOLVED	Reason for decision
<p>1. That it be delegated to the S151 Officer and Pension Fund Manager, in consultation with the Chair, to agree wording regarding “solvency” to be added to Investment Objectives [paragraph 3] of the ISS.</p> <p>2. That advice be sought from Aon Hewitt regarding the best way for the Council to sign up to the UK Stewardship code.</p>	<p>In order to enable a revised copy of the ISS to be available for inclusion with the Annual Report, the preparation of which will be completed prior to the next scheduled Committee.</p>

7. EXEMPT ITEM - ITEMS 8 TO 11 INCLUSIVE

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).

8. ASSET UPDATE

The Committee considered Items 8 and 9 together.

The value of the Fund as at 31 December, 2017 stood at £630.219m, which was an increase of £22.1m over Quarter 4. It was noted that the Fund had strong performance overall. The Committee was advised that increased volatility was expected over the next year and things such as US tariffs would have an impact. Markets over the next few years would see lower returns.

Aon Hewitt in response to a question regarding the County Council contributing to the Pension Fund advised that although the Fund had increased over the last year there was still a need for the Council to contribute to support the Fund. It was considered that the Fund would be closer to being fully funded by 2020.

9. Q4 QUARTERLY MONITORING REPORT

See item 8 above.

10. Q4 MTAA REVIEW

The Committee received the Medium Term Asset Allocation [MTAA] update Quarterly update to 31 December, 2017.

The Fund had outperformed the benchmark by being overweight in equities and underweight in bonds.

11. DECISIONS REVIEW

The Committee noted the report.

The Committee moved into open session.

The following item was taken next.

12. LIST OF SIGNATORIES

The Committee noted that the new Deputy Head of Financial Services, Stephen Caple needed to be added to the list of signatories.

RESOLVED	Reason for decision
that the new Deputy Head of Financial Services, Stephen Caple be added to the list of signatories.	To facilitate internal Fund processes in the light of the former s.151 Officer's current role of Acting Chief Executive and the long-term absence of a further existing signatory.

13. TRAINING - THE PENSIONS REGULATOR [PENSION BOARD CHAIR]

Gerard Moore, Chair, Powys Pension Board provided a training session regarding The Pensions Regulator.

14. WALES PENSION PARTNERSHIP - RUSSELL INVESTMENTS

The Chair welcomed representatives of LINK Asset Services and Russell Investments, which had been contracted to manage the Wales Pension Partnership Pooled Funds.

The Committee noted the following:

- the contract between the Pooled Fund and LINK is five years
- LINK will run the Fund and all the risk but it does not undertake the investment management selection or portfolio construction. It has contracted with Russell Investment to do this, again for a five year period.
- Russell Investment will advise the Pool Board on the best managers and once the Board agrees on who to use, LINK will contract with the

investment managers. Russell Investment will monitor the investment managers selected.

- the Pooled Fund's Officer Working Group will receive advice from LINK
- the first area of funds to be developed via the Pool would be Global Equities, which should be launched by the end of August or early September 2018. Hedge Funds would probably be considered next year.

In response to a question regarding savings to be achieved through pooling the Committee was advised that it could see fees cut by 5/6ths.

The Chair and Committee thanked Joe Rollin, Pension Fund Manager for his work and support over the years and wished him all the best on his retirement.

County Councillor P E Lewis (Chair)

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7

Pension Board Member Training

2015/16

	29.05.15	09.06.15	08.07.15	14.07.15	20.07.15
	General Investment	LGA Board Training	Aon DB Training (1)	CIPFA LGPS Workshop	Hymans Board Train.
G Moore	√	√		√	
W Thomas	√		√		
G Petty					√
J Byrne	√	√		√	
M Hutchison	√	√		√	

2016/17

	22.04.16	15.06.16	12.07.16	12.07.16	04.10.16
	GSAM ESG Training	PLSA Board Training	Fund Training Day	CIPFA LGPS Workshop	Aon Inv, Markets
G Moore	√	√		√	
W Thomas	√				
G Petty	√		√		
J Byrne				√	
M Hutchison			√		√

	30.11.16
	Fund Train. Day
G Moore	
W Thomas	
G Petty	
J Byrne	√
M Hutchison	

2017/18

	10.0.17	27.09.17	29.09.17
	P & I Induction	CIPFA Intro to LGPS	Private Equity
G Moore		√	√
W Thomas			
G Petty			
J Byrne			
M Hutchison	√		

