

**MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT BY
TEAMS ON WEDNESDAY, 30 SEPTEMBER 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

1.	APOLOGIES
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There were no apologies for absence.

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 last meeting held on 22 May 2020 were agreed as a correct record.

4.	MATTERS ARISING
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In respect of minute 7, the Chair indicated that progress on the Action Plan following the Board's initial review of the Pensions Regulator's LGPS Cohort Review would return for further Board scrutiny.

5.	CHAIR'S ANNOUNCEMENTS
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The Chair thanked officers for facilitating the online meetings.

He advised that Richard Lloyd-Bithell of CIPFA is observing this remote meeting. He also advised that receipt of the planned 2019 Scheme Advisory Board survey of Local Pension Board remains "imminent". The Chair produces a feedback report for each Board meeting for the Pensions and Investment Committee. The report, prepared for the meeting of the Committee on 9 October 2020, following the Board meeting on 22 May meeting was circulated to members, as will all future such reports.

6. TERMS OF REFERENCE

The Pension Fund Manager reported that the Council had agreed the changes to the Board's Terms of Reference at its meeting on 24 September 2020. The Pension Fund Manager indicated that he would advise the Board of the process to be used to recruit the additional employee and employer representatives and keep them up to date on progress.

In response to a question regarding payments to Board members it was confirmed that the new members would be reimbursed expenses and training costs so would be covered in the same way as current members. The Chair advised that as the question of recompense for all Board members had been raised with the Pension Fund Manager due to the presence of the Terms of Reference (ToR) on the County Council's agenda, the demands on a Board members time and how this is recompensed may be an issue for the Pensions and Investment Committee and the Administering Authority to consider when the ToR are next reviewed.

7. MINUTES OF PENSIONS AND INVESTMENT COMMITTEE

The Board received the draft Pensions and Investment Committee's minutes for 26 June 2020 and noted under Minute 7 the Fund's policy and processes on overpayments of benefits.

Wayne Thomas, employer representative joined the meeting.

8. DATA QUALITY TESTING 2020

The Board noted the report on the Data Quality testing for 2020. In response to a question the Pension Fund Manager advised that the benchmarks applied to the results were scheme specific agreed between Powys and Aquila Heywood.

RESOLVED	Reason for decision
The Board noted the report and the assurances gained regarding data quality and noted the data improvement plan.	To note the data quality.

9. REVIEW OF COMPLIANCE WITH TPR CODE 14

The Chair advised that The Pension Regulator's [TPR] decision to consolidate all existing Codes of Practice into one code had been delayed due to the pandemic. It was noted that Code 14 relates specifically to public service schemes. The LGPS has concerns with this proposal and was continuing to express these to TPR, as many elements of the other Codes were not relevant to local government and some terminology used in corporate pension schemes had different meanings, interpretations and implications within the LGPS, with prime examples being "trustees", "employer covenants" and "pension boards" themselves.

The Pension Fund Manager advised that the Code Monitor 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]:

Managing risks [104 –120] – updated from last meeting and no other changes.

Maintaining contributions [147-169]

155 – The Pension Fund is looking to take advantage of technology for employers when making payments into the Fund. Procedures for monitoring payments and reporting on late payments was being reviewed and developed. The Board strongly supported this initiative.

Providing information to members [188-210]

196 – in response to a question the Pension Fund Manager advised that this was amber as although scheme members received interim letters regarding deferred benefits within two months of leaving the scheme, details of actual benefits could not be provided in this time period. It was agreed that this explanation should be added to the righthand column of the Register.

208 – it was noted that the tracing exercise had been completed in mid 2020 and the Register would be amended to reflect this.

Reporting breaches of the law [244-270] – nothing to report.

The Chair agreed to move the agenda around to consider the following items next: Annual report – Draft Chairman’s Statement and Risk Register next.

10.	ANNUAL REPORT - DRAFT CHAIRMAN'S STATEMENT
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The Chair advised that the report of the Pension Board would form part of the Pension Fund’s Annual report for 2019/20. It was noted that the costs and budget of the Board are yet to be added into paragraph 2.5.

The Board commented that this was a clear and robust report.

RESOLVED	Reason for decision
To endorse the Chairman’s draft annual report.	To ensure the report is available to add to the Pension Fund’s Annual report.

11.	REVIEW OF RISK REGISTER AND CONSIDERATION OF ANY NEW RISKS
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The Pension Fund Manager advised that the Risk Register had been transferred into the Council’s Risk Register system. It was noted that the Register had been updated to reflect the comments raised at the last meeting.

