

**MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT A229,
COUNTY HALL - COUNTY HALL ON WEDNESDAY, 3 APRIL 2019**

PRESENT

Gerard Moore, Chair
Nigel Brinn (Employers Representative)
Wayne Thomas (Employers Representative)
Mick Hutchison (Member Representative)
John Byrne (Member Representative)
Chris Hurst (Secretary to the Board)

1. APOLOGIES

There were no apologies.

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. WELCOME NEW EMPLOYER REPRESENTATIVE

The Chair welcomed Nigel Brinn, the new Employer representative to his first meeting.

4. MINUTES OF THE BOARD

The minutes of the last meeting held on 30 November, 2018 were agreed as a correct record.

5. MATTERS ARISING

In response to questions raised regarding the payment of a refund to a scheme member within five years of the date of leaving, the Pension Fund Manager advised that the National LGPS Technical Group will make a recommendation to the Scheme Advisory Board to change the regulations to reflect the position prior to 1 April 2014, (i.e. to remove the prescription that requires an administering authority to pay a refund on the expiry of a period of five years beginning with the date the person's active membership ceased, if no request is made before then – regulation 18(5) of the LGPS Regulations 2013 [SI 2013/2356]).

6. CHAIR'S ANNOUNCEMENTS

The Chair reported the following:

- Scheme Advisory Board [SAB] – the SAB's summary minutes will be circulated on a regular basis. He advised that the SAB Chair was keen to have a two-way dialogue with the Pension Boards.
- SAB survey – the survey was due soon and would be completed by the Administering Authority and the Board.
- Membership of Pension Boards – it was considered that having only two employer and two employee representatives on Pension Boards, could

- make Boards vulnerable to meetings being inquorate. Membership numbers may need to be reviewed.
- CIPFA has produced a guide for administration of Local Government Pension Schemes [LGPS] and also a revised guide for producing Pension Fund Annual report. The Guides would be circulated to the Board and Committee and the Pension Fund Manager would arrange training.
 - The SAB is recommending that Pension Boards should review financial statements before publication. There was a danger that the Board could become too technical. The Chair asked that the Pension Fund Manager consider the timing of the Boards involvement and whether the review could be completed via email instead of by an ad hoc meeting.
 - Response to the Ministry for Housing, Communities and Local Government [MHCLG] – Board Chairs had been asked for their responses to the MHCLG draft guidance on asset pooling. The Chair's response took into account the successful outcomes from the recent meeting with the host authority.
 - The Chair advised that as a result of the Pension Board Chairs, the Host Authority and senior officers meeting it was suggested that the Pool, Host Authority and Board Chairs meet once every six months. He felt there was a positive approach to moving forward.

7.	MINUTES OF PENSIONS AND INVESTMENT COMMITTEE
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The Board received the Pensions and Investment Committee's minutes for 13 December, 2018 and 28 January, 2019.

The Board noted the following in respect of the 13 December minutes:

Item 3 - The minutes had been amended to show the apologies had been given by Gerard Moore, Chair Powys Pension Board rather than Chair Powys Pension Fund.

Item 16 – Responsible Investment – the Board had an opportunity to provide a view, as this had been debated 12 months ago.

The Board agreed to review the Responsible Investment draft policy.

The Board noted the following in respect of the 28 January minutes:

- Item 8 – Equity Protection –the impact of Brexit on markets could impact on the Tri-annual evaluation on 31 March, 2019. The Equity Protection would protect the Fund from volatility in the markets. The Chair considered that this was a good approach to protecting the fund.

8.	REVIEW OF COMPLIANCE WITH TPR CODE 14
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The Chair was pleased to see progress and continued work on ensuring compliance with the TPR Code of Practice 14. The Pension Fund Manager advised that he emailed monthly progress reports on compliance to the Board Chair. He had reviewed four out of the nine sections.

The Board agreed that all Board Members should be copied into the emails regarding progress reports on compliance and that this item would be added to the Work Programme.

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

Governing the Scheme –

39 – this would be addressed by the Training Needs Analysis to be completed by the Board Members.

44 – consideration would be given to remove such statements of facts from the compliance register.

46 – details of important documents would be produced for the next meeting and via links to public documents.

48 – 57 – these would be addressed via the Training Needs Analysis.

Publishing information about the Scheme –

96 – the Pension Fund Manager had changed this to “amber” from “green” as more information was needed on the website.