2018/19

	27.06.18	10.07.18	10.07.18
	CIPFA Board Training	The Pensions Regulator (Internal)	Data Quality / Data Improvement
G Moore		√	√

W Thomas	√	√	√
G Petty			
J Byrne		√	√
M Hutchison	√	√	√

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
	PEN001	01/11/15		Pensions Administration	Failure to pay pensions and lump sums on time	Financial difficulty for the scheme member concerned, reputational risk to the Pension Fund, and additional cost to the employer where interest is payable as a result of late payment.	M	L	Low	Maintenance and update of Altair and Trent systems, sufficient staff resources and training. Quality assurance processes in place to check work done.	C Hurst
Page 33	PEN002	01/11/15		Finance	Failure to collect and account for pension contributions being paid over to the Fund on time by Fund employers.	Adverse audit opinion, potential delays to Fund employer FRS17/IAS19 reporting; and potential delay to production of annual report and accounts.	L	M	Low	Contributions received monitored on a monthly basis by Fund accounting staff.	J Thomas
	PEN003	01/11/15		Finance	Insufficient Fund cashflow to meet liabilities as they fall due.	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.	H	M	Medium	Funding strategu statement. Have this year (2015) commissioned Fund actuary to undertake a Fund cashflow forecast based on a) Fund maturity and b) impact of need for major employer (Powys CC) to reduce budget by a further £27M over next two years or so.	J Thomas

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
	PEN004	01/11/15		Pensions Administration	Inability to deliver service as a result of loss of pensions administration system, or any other system used in the provision of service (eg. pensioner payroll). Failure of any system used by the service as a result of a breach of cyber security.	Failure to provide service	L	L	Low	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.	C. Hurst
	PEN005	01/11/15		Pension Fund	Inability to deliver service as a result of the loss of key personnel	Failure to provide service at all, or at an acceptable level	L	M	Low	Business Continuity Plan in place for the pensions administration service	C Hurst
	PEN006	01/11/15		Pension Fund	Loss of funds through fraud or misappropriation	Financial loss to the Fund	L	M	Low	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.	C Hurst

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
	PEN007	01/01/15	FSS	Pension Fund	Significant rise in employer contribution rates for Fund employers with strong covenants, as consequence of increases in liabilities.	Employer contribution rates rise to unacceptable levels, putting upward pressure on Council Tax rates and the ability of Powys County Council to continue to deliver services to its communities.	L	M	Low	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.	C Hurst
Page 35	PEN008	01/01/15	FSS	Pension Fund	Significant rises in employer contribution rates for Fund employers with weak covenants as a consequence of increases in liabilities.	Employer contribution rates rise to unsustainable levels that cause employers to become insolvent	L	H	Medium	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.	C Hurst

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
	PEN009	01/01/15	FSS	Pension Fund	Significant rises in employer contribution rates for employers with strong covenants as a result of poor/negative investment returns.	Employer contribution rates rise to unacceptable levels that result in Powys County Council being unable to provide appropriate services for its communities.	L	M	Low	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.	C Hurst
Page 36	PEN010	01/01/15	FSS	Pension Fund	Significant rises in employer contribution rates for employers with weak covenants as a result of poor/negative investment returns.	Employer contribution rates rise to unsustainable levels that result in employers with weak covenants becoming insolvent.	L	H	Medium	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.	C Hurst
	PEN011	01/01/15	FSS	Pension Fund	Failure to comply with LGPS and other statutory regulations.	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.	H	L	Medium	Rigorous checking and authorisation procedures in respect of pension benefit calculations and payments; and, regular review of governance compliance policy. Staff training and development.	C Hurst

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
	PEN012	25/01/16		Pensions Administration	Failure to hold scheme member's personal data securely.	Poor data quality; compromised data; fines	L	M	Low	Compliance with Powys County Council Data Protection and ICT policies.	C Hurst
Page 37	PEN013	01/04/15	TPR	Pension Fund	Failure to maintain and hold up to date and accurate pension records.	Payment of incorrect pension benefits; late payment of benefits; assessment of incorrect liability values. Resulting in loss of customer confidence and satisfaction; IDRP and Ombudsman appeals; and, incorrect assessment of employer contribution rates.	M	M	Medium	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.	C Hurst
	PEN014	25/01/16	CIPFA	Pension Fund	Lack of expertise of Pension Fund Officers and Service Director	Poor decision making in relation to principal functions of the Pension Fund , particularly in relation to investments.	L	H	Medium	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.	C Hurst

