

## **MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD BY TEAMS ON MONDAY, 9 NOVEMBER 2020**

### **PRESENT**

Gerard Moore (Chair)  
Nigel Brinn (Employers Representative)  
Wayne Thomas (Employers Representative)  
John Byrne (Member Representative)  
Mick Hutchison (Member Representative)

### **In attendance**

Chris Hurst, Pension Fund Manager (Secretary to the Board)  
Jane Thomas, Section 151 Officer

Observer - Richard Lloyd-Bithell, CIPFA

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| <b>1. APOLOGIES</b> |
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There were no apologies for absence.

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| <b>2. DECLARATIONS OF INTEREST</b> |
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The Chair advised he was an Associate of 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. The Board agreed that this does not represent a conflict of interest as the Pension Fund Manager is responsible for arranging training.

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| <b>3. MINUTES OF THE BOARD</b> |
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The minutes of the last meeting held on 30 September 2020 were agreed as a correct record.

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| <b>4. MATTERS ARISING</b> |
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The following were noted [Item number refers to the number in previous minutes]:

Item 4 – the Action Plan in respect of the LGPS Cohort Review would be considered by the Board.

Item 6 – Terms of Reference [ToR] update – the ToR had been approved by Full Council. It was noted that within the current ToR there is no scope to make a financial compensation to any Board member other than the Chair. As the current Chair's term of office would come to an end in mid 2021, it was considered that this was the appropriate time to review the ToR again and consider payments etc.

Item 10 – Annual Report - Draft Chairman's Statement – the Board noted that the costs in respect of the Board had been added to the report and therefore this was now complete. The Pension Fund Manager advised that the Annual Report, which forms part of the Pension Fund's Annual Report and Accounts, would be formally adopted by the Pensions & Investment Committee at its meeting on 25 November 2020.

## 5. CHAIR'S ANNOUNCEMENTS

The Chair advised that the Scheme Advisory Board [SAB] survey had been delayed again. It was noted that the SAB was awaiting legal comments on a proposed question on whether Boards are covered by an insurance policy.

Richard Lloyd-Bithell of CIPFA joined the meeting as an observer.

## 6. MINUTES OF PENSIONS AND INVESTMENT COMMITTEE

The Board received the Pensions and Investment Committee's minutes for 9 October, 2020.

The Board noted the following:

Risk Register – this would be considered at the next Committee meeting.

Equity Risk Management – the Committee was considering an appropriate governance approach to allow speedier decisions in respect of changes to equity protection in response to market changes. The Board would have a role in reviewing the proposed governance arrangements and its transparency.

The Chair reported on the excellent quality of debate at the last Pensions & Investment Committee meeting.

## 7. REVIEW OF COMPLIANCE WITH TPR CODE 14

The Pension Fund Manager advised that the document had been updated in line with the comments at the previous meeting.

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

**Governing your Scheme** [38-60]

46 – an easily accessible library of relevant documents for the Board would be created.

48 – it was noted that the Board is regularly advised of training opportunities.

The Pension Fund Manager agreed to circulate the Training Needs questionnaire, as this was previously completed in February 2019. The Chair advised that the recent WPP training was excellent. It was considered that some training could be done as a Group and could be undertaken when the new members are appointed.

56 – it was agreed that refresher training would be provided to existing Board members at the same time as the new Board members.

53 - 57 – the Training Needs Self-assessment would be recirculated, as this had been undertaken in February 2019.

**The Board agreed that a one-off training meeting would be scheduled to coincide with the appointment of the new Board members.**

**Publishing information about the schemes** [92- 98] this section had been reviewed and updated.

**Providing information to Members** [188 – 210] - this section had been reviewed and updated. The Pension Fund Manager advised that providing information to members was becoming more complicated due to the McCloud case and exit payment cap changes.

196 – the Board noted that further clarification had been added to this section as a result of discussions at the last meeting.

208 – the Board noted the ongoing work as a result of the first address tracing exercise.

**Resolving issues [216 – 240]**

216 – a process for IDRPs was in place and consideration of whether any element could be undertaken externally, was an option in the future.

The Board acknowledged the work involved in reviewing and monitoring compliance with the Code.

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| <b>8.</b> | <b>OPERATIONAL AND ADMINISTRATION REPORT &amp; UPDATE [STANDING ITEM]</b> |
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The Board received and noted the Operational and Administration report. The Pension Fund Manager advised that when a large payment was due, the Pension Team would discuss this in advance with the Finance Team to manage the cash flow. He advised that the communication between the two Teams was robust.

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| <b>9.</b> | <b>DATA IMPROVEMENT PLAN</b> |
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The Board received the Data Improvement Plan and noted the progress. The Chair advised that this was one of the top priorities for TPR. The Board noted that data had improved year on year since the production of the original plan. It was noted that further work was required on those that were classed as “gone away”.

**The Board asked that an update be provided on the very high priority actions in the plan.**

The Pension Fund Manager advised that he would update the information in respect of the very high priorities and recirculate the document to the Board for further comment, prior to circulation to the Committee.

Nigel Brinn left to attend another meeting.

