

**MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT
COMMITTEE ROOM A - COUNTY HALL, LLANDRINDOD WELLS, POWYS ON
FRIDAY, 20 OCTOBER 2017**

PRESENT

Gerard Moore (Chair)

John Byrne and Mick Hutchison (Member Representatives)

Geoff Petty (Employers Representative)

Joe Rollins (Secretary to the Board)

Chris Hurst (Pensions Administration Manager)

1. APOLOGIES

Apologies were received from Wayne Thomas, Employers Representative.

2. DECLARATIONS OF INTEREST

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

The minutes of the last meeting held on 14th July, 2017 were agreed as a correct record.

4. MATTERS ARISING

4.1. Item 5a - The Pension Regulator [TPR] Annual return 2017

The Board received the Pensions Regulator [TPR] Annual return 2016 – 2017 and the Secretary advised the report had been returned ahead of the required deadline. It was noted that the TPR had fined a Council last year for non-return of the report.

RESOLVED	Reason for decision
That the Board note the timely submission of the Pensions Fund Scheme return 2016 - 2017 and its content.	As per report.

4.2. Item 5b - Scheme Advisory Board [SAB] Board Survey

The Board received the completed survey submitted to the Scheme Advisory Board.

The Chair advised that four schemes which had completed the survey had advised that they do not have planned training programmes. It was noted that training was to be considered later on the Agenda.

4.3. Item 5d - Board Work Programme

The Board noted the Work Programme for the period to January 2020.

The following was noted:

- Section 13 Government Actuaries Department [GAD] report – GAD had been asked to develop a tool for making comparisons of the funding levels of schemes and their assumptions on such things as inflation, returns on investments etc. The Secretary advised that GAD's report would probably be available toward the end of 2018.
- Administration Strategy Statement, Communications Strategy Statement and Governance Policy & Compliance Statement – the Board asked that it has an opportunity to see the draft statements prior to the final consideration by the Pensions & Investment Committee
- Pension Fund Annual Report & Accounts - the Board offered to consider the draft report and accounts, if the timings made this possible
- The Board's training programme would be incorporated into the Work Programme
- Wales Pension Partnership – this should be a standing item on each Agenda rather than “until completion”.

4.4. Item 5f - Scheme Member Information - a verbal report

The Board noted that this was discussed at a previous meeting and some examples had been emailed to the Board for consideration. As no comments had been received it was agreed that the information would be emailed again and members were asked to bring their thoughts to the next meeting.

5.	EXERCISE OF VOTING RIGHTS
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The Board noted the responses from Equity Managers regarding voting rights exercised. The Chair advised he would share a guide to voting for pooled funds with the Board.

6.	CHAIRMAN'S ANNOUNCEMENTS
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The Chair advised he had attended a Local Government Association training event for Chairs of Fire & Rescue Boards. The Pension Regulator [TPR] had attended and was putting pressure on the public sector pension funds to comply with regulations. TPR would be attending the Welsh Boards Chair meeting. The Chair advised he would ask the Regulator in what circumstances he would consider placing fines on Board members.

7. MINUTES OF PENSIONS AND INVESTMENT COMMITTEE

The Board received the Pensions and Investment Committee's minutes for 29 September, 2017.

The Chair advised that after the meeting he asked about an inconsistency that he had spotted in the annual pension fund accounts in relation to one of the Notes to the Accounts. The Secretary advised that the Financial Reporting and Policy Accountant had agreed to review the note in the Annual Report.

The Board noted the action plan agreed by the Committee in respect of the General Data Protection Regulations. It was noted that an English Pension Fund had been fined by the Information Commissioner as they had been subject to a cyber-attack.

RESOLVED	Reason for decision
That regular updates are received in respect of the progress in meeting the General Data Protection Regulations' action plan.	To seek assurances that the requirements of the action plan are being met.

8. MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE II [MIFID2]

The Board noted the questionnaire sent to Asset Managers relating to the Markets in Financial Instruments Directive II – Opting Up. The Board noted the process required to ensure the Pensions Fund operated at the required level from 3 January 2018. The Secretary advised that one Asset Manager had already responded stating that the Fund met the required criteria to operate at this level. It was noted that due to the recent election the average period of service of Pension & Investment Committee members was two years. The Secretary advised that if this was seen to be a concern the option of co-opting individuals to the Committee had been considered.

9. REVIEW OF COMPLIANCE WITH THE PENSION REGULATOR'S [TPR] CODE 14

The Board received the Public Service Pension Schemes Self Assessment report.

RESOLVED	Reason for decision
That an action/improvement plan be developed to address those areas identified as amber or red and that the plan be added to the Board's Work Programme.	To provide the Board with assurances that issues are addressed.

10. BOARD KEY PERFORMANCE INDICATORS

The Board discussed whether there was a need to identify Key Performance Indicators [KPIs] and how these would fit into and add to the overall governance arrangements of the Pensions & Investment Committee, actuaries, Fund Managers etc.

RESOLVED	Reason for decisions
That the principle of developing Key Performance Indicators [KPIs] for the Board was agreed and that the Secretary and Chair develop draft KPIs for consideration at the next meeting.	To assess the efficiency and effectiveness of the Board.

11. BOARD MEMBER TRAINING [STANDING ITEM]

The Board considered topics for the training programme and how these could be delivered and whether solely for the Board or for the Board and Pension & Investment Committee.

RESOLVED	Reason for decision
That the Secretary, in discussion with the Chair, develops a draft training programme for the Board and Board/Pensions and Investment Committee.	To develop the competencies of the Board and Board/pensions & investment Committee members to enable them to undertake their roles.

12. REVIEW OF RISK REGISTER [STANDING ITEMS]

12.1. Legal status of Pooled Funds

The Secretary advised that he was still waiting clarification on this issue and would report to the next meeting.

12.2. PEN004 - systems failure

The Board received the report regarding the entry PEN004 of the Risk Register which had been amended to include the specific risk of a systems failure occurring as a consequence of the failure of cyber security and the assurances from systems providers in relation to the management of cyber security.

The Board noted that the Fund's pension administration system provider had identified three unresolved issues and was working to resolve these.

RESOLVED	Reason for decision
That the Board note the report and that it receives an update at the next meeting regarding the Fund's pension administration	To seek assurances that the systems are secure.

system provider's resolution of the three unresolved issues.	
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13. WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE [STANDING ITEM]
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The Secretary advised that the procurement process for appointing the operator had finished but had taken longer than originally planned. Officers would be making a recommendation regarding the preferred operator to the Joint Governance Committee. Once approved the eight Funds would be asked to consider and approve the appointment and this would be completed by the end of November/early December. A press release would then be issued.

Officers had already started work on drafting single policies for the Pool.

14. AUDIT REPORTS [STANDING ITEM]
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The Secretary advised that a report would be available for consideration at the next meeting.

15. ADMINISTRATION ACTIVITY REPORT [STANDING ITEM]

The Board received the financial activity and membership statistics for the period 1 April to 30 September 2017. The Board welcomed this information.

16. CESSATION OF CONTRACTING OUT - UPDATE [STANDING ITEM]
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The Board noted that the final project document would be available before the end of December 2017 and the project would be completed within 10 months. It was noted that 40 Local Government Pension Schemes had not started this work.

17. INTERNAL DISPUTE RESOLUTION PROCEDURE [IDRP] UPDATE [STANDING ITEM]
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There were no issues to report.

18. FUTURE BOARD MEETINGS

The Board noted the following meeting dates:

12 January, 2018

7 June, 2018

6 September 2018

23 November 2018

**Gerard Moore
Chair**