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
	PEN015	25/01/16	CIPFA	Pension Fund	Over-reliance on key Officers	When senior Officers leave or are term sickness, large knowledge gaps remain.	M	H	Medium	In the short term, knowledge gaps can be filled by using our external colleagues from other Welsh Funds and buying in assistance from consultants.	C Hurst
Page 38	PEN016	25/01/16		Pensions Administration	Failure to communicate effectively with stakeholders.	Scheme members unaware of their rights under the LGPS and make poor decisions in relation to pension rights. Employers unaware of the scheme regulations, the procedures and their responsibilities, resulting in poor or inappropriate decision-making and may adversely effect the flow of pensions data to the Pension Fund.	L	M	Low	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.	C Hurst
	PEN017	26/01/16		Pensions Administration	Failure to provide the pensions service in accordance with principles of equality.	Some stakeholders may be unable to access the service fully or at all. In the worst case scenario, this could result in court action against the Fund.	M	M	Medium	The Fund maintains a Welsh Language register in respect of scheme members and employers.	C Hurst

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
Page 39	PEN018	01/01/15	FSS	Pension Fund	Failure to collect payments due from ceasing employers with no active members.	Failure to collect cessation payments from ceasing employers results in relevant liabilities being funded by the Powys Pension Fund and the active employers.	L	M	Low	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.	C Hurst
	PEN019	25/01/16	SAB	Pension Fund	Lack of expertise of members of Pensions & Investment Committee	Poor decision making in relation to all aspects of the Fund, particularly those in relation to investment.	M	H	Medium	On 16th July 2015 the Fund adopted the CIPFA Knowledge and Skills Framework to inform its training plans for members of Pensions & Investment Committee (and the Pension Board).	C Hurst

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
Page 40	PEN020	01/01/15	FSS	Pension Fund	Pension Fund assets fail to deliver returns in line with the anticipated returns underpinning the valuation of liabilities over the long-term.	Increased employer contribution rates.	L	M	Low	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.	C Hurst
	PEN021	01/01/15	FSS	Pension Fund	Inappropriate long-term investment strategy.	Failure to meet funding objectives.	L	H	Medium	Use of a Fund specific benchmark, as recommended by the Fund's investment consultant.	C Hurst
	PEN022	01/01/15	FSS	Pension Fund	Active investment manager under-performance relative to the benchmark.	Failure to meet funding objectives.	L	M	Low	Short-term (quarterly) investment monitoring analyses market performance and active managers relative to their index benchmark.	C Hurst

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
	PEN023	01/01/15	FSS	Pension Fund	To permit deficits to be eliminated over a recovery period rather than immediately, introduces the risk that action to restore solvency is insufficient between successive measurements.	Increased employer deficit recovery payments.	L	M	Low	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.	C Hurst
Page 41	PEN024	01/01/15	FSS	Pension Fund	Permitting contribution rate changes to be introduced by annual steps rather than immediately, introduces a risk that action to restore solvency is insufficient between successive measurements.	Increased employer contribution rates.	L	M	Low	Each individual employer situation is discussed with the Pension Fund actuary, with stepping restricted to three years, or 6 years, in very exceptional circumstances.	C Hurst

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
Page 42	PEN025	01/01/16	FSS	Pension Fund	Pensioners living longer and, changing retirement patterns.	Increased employer contribution rates.	L	M	Low	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.	C Hurst
	PEN026	01/01/16	FSS	Pension Fund	Deteriorating patterns of ill health or other early retirements.	Increase in employer contribution rates and deficit recovery payments.	L	M	Low	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.	C Hurst

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
	PEN027	01/01/15	FSS	Pension Fund	Fall in the returns on Government bonds.	Increase to the value placed on Fund liabilities.	M	M	Medium	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.	C Hurst
Page 43	PEN028	01/01/15	FSS	Pension Fund	Pay and price inflation significantly more than anticipated.	Increased employer contribution rates and deficit recovery payments.	M	M	Medium	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.	C Hurst