The Chair raised a general comment regarding the issue of staff working from home and the related issues of GDPR and Cyber security. In response the Pension Fund Manager advised that the Pension Team had been working from home since 2006. The recent changes in working practices across the Council in response to the pandemic had not affected them in the same way. The Board noted that:

- GDPR and Cyber security training is mandatory for staff and the Pension Team is 100% compliant

- staff access the Council systems via VPN connection
- two thirds of active scheme members use the self service portal and correspondence with them is undertaken online. Where the Pension Fund Team need to print information, they use their own, Council provided printers
- new policies are added to the Net Consent System and staff have to read and confirm that they have done so, before being able to access systems.

The Board was assured that:

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

The Board raised the following comments [the numbers shown are the Risk Reference numbers]:

PEN30 – the Pension Fund Manager advised that he was not aware of any published controls in place by the Wales Pension Partnership [WPP] and agreed to report progress on this to the Board when received.

PEN034 - the Pension Fund Manager agreed to discuss an internal review of the MIFIDII, seen as good practice, with colleagues in Finance

PEN035 – the Business Continuity Plan had been reviewed due the pandemic and appropriate measures had been put in place. The Pension Fund Manager advised he would review with colleagues whether this would be reported to the Committee.

John Byrne left the meeting.

12. OPERATIONAL AND ADMINISTRATION REPORT & UPDATE

The Board noted the report. The Pension Fund Manager reported that work is being undertaken with the actuaries in respect of the cash flow. In response to questions the Board noted that processing of benefits was a major piece of work. It was noted that this was skilled work and the Pension Fund Manager advised that all members of the team had been trained to undertake this. The Fund Manager advised that an assessment had been completed on the workload as a result of the McCloud decision and it is estimated that approximately 30% of data will need to reviewed.

13. WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE [STANDING ITEM]
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The Board noted the report and that there was good progress on the pooling of assets. The Pension Fund Manager advised that the Climate Risk Policy had been published. He advised that he participated in the WPP's Responsible Investment Committee. The pooling of illiquid assets [investment in infrastructure and property] will take some time to progress due to the type of investment.

The Board noted the WPP training recently provided and scheduled. Those that had attended encouraged others to do so due to the quality of the training.

The Chair confirmed that he had viewed the archived recording of the open part of the meeting, but that Board members are excluded from observing the private part of the agenda.

14. NEW LEGISLATION AND GUIDANCE (STANDING ITEM)

The Board received the report. The following was noted:

Scheme Advisory Board [SAB] –

McCloud – It was noted that the Fund would respond to the MHCLG consultation on amendments to the statutory underpin.

Good Governance Project – work is continuing on this and guidance is expected.

LGPS –

Review of employer contributions and flexibility on exit payments – the legislation has been changed and a policy is being developed.

£95K exit cap payments to staff leaving due to redundancy - the Chair questioned whether all of the regulations applied in Wales and the Pension Fund Manager agreed to check whether some of this was a devolved issue. The Pension Fund Manager confirmed that the early 2021 deadline for implementing the eventual solution would require urgent high level communication with scheme employers and with scheme members as any restructuring plans by employers across the implementation date would be affected and scheme members may have been assuming levels of redundancy payments which were suddenly overridden by the new legislation.

Nigel Brinn left the meeting.

15. BOARD COMMUNICATIONS LOG (STANDING ITEM)

The Board noted the Communication Log and it was agreed that the monthly update from the Local Government Association would be added to this distribution.

16. BOARD MEMBER TRAINING [STANDING ITEM]
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The Pension Fund Manager agreed to review information received about training opportunities and send this to the Board as appropriate. The Chair had referred to the valuable training event on Responsible Investment in item 15 arranged by the Wales Pension Partnership. He confirmed the Pool Operator had engaged very fully and transparently with the plethora of highly relevant questions from the audience.

17. STANDING ITEMS WITH NO UPDATES REQUIRED
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The Board noted the following:

Breaches Register - the Pension Fund Manager confirmed that 38 members had frozen funds as of August 2020. It has been agreed that, due to the fact that the regulations prevent an acceptable and appropriate solution within the defined

timescale across the LGPS as a whole, Pension Funds do not report this as a breach. There were no new recorded breaches in since the last Board meeting. Contracting out - a reconciliation between payroll and administration systems had been undertaken and a data cleanse had been completed and the data was now being tested.

18. FUTURE BOARD MEETINGS

The Board noted the meeting dates and the Chair advised that the next meeting on 9 November commencing at 1000hrs would need to conclude by 1215hrs at the latest.

The Board noted the meeting dates for 2021. The Chair advised that the meeting on 14 June 2021 would be his last scheduled meeting prior to the end of his term of office in July, when he would have completed six years in the role. He suggested that an appropriate timescale be identified to ensure that the Board maintained continuity of compliance with its legal requirements and with its Terms of Reference, which could perhaps be reviewed simultaneously. The Board acknowledged his exemplary chairmanship and contribution to the Board and also to the Pensions and Investment Committee.

The Chair thanked everyone for attending.

Gerard Moore (Chair)