

### Purpose of the Report

In addition to the formal, more detailed minutes of the Board, this report provides an executive summary of the meeting of the Powys Pension Board on 9 October 2020 to enable the Pensions and Investments Committee (the Committee) to learn of and consider any recommendations, assurances gained and concerns of the Powys Local Pension Board, and any other relevant information. This is consistent with the two primary roles of Local Pension Boards, namely:

- to assist the scheme manager to secure compliance with scheme regulations, other legislation and the requirements of the Pensions Regulator (TPR), and
- to ensure the effective and efficient governance and administration of the Scheme.

### Recommendation

The Pensions and Investments Committee is requested to accept the proposals from the Local Pension Board held on 30 September 2020.

### Outcomes from Powys Pension Board Meeting on 30 September 2020

#### 1. Recommendations

1.1 regarding item 14 in the minutes of the Board, that the Pensions and Investments Committee be aware of the urgency and importance of very recent legislation relating to the £95,000 cap on tax-free total of pensions and redundancy costs when people leave under on-going and future re-structuring and redundancy plans. The immediate impact on employers seeking re-structuring proposals, and estimates of benefits for the staff involved, will vary from Fund to Fund, and from employer to employer, and potentially between England and Wales. In the short term Funds may be left with contradictory legislation and potential breaches of the law to record, if not to report. In my view, for the LGPS as a whole, this will be a key priority and has been and may remain a heavy consumer of high-level staff resources in the short term. The latest national information and fuller details in respect of the timescales and the possible local impact for the Powys Pension Fund and its employers will be discussed under Item 6 paragraph 2.6.

1.2 that, regarding items 18 and 6, as the Board meeting scheduled for 21 June 2021 will probably be my final one as Independent Chair as I shall then be close to having served the 6 years covered in the extended contract, the Administering Authority should establish a review of how it proposes to identify, manage and source its future requirements for managing its responsibilities for the ongoing provision of the Pension Board for the period from 1 August 2021 onwards. I would suggest that the process should start in a timely way with a full review of the recently approved revised Terms of Reference to help identify whether or not any future changes are appropriate. A decision to retain the role of independent Chair is likely once again to require a procurement process within the above timescale. Also, I understand suggestions

have apparently been made regarding changes to other aspects of the Terms of Reference. I would suggest that views are sought from Committee members, officers and from other Board members themselves, on behalf of scheme members and scheme employers. The Powys contract for services lies with CIPFA, via a procurement exercise, not directly with myself. Any new contract for an Independent Chair, regardless of provider, ideally should be completed in good time to ensure all arrangements are seamlessly in place from 1 August 2021. As any further changes to its Terms of Reference are likely to require approval from the County Council, identifying a realistic timescale for the exercise seems essential.

In the meantime, as per item 6, the Administering Authority is commencing the exercise to recruit two new appointments to the Pension Board, as agreed by the County Council within the revised Terms of Reference on 24 September 2020.

## **2. Assurances Gained by the Board**

- 2.1 Under item 4, an Action Plan is being maintained to ensure that outstanding items from the 46 recommendations in the Pensions Regulator's review of the LGPS Cohort Review of ten LGPS Funds are being monitored and actioned appropriately.
- 2.2 Under item 8, (item 5 on today's Committee agenda,) the Board gained assurances with progress revealed in monitoring the Data Improvement Plan, with the data quality continuing to improve.
- 2.3 Under item 11, the Risk Register, the Board probed in some depth the management and compliance by the Pensions Team with the General Data Protection Regulation (GDPR) and with evolving cyber security challenges with the Pensions Team working from home. It is acknowledged that the Powys team was a pioneer in home working, long before the Covid-19 pandemic made it commonplace, and has long-established procedures, protocols, hardware, software and communications arrangements in place.

The Board was assured that:

- the Pension Fund Team has completed the mandatory GDPR and Cyber Security training and this is updated on an annual basis
- all Team members could recognise a breach if they inadvertently caused one and
- all Team members know how to report a breach if they have caused or found one.

As a further assurance the Board was also informed that the pensions team continues to deliver the service during the pandemic in accordance with the priorities set out by the Pensions Regulator, meaning that some less time-critical procedures are behind their planned timescales.

Also under item 11, the Board gained assurance that a discretionary review of compliance with MIFID II would be undertaken.

- 2.4 Under item 17, there had been no new breaches of the law in the period since the last meeting, nor are there any current or new IDRPs to report, as the last stage two case to be reviewed did not generate any further response.

#### **4. Other Items for Information**

- 4.1 Under item 5, the planned survey of Local Pension Boards by the Scheme Advisory Board (SAB) is, at the time of writing, still awaited.
- 4.2 A number of other areas of national consultation and review remain behind schedule due to the pandemic, including the Scheme Advisory Board's Good Governance project, the Pensions Regulator's results of its 2019 survey and the Regulator's consultation on a single consolidated Code of Practice to incorporate then replace all existing Codes, including the current Code of Practice 14 which is specific to public services pension funds (item 9).
- 4.3 Should Members of the Committee require further information on any item, more detail is provided in the accompanying formal minutes of the Board.
- 4.4 The next meeting of the Board is scheduled to take place virtually on 9 November 2020.

Gerard Moore

Independent Chair: Powys Pension Board