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
	PEN029	26/01/16	SAB	Pensions Administration	Failure to reconcile all relevant active, deferred and pensioner member GMP records against the data held by DWP in respect of the cessation of contracting out, by April 2018.	Increase in Fund liabilities; increased employer contribution rates and deficit recovery payments; and, payment of incorrect pension benefits.	M	M	Medium	In process of assessing how best to deal with the work required. Unlikely to be possible to complete with current in-house resources - due to current 'core' business volumes and specialist nature of work required. Therefore evaluating external partnerships.	C Hurst

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
	PEN030	04/03/16	LPB	Pension Fund	Insolvency of an investment manager investing Pension Fund assets.	A reduction in the capital value of the Fund; a loss of liquidity as creditors agree on distribution of assets; the costs of legal representation; and, reputational damage.	M	C	High	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.	J Thomas

Risk Register

Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk			Current Controls	Risk Owner
							P	I	Risk Rating		
	PEN031	04/03/16	LPB	Pension Fund	Pooling of Pension Fund assets with other LGPS Pension Funds.	Investment of Fund Officer and Committee time and other resource with unknown outcomes; front loaded costs before potential savings are realised; potential loss of local accountabilities; and, the loss of the primacy of the Fund and its strategic needs.	M	M	Medium	Due diligence on all pooling proposals; full transparency of all pool proposals and costs; full participation of the Pension Fund in all pooling development.	C Hurst
Page 46	PEN032	10/03/17	LPB	Pension Fund	An admitted body ceasing to exist with insufficient funding or level of a bond available to meet all its Fund liabilities.	Unfunded pension liabilities being orphaned without sufficient funding/guarantees in place, resulting on increased liabilities falling on other Fund employers.	M	L	FALSE	To seek funding guarantees wherever poaaible, 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.	C Hurst
								FALSE			

Risk Register

Portfolio Holder	Proposed Further Actions / Controls	Residual Risk			Notes
		P	I	Risk Rating	
A Davies	Review of process as part of the ongoing review of pensions administration processes following the implementation of the 2014 Scheme.	M	L	Low	
A Davies	Requirement that each end of scheme year, Fund employers certify that they have paid over contributions at the correct rates and on time.	L	M	Low	
A Davies	Following completion of the fund actuary's cashflow forecast, review strategic asset allocation 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.	M	L	Low	

Risk Register

		Residual Risk			
Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
A Davies	Keep Business Continuity Plan under review. Periodic review by the Pension Board of provider assurances in respect of cyber security.	L	L	Low	
A Davies	Keep Business Continuity Plan under review	L	M	Low	
A Davies	None	L	M	Low	

Risk Register

Portfolio Holder	Proposed Further Actions / Controls	Residual Risk			Notes
		P	I	Risk Rating	
A Davies	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.	L	M	Low	
A Davies	In process of developing risk sharing arrangements to enable employers with weak covenants to attain a degree of certainty over the level of employer contribution rates.	L	M	Low	

Risk Register

Portfolio Holder	Proposed Further Actions / Controls	Residual Risk			Notes
		P	I	Risk Rating	
A Davies	Continual monitoring of performance; review of asset allocation strategy, including consideration of alternative asset classes and non-market led assets.	L	M	Low	
A Davies Page 50	Continual monitoring of performance; review of asset allocation strategy, including consideration of alternative asset classes and non-market led assets.	L	M	Low	
A Davies	Closer partnership working with employer payrolls to facilitate accurate data receipts; increased compliance oversight provided by newly established Pensions Board.	M	L	Low	

Risk Register

		Residual Risk			
Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
A Davies	Data protection audit in conjunction with TPR data quality standards to be undertaken	L	M	Low	
A Davies	Additional data validation and quality checks to be implemented as required by the TPR code of practice.	L	M	Low	
A Davies	Formalised Officer training via individual training plans based on the CIPFA 'Knowledge and Skills' framework, as is the the procedure for members of both Pensions & Investment Committee and the Pensions Board.	L	M	Low	

Risk Register

Portfolio Holder	Proposed Further Actions / Controls	Residual Risk			Notes
		P	I	Risk Rating	
A Davies	Formalise succession planning by including in Officer individual training plans for less senior Officers.	M	L	Low	
A Davies	No further action proposed.	L	M	Low	
A Davies	To utilise technology to enable access to service and information for stakeholders with disabilities, other language needs etc.	L	M	Low	