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| <b>10.</b> | <b>COMMUNICATIONS POLICY</b> |
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The Board received the draft Communications Policy. The Chair asked that sections 188 - 210 be cross checked with the TPR Code 14.

The following comments were made in respect of the following paragraphs:  
3.1 - it was noted that the non-voting observer position on the Pensions and Investment Committee for a scheme member had been vacant for some time. The Pension Fund Manager agreed that he would develop a protocol and action plan for filling this vacancy and discuss this with the scheme member representatives on the Board. He would also clarify whether the scheme member observer role was restricted to nominations by the recognised trade unions. Reference to annual accounts would be added to this section.

3.2 – training was mandatory for Board members but currently not for Committee members. The document would be amended to ensure consistency of wording in respect of this.

4.11 - the Pension Fund Manager advised that the website was updated as and when needed and also following Committee meetings. Information regarding changes to legislation was updated by Hymans and he would check how often this is undertaken.

8 – reference should be made to Wales Pension Partnership [WPP].

In response to a question, the Pension Fund Manager advised he would consider whether reference should be made to the Responsible Investment Policy in this document.

The Pension Fund Manager advised that he would update the draft policy and recirculate the document to the Board for further comment, prior to circulation to the Committee.

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| <b>11.</b> | <b>GOVERNANCE AND COMPLIANCE STATEMENT</b> |
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The Board considered the Governance and Compliance Statement which had previously been reviewed three years ago. The Chair asked that a sentence be added to the document setting out the context of the document and that it would be reviewed further when the SAB published its Good Governance guidance.

The following comments were made:

2.3.1 – details on the quorum would be added

3.2 – the results of the discussion on whether the scheme member [non-voting] observer on the Committee should be nominated by the recognised trade unions, referred to in agenda item 10, would be reflected here as required.

Appendix A Functions Delegated to the Pensions & Investment Committee – reference to the WPP and its role would be added.

Appendix B Functions Delegated to the Section 151 Officer – General - the wording regarding the limits for expenditure by the Section 151 Officer would be clarified.

Appendix D Governance Compliance Statement - reference to good governance and SAB would be added. The Pension Fund Manager agreed to consider whether reference to the Board should be included in Principle E - Training/Facility Time/Expenses.

The Board noted the Committee was considering the development of an Equity Protection Framework, which may include the establishment of a secondary panel to make timely decisions on equity protection. If the Committee agrees to such a framework, reference would be included in this document.

The Pension Fund Manager advised that he would update the draft policy and recirculate it to the Board for further comment, prior to circulation to the Committee.

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| <b>12.</b> | <b>REVIEW OF RISK REGISTER AND CONSIDERATION OF ANY NEW RISKS [STANDING ITEMS]</b> |
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The Board raised the following comments [the numbers shown are the Risk Reference numbers]:

**PEN 036** - the Pension Fund Manager advised that discussions were being held with the Council's Commercial Services Team regarding the process to fill the vacant seats and recruiting the replacement of the Chair. Discussions were being held on how to approach scheme members and employers and this would be raised at the employers meeting in December. It was noted that if new members could be recruited a training session could be provided in early February before the Board meeting on 15 February 2021. A timescale for the completion of the action plan would be added.

In respect of the replacement of the Chair, the Pension Fund Manager agreed to include a date by which a new Chair is appointed to enable a handover from the current Chair.

The timing of training sessions was considered. **The Board agreed that training of up to an hour would be provided before the scheduled Board meetings in 2021 and these could also be open to Committee members and officers.**

**The Board recommended that a new risk relating to the implementation of good governance in accordance with SAB guidance should be added to the Risk Register.**

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| <b>13.</b> | <b>WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE [STANDING ITEM]</b> |
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The Board noted the update report. The Pension Fund Manager advised that the with the transition of fixed income sub funds to the WPP, the Powys Fund now has over 70% of assets invested within pooled vehicles. The Pension Fund Manager advised that the WPP is currently drafting a climate change policy.

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| <b>14.</b> | <b>NEW LEGISLATION AND GUIDANCE (STANDING ITEM)</b> |
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The Board noted the report.

The Pension Fund Manager referred to the HMT rules in respect of exit caps. The £95K exit payments cap became law on the 4 November 2020 but the LGPS rules had not been updated to reflect this. The conflict in the rules had not yet impacted on the Fund but this could happen at any time. There is ongoing discussion and the LGA is looking at producing new guidance for Administering Authorities to enable them to undertake their roles before pension regulations catch up with HMT regulations. The Board recognised its focus was on compliance with legislation but the current position was outside of its control.

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| <b>15.</b> | <b>BOARD MEMBER TRAINING [STANDING ITEM]</b> |
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The Board had covered training issues during other parts of the meeting.

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| <b>16. STANDING ITEMS WITH NO UPDATES</b> |
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The Board noted that there are no new breaches and no new IDRPs cases.

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| <b>17. FUTURE BOARD MEETINGS</b> |
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The Board noted the 2021 meeting dates as follows:

15 February

14 June

13 September

22 November

As the meetings are scheduled for 1400hrs, the Board agreed that training sessions would be held, where appropriate, at 1100hrs.

**Gerard Moore (Chair)**