

MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT BY TEAMS ON WEDNESDAY, 15 DECEMBER 2021

PRESENT

Gerard Moore (Chair)

John Byrne (Scheme Member Representative)

Graham Evans (Employer Representative)

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

1.	APOLOGIES
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Apologies for absence were received from Employer Representatives Nigel Brinn and Wayne Thomas and Scheme Member representatives Mick Hutchison and David Powell.

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. The Board agreed that this does not represent a conflict of interest as the Pension Fund Manager is responsible for arranging training.

3.	MINUTES OF THE BOARD
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The minutes of the meeting held on 24 September 2021 were agreed as a correct record.

4.	MATTERS ARISING
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The Board noted the following:

Item 5 – Minutes of the Pensions and Investment Committee – In respect of Responsible Investment, the Pension Fund Manager advised that the Committee would discuss this at its meeting on 17 December 2021 and he would provide a report to the Board meeting in February 2022.

Item 10 and Item 13 – the following items would possibly be added to the Board's agenda in February - cost transparency, the Pension Fund's performance in respect of the Pension Regulator's [TPR] six key processes and the role of the Board in the triennial valuation.

Item 20 – Pension Board self-assessment – an additional short meeting would be arranged for the Board to consider this one issue.

5.	MINUTES OF PENSIONS AND INVESTMENT COMMITTEE
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The Board received the Pensions and Investment Committee's minutes for 7 October 2021. The Board noted that the Committee had recently met to approve the Pension Fund Annual report and accounts. The Pension Fund Manager agreed to send the two new Board members a link to this document.

The Chair asked that the Board receive a copy of the Committee's Forward Looking Business Plan.

6.	REVIEW OF COMPLIANCE WITH TPR CODE 14
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The Pension Fund Manager advised that the document had been updated in line with the comments at the previous meeting.

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

Governing your Scheme [38 – 60]

39-41& 48 – the Training Needs Analysis would be sent to all Board members to complete, so that the training needs for individuals and the Board as a whole could be developed for the next 12 months. Training sessions would be built into meetings or extra meetings would be added.

42 – the Pension Fund Manager advised that the Pension Board knowledge /document library would be developed over the next 6 /12 months.

51 - it was noted that TPR considered it was an important role and expectation of Board members to identify and where relevant challenge any failure to comply with regulations and legislation etc.

56 – the Chair confirmed that he had met virtually with the two new Board members soon after their appointments to provide initial training on the role of the Pensions Board and the responsibilities of Board members.

Conflicts of interest and representation [62 – 91]

76 – the Pension Fund Manager advised a review of the conflicts policy and procedures and all other policies was scheduled for early 2022. The revised policy would be brought to the Board for consideration.

80 – **the Board was assured that the process for appointing the two new Board members was duly followed.**

Administration [124 – 146]

124 – the Pension Fund Manager advised that the annual data quality test had been completed in October 2021. The common data scored 98% and scheme specific data scored 92% against TPR levels. The Board noted that recording of the postcode in the wrong line had brought the scheme specific level down. The Pension Fund Manager advised that as part of the data improvement plan checking data could now be undertaken on a more regular basis. The Board noted that a test would be completed again after the year end and before the next Annual Benefits Statement were distributed.

128 – the Employer representative advised that the annual letter issued to employers regarding submitting the appropriate information was good practice and was a secondary check to the employers monthly checks.

131 – the Pension Fund Manager advised that the procedures to trace the flow of funds into and out of the scheme and reconcile flows were being reviewed.

The Chair provided feedback from a webinar on the issues raised in response to TPR proposal to combine 10 codes of practice into one code. For LGPS the following themes were highlighted in the consultation:

- clarification on the applicability of the code to LGPS
- guidance from TPR especially on proportionality
- the need to retain historic versions

- legislative boundaries and the need for a clearer definition of governing bodies in respect of LGPS due to their complexity
- the main focus will remain on the scheme manager
- looking at whether it is the role of Pension Boards to formally advise the scheme manager
- designed to be a more flexible code
- the TPR toolkit will be updated
- TPR will not do anything until statutory guidance on pooling assets is published

TPR are not expecting the single code to be in place until late summer or autumn 2022.