Risk Register

Portfolio Holder	Proposed Further Actions / Controls	Residual Risk			Notes
		P	I	Risk Rating	
A Davies	No further action planned.	L	M	Low	
A Davies	Rollout of individual training plans for all members over the coming year (2016/17). After each County Council election, specific training events are put on for new members elected to Pensions & Investment Committee.	L	H	Medium	

Risk Register

Portfolio Holder	Proposed Further Actions / Controls	Residual Risk			Notes
		P	I	Risk Rating	
A Davies	No further action planned.	L	M	Low	
A Davies	Nothing further planned	L	H	Medium	
A Davies	Nothing further planned	L	M	Low	

Risk Register

Portfolio Holder	Proposed Further Actions / Controls	Residual Risk			Notes
		P	I	Risk Rating	
A Davies	No further action planned.	L	M	Low	
A Davies	No further action proposed.	L	M	Low	

Risk Register

Portfolio Holder	Proposed Further Actions / Controls	Residual Risk			Notes
		P	I	Risk Rating	
A Davies	No further action proposed.	L	M	Low	
A Davies	No further action proposed.	L	M	Low	

Risk Register

		Residual Risk			
Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
A Davies	No further action proposed.	M	M	Medium	
A Davies	No further action proposed.	M	M	Medium	

Risk Register

Portfolio Holder	Proposed Further Actions / Controls	Residual Risk			Notes
		P	I	Risk Rating	
A Davies	Appoint external partners to a) identify scale of work required; b) bank 'quick wins'; complete reconciliations by April 2018.	M	L	Low	

Risk Register

Portfolio Holder	Proposed Further Actions / Controls	Residual Risk			Notes
		P	I	Risk Rating	
A Davies	Increased investment manager diversification may be further facilitated by pooling via the Wales Pool that is currently under development. As agreed by P & I Committee on 9th February 2017, when entering into new contractual arrangements with investment managers, contract documentation is to be referred to the Fund's legal advisers for review and appropriate due diligence.	L	C	Medium	

Risk Register

Portfolio Holder	Proposed Further Actions / Controls	Residual Risk			Notes
		P	I	Risk Rating	
A Davies	Pooling vehicle to be structured so that each participating Fund has full representation in the pool; the pool structure enables full strategic decisions to be retained by each individual Fund; and. economies of scale (based on experience to date) indicate that savings will be made by the Fund that will exceed initial costs.	L	M	Low	
A Davies	Regular review of admitted body covenants and financial health.	M	L	FALSE	
				FALSE	

Breach No	YEAR	Breach Type	Nature of Breach	Breach Description	Action	Significance (Y/N)	Committee	Board Notified	Notified	RAG Status
1	2018/19	Administration Benefits	Late Notification of deferred	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 c200 deferred members. Cause: The backlog has occurred through the introduction of the new LGPS and the increased complexity around administration (aggregations, final salary links etc). An increase in the numbers of deferred pensioners who have left employment through reorganisations in recent months has also had an impact. Effect: although a breach, it is not considered material, as the information is 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	

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CYNGOR SIR POWYS COUNTY COUNCIL

Pension Board
10th July 2018

REPORT BY: Pension Fund Manager

SUBJECT: Membership and Financial Statistics for the period 1st
January to 31st March 2018

REPORT FOR: Information

1. Introduction

- 1.1 Further to the report provided in the January 2018 Pension Board meeting, this report contains the membership and Pensions Administration financial statistics for the period 1st January to 31st March 2018.

2. Pensions Administration Financial Statistics - Income & Expenditure

2.1

OUTGOING	JAN 18	FEB 18	MAR 18	Total
Pensions	1,515,788.32	1,524,039.39	1,544,343.71	4,584,171.42
Lump Sum Retiring Allowance	(361,589.17)	257,218.19	608,629.14	504,258.16
Refunds of Contributions	2,609.85	4,606.01	4,664.15	11,880.01
Death Gratuities	59,256.79	7,518.15	30,773.46	97,548.40
Pensions - Compounded	65,104.07	(16,982.24)	34,731.00	82,852.83
Widows Pensions - In Payment	195,909.17	207,490.79	207,970.95	611,370.91
Transfer Values	624,789.73	118,445.01	579,471.48	1,322,706.22
Childrens' Pensions	76.93	76.93	76.93	230.79
INCOMING				
Employee Conts. Pensions	(403,246.28)	(403,262.44)	(437,662.81)	(1,244,171.53)
Employers Conts. Pensions	(1,236,953.88)	(1,222,271.85)	(1,274,344.12)	(3,733,569.85)
Transfer Values	(38,317.11)	(8,135.94)	(236,554.36)	(283,007.41)
Employee Additional Conts	(370.11)	(823.46)	(740.22)	(1,933.79)
Net Exp	(305,212.18)	(340,405.39)	2,029,673.36	1,619,884.76