92/93/94 – a note would be added to the final column “Current position” that the information was available on the website.

96 – it was agreed that further information regarding the status of Board Members would be available on the website.

97 – the information, in respect of the Board, on the Council’s Committee agenda website, would be reviewed.

Providing information to Members

196 – it was agreed that this should be “amber” as the information provided to Members should always be under review.

208 – the Board noted that the tracing exercise would likely focus on members aged 50 plus and overseas pensioners would also be checked.

The Chair advised that the National Fraud Office had undertaken a review of issues.

The Board agreed that the National Fraud Office findings would be considered and added to the Work plan.

The Chair advised that as new regulations come into force, the Board reviews that they have been acted upon, implemented and complied with by the pension fund.

The Board agreed that a log of regulations and commentary on implementation and compliance would be developed from May 2019.

Resolving issues

224 – the wording of this section would be revised.

9.	RECORDING BREACHES OF THE LAW
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The Pension Fund Manager advised that due to the timing of meetings the Committee had approved the Policy. The Policy had been issued to all participating employers.

10.	REVIEW OF RISK REGISTER ITEMS
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The Board noted that the Register had already been considered by the Pensions and Investment Committee.

The Board noted the Register and considered the following:

- a) Cyber Security - the Pension Authority had obtained the appropriate assurances from the two hosted systems. It was noted that assurances were still being sought from the Powys ICT Services. Cyber security training would be provided to the Committee and the Board was invited to attend.
- b) Document Imaging and Workflow Migration update – this was considered under Item 19.

11. NEW LEGISLATION AND GUIDANCE [STANDING ITEM]

The Board noted the new legislation.

The Board agreed to track the actions which need to be taken as a result of the legislation.

12. WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE [STANDING ITEM]
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The Pension Fund Manager reported the following from the Wales Pension Partnership:

- Responsible Investment Policy - a consensus view was being sought and it was hoped to publish a policy as soon as possible
- Business plan – this was a public document
- Communications plan – this was being developed
- Next set of sub funds – fixed income funds.

In response to a question the Pension Fund Manager advised that all eight Funds had now agreed to the Stock lending and the prospectus would be updated.

13. ADMINISTRATION ACTIVITY REPORT [STANDING ITEM]

The Board noted the comprehensive report.

14. AUDIT REPORTS [STANDING ITEM]
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The Pension Fund Manager advised that he had requested a copy of the last internal audit report, but this had not been received.

The Board agreed that a request should be made to Internal Audit for a copy of the last internal audit report for its consideration.

15. CESSATION OF CONTRACTING OUT - UPDATE [STANDING ITEM]
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The Pension Fund Manager advised that payroll and pension data were being matched and would be completed by September. Letters would then be forwarded to affected staff.

16.	BOARD MEMBER TRAINING PLAN AND BOARD MEMBER TRAINING NEEDS SELF-ASSESSMENT [STANDING ITEM]
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The Pension Fund Manager agreed to resend the Training Needs Analysis to all Members.

John Byrne left to attend another meeting.

17.	CONFIDENTIAL ITEMS
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RESOLVED that the public be excluded for the following items of business otherwise there would be disclosure to them of information relating to the financial or business affairs of any particular person or organisation.

18.	INTERNAL DISPUTE RESOLUTION PROCEDURE [IDRP] UPDATE [STANDING ITEM]
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The Pension Fund Manager advised that there had been one complaint due to an error in the estimate provided to a member. He had gained assurances from the Pension Administration Manager that procedures were in place to ensure that such an error would not occur again. He advised that this was a recordable breach and the Board agreed that it was not reportable.

The Board noted that this had occurred when staffing levels were at 66%. It highlighted the fact that Pension Administration had to be properly resourced to mitigate risks and breaches of the law occurring.

It was agreed that the Chair could alter the order of the agenda.

19.	FUTURE BOARD MEETINGS
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The meeting dates were noted and that the 5 September, 2019 would need to be changed to the week commencing 9 September, 2019.

20.	PENSION FUND CASH FLOW
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The Board noted the report and was assured that there was sufficient cash and flexibility within the investment arrangements to meet demands.

21.	DOCUMENT IMAGING AND WORKFLOW PROJECT UPDATE
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The Board noted the report. The Pension Fund Manager advised that one member of the Team was now dedicated to the project.

In respect of insurance of Board Members,
The Board agreed that AON would be re-appointed as insurer for Board Members.

Gerard Moore
Chair