7. OPERATIONAL AND ADMINISTRATION REPORT AND UPDATE

The Board received and noted the Operational and Administration report.

The Board noted that the number of active members in the Pension Fund was increasing and that there were no Status 8 numbers. In respect of Key Performance Indicators [KPIs] the Pension Fund Manager advised that addressing these was a priority for him. The Chair advised he would share a public document on KPIs from another fund with the Pension Fund Manager to assist him in this work.

8. REVIEW OF RISK REGISTER [STANDING ITEMS]

The Pension Fund Manager advised that he was working with the Council's Risk Team to review the risk register in its entirety to establish potential consolidations or updates to risks. The Board noted that no new risks had been added since the last meeting and raised the following comments [the numbers shown are the Risk Reference numbers]:

PEN007 & PEN008 – the Board noted a new Employer post had been created in the Team and the post holder would work with employers on such things as discretionary powers. The Board noted the new resource and that work with employers on reviewing discretionary powers would start in April 2022.

PEN014 – **the Board agreed that it would review the training of officers and seek assurances on this at the next meeting.**

9. NEW LEGISLATION AND GUIDANCE (STANDING ITEM)

The Board noted the report and the following:

Pension scams: restrictions on transfers – the Pension Fund Manager advised that the Administration Team was reviewing the guidance and amending processes in response to the publication of the new regulations and guidance.

Scheme return – **the Board noted the timely submission of the scheme annual return.**

10. BOARD MEMBER TRAINING [STANDING ITEM]

The Pension Fund Manager advised that he proposed to bring the Pension Administration Manager to future meetings to present administration issues. As advised earlier the Training Needs Analysis would be circulated to all members.

A training programme would then be developed for individuals and the Board as a whole.

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

- a. Breaches Register – there were no new breaches. In respect of frozen funds, the Board noted that 65 frozen funds had been identified as at 30 November 2021.
- b. Audit Reports – none outstanding
- c. Board Communications Log - noted
- d. Internal Dispute Resolution Procedure [IDRP] – no new disputes.

12.	FUTURE BOARD MEETINGS
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The Board note the dates and times of meetings in 2022:

14 February 2pm
 15 June 2pm
 19 September 2pm
 21 November 2pm

13.	CONFIDENTIAL
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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.

14.	PENSION BOARD CHAIR UPDATE
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The Chair advised that he had attended:

- the virtual Employers conference and had raised the issue of succession planning for employer representatives on the Pension Board
- the open part of the WPP Joint Governance Committee [JGC] on 1 December and
- a PLSA meeting.

The Chair agreed to take the Cessation of Contracting out report next.

15.	CESSATION OF CONTRACTING OUT - UPDATE [STANDING ITEM]
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The Board received and noted the report.

In response to questions the Board noted that no scheme member who had been overpaid would be asked to make repayments. The company undertaking the review had completed work in other LGPS and had sample letters and communication for scheme members. The Pension Fund Manager advised he would liaise with the unions and inform them prior to communication with affected scheme members. **The Board agreed that it wished to review the template letters and communication to be used with scheme members.**

16.	WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE [STANDING ITEM]
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The Board received the report regarding the WPP. The Board noted that the Inter Authority Agreement (IAA) of the Wales Pension Partnership (WPP) had been agreed by the eight funds in the Pool. The Board noted that the Chair had received the email from the WPP seeking nominations of a Board member to be the scheme member representative on the Joint Governance Committee [JGC].

17.	WORKFLOW UPDATE
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The Board received the Workflow report for the period 01/04/2021 to 30/09/2021.

Gerard Moore (Chair)