3. Pensions Administration membership statistics

3.1 The table below contains the detail of the movements of the scheme membership between the different statuses (Active member to a pensioner or deferred status for example).

The column on the left shows the totals per status at the start of the period. The middle section shows the movements, which leaves the totals per status at the end of the period in the right hand column.

Key:

Status

- 1 Active Member**
- 2 Undecided leaver (Deferred not yet processed)**
- 3 Exit (Refund, Transfer Out)**
- 4 Deferred member**
- 5 Pensioner member**
- 6 Dependant Member**
- 7 Death**
- 8 Awaiting Entry (Starter not fully processed)**
- 9 Frozen Refund**
- 10 Optant Out**
- T Third Tier Cessation**

Old Status	In Force at 01/01/2018	New Status											Other Locn.	Other St.	Total Off	Total On	In Force at 31/03/2018	
		1	2	3	4	5	6	7	8	9	O	T						
1	5695		63	18	36	23		1		20	10					171	186	5710
2	110				3											3	63	170
3	12462					1										1	103	12564
4	6296	6		58		49		1								114	39	6221
5	3906			19				29								48	73	3931
6	618							14								14	13	617
7	3243																45	3288
8	15	2		2												4		11
9	487			5												5	20	502
O	1053			1												1	21	1073
T																		
Other Locn.																		
Other St.																		
Blank		178					13				11							
Total	33885	186	63	103	39	73	13	45		20	21					361	563	34087

CYNGOR SIR POWYS COUNTY COUNCIL**Powys Pension Board
10th July 2018****REPORT BY: Board Secretary****SUBJECT: GDPR Post Implementation Update**

REPORT FOR: Information

1. Introduction

At the meeting on 12th January 2018, the Board sought assurances that processes had been put in place regarding the implementation of the General Data Protection Regulation (GDPR), which came into effect on 25th May.

2. GDPR Requirements

- 2.1 The General Data Protection Regulation (GDPR) is a new set of European Union (EU) regulations which come into force on 25th May 2018. It changes how organisations are required to process and handle data, with the key aim of giving greater protection and rights to individuals.
- 2.2 The changes required an update to several key documents and contracts with external providers.
- 2.3 It has been confirmed that the role of the Data Protection Officer for the Fund will be the County Council's appointed Data Protection Officer.

3. Action Taken and Updated Documentation

- 3.1 As a result of the above requirements, the documentation below was produced:

GDPR Frequently Asked Questions for members
Full Privacy Notice
Short Privacy Notice
Memorandum of Understanding for Scheme Employers
Data Protection Breach Form
Privacy Impact Assessment Form

- 3.2 Scheme membership and Employers were notified and issued with a link to the appropriate privacy notices. The following were written to:

Scheme Employers (including the Memorandum of Understanding)

Active Scheme Members
 Deferred Scheme Members
 Pensioners (including Dependents)

- 3.3 The Powys Pension Fund website has been updated to include updated privacy notices for easy member access.

The member self-service portal, My Powys Pension, has been updated to enable a member to consent to the use of their data in order to continue using the facility, in the form of a positive election in a “check” box.

For new entrants to the scheme, the Starter Pack has been updated to include reference to the new legislation and appropriate privacy notices and GDPR FAQ.

- 3.4 Contracts and Data Protection agreements with 3rd party Service Providers have been updated to meet the GDPR requirements.

4. Recommendation

The Board is asked to note the contents of this report.

Recommendation:		Reason for Recommendation:	
<ul style="list-style-type: none"> That the Board notes the updated documents and procedures in accordance with the GDPR requirements 		As per report	
Person(s) To Action Decision:			
Date By When Decision To Be Actioned:			
Relevant Policy (ies):	N/A		
Within Policy:	N/A	Within Budget:	N/A
Contact Officer Name:	Tel:	Fax:	Email:
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