

MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD BY TEAMS ON FRIDAY, 5 MARCH 2021

PRESENT

Gerard Moore (Chair)
Nigel Brinn (Employers Representative)
Wayne Thomas (Employers Representative)
John Byrne (Member Representative)
Mick Hutchison (Member Representative)

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

One member of the public

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| 1. | APOLOGIES |
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There were no apologies for absence.

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| 2. | DECLARATIONS OF INTEREST |
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The Chair advised he was an Associate of 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.

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| 3. | MINUTES OF THE BOARD |
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The minutes of the last meeting held on 9 November 2020 were agreed as a correct record, subject to it being noted that John Byrne, Scheme Member representative, was in attendance at this meeting.

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| 4. | MATTERS ARISING |
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There were no matters arising.

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| 5. | CHAIR'S ANNOUNCEMENTS |
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The Chair reported that:

- he had undertaken his annual meeting with the Section 151 Officer. He advised her that the Board would complete a self-assessment on its performance before his Term of Office ends. They had discussed the progress in the appointment of his successor, governance issues and he recognised the substantial progress in the Pensions and Investment Committee's knowledge and skills level,
- the Board's self-assessment of its own performance will be completed at its meeting in June. **The Board agreed to hold a one hour meeting to discuss the self-assessment prior to the meeting in June.**
- he attended a webinar on Good Governance, with Councillor Roger Phillips, Chair of the Scheme Advisory Board [SAB] and had forwarded a link to the recording to the Board. Councillor Phillips advised the Board that the proposed LGPS senior officer could be the S151 Officer, but it

would be better if it was another officer. In response to a question about the Board's role in implementing Good Governance the SAB Chair advised that the Board is a critical friend and is the first line of enforcement and the Board should be the sign off on governance. **The Board agreed to seek to support the Administering Authority in its planning to comply with the statutory guidance.**

- the survey of Local Pension Boards by the Scheme Advisory Board (SAB) is awaited.
- TPR's Public Service 2020 survey was completed by the due date by the Pension Fund Manager in consultation with the Chair and
- he would circulate his draft Board Annual Report for 2020/2021, for comment.

6. MINUTES OF PENSIONS AND INVESTMENT COMMITTEE

The Board received the Pensions and Investment Committee's minutes for 11 December 2020.

The Board noted the following:

Item 4 - Governance and Compliance Statement – this would be reviewed again as the SAB Good Governance Project has been completed and the MHCLG Guidance is expected to be out for consultation shortly.

7. REVIEW OF COMPLIANCE WITH TPR CODE 14

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]

42 – the Pension Fund Manager advised that he was consolidating all the documentation into one resource library, with hyperlinks to the most up to date document. He agreed to amend the wording in the final column to indicate that the document library would also be available to the Pensions and Investment Committee.

48 – it was noted that the knowledge and skills analysis was an item on the Agenda and the document would be amended to reflect this.

51 – agreed that the wording in the final column would be amended to reflect the need for Boards to be in a position to challenge officers and the Pensions & Investment Committee and also be confident that such challenges will be properly dealt with and answered by officers or the Committee.

60 – the Pension Fund Manager agreed to explain, in the final column, how training logs and records are kept.

Conflicts of interest and representation [62 - 91]

The Pension Fund Manager advised that the Wales Pension Partnership (WPP) has a policy in place on this and that the Powys Fund should ensure any local policies also align. it was also a separate item on the Agenda. He advised he would consider the Chair's suggestion that joint session with the Pension and Investment Committee to consider this issue may be beneficial.

64 – the Pension Fund Manager agreed to review the wording in the final column.

The Pension Fund Manager advised that he would review whether membership of town or community councils should be declared or registered. He advised that this would be part of the review of conflicts of interest and representation once the guidance has been published.

Administration [124 – 146] – the Pension Fund Manager advised this section had been reviewed and updated.

Resolving issues [216 – 240]

222 – the Chair asked if other Welsh Pension funds have a two-stage internal IDR process and it was agreed to review this at the June meeting.

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| 8. | OPERATIONAL AND ADMINISTRATION REPORT UPDATE |
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The Board received and noted the Operational and Administration report. The Pension Fund Manager advised that the number of active members had increased. The Board noted that the Aggregation numbers were increasing and the Pension Fund Manager advised that due to LGPS now being a Career Average Revalued Earnings (CARE) scheme, this created a lot of work where individuals have multiple posts. The Chair highlighted the impact of such changes on the work of the Administration Team and the Board highlighted the need to adequately resource the Team.

In response a question from the Chair, the Pension Fund Manager agreed to review whether the four individuals “awaiting entry” on the two dates in the report were different.

The Pension Fund Manager advised that work was being undertaken on improving the reporting of Key Performance Indicators [KPIs]. He advised that future reports would provide information on performance against statutory and internal deadlines.

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| 9. | CONFLICTS OF INTEREST |
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The Pension Fund Manager advised that guidance on conflicts of interest was awaited from MHCLG in its Good Governance guidance. A draft policy would be produced for the Board’s consideration.

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| 10. | REVIEW OF RISK REGISTER [STANDING ITEMS] |
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The Board noted that no new risks had been identified. The Board noted or made the following comments [the numbers shown are the Risk Reference numbers]:

PEN003 – due to changes in LGPS regulations which introduced employer flexibilities a new Employers Policy was being developed. This would be separate to the Funding Strategy Statement. A cash flow meeting was scheduled with the actuaries, the S151 officer and finance officers. The Board asked that this be recorded in the register.

PEN006 - an internal audit review was expected in 2021 and consideration of the report would be added to the work programme.

PEN007 and PEN027 – the Board asked that the wording in each of these be reviewed.

PEN036 – the Pension Fund Manager updated the Board on the progress to appoint a new Chair and an appointment could be made prior to the meeting in June. The Board was assured of the progress made.

PEN012 – the Pension Fund Manager would include details of when the last data protection audit was completed and the next was scheduled.

PEN016 – the date of the current Communications policy and its review date would be included.

PEN019 – the role of the Pension Board was included in the induction to Committee members after the last election and should be included in future programmes. It was noted that this requirement would be cross referenced in the committee mandatory induction programme managed by Democratic Services.

PEN031 – the process for recording performance net of fees, as a result of pooling Pension Fund assets, would be added to the document.

In response to questions regarding increasing the membership to three scheme and employer representatives on the Board, the Pension Fund Manager advised that:

- no employer representative was forthcoming as a result of the discussion at the Employers meeting in December. He agreed to liaise with Nigel Brinn, Employer representative regarding this vacancy,
- information about the vacancy for a scheme member representative would be included with letters being sent to scheme members,
- the issue of recompense for representatives would be considered,
- he would liaise with the union representatives regarding the scheme member observer vacancy on the Pensions and Investment Committee and
- he would check on the term of office of scheme and employer representatives on the Board.

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| 11. | WALES PENSION PARTNERSHIP [WPP] - INVESTMENT POOLING UPDATE [STANDING ITEM] |
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The Board noted the update report. The Pension Fund Manager advised that a non-voting Scheme Member representative would be appointed to the Joint Governance Committee [JGC] from a Pension Board in Wales.

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| 12. | NEW LEGISLATION AND GUIDANCE (STANDING ITEM) |
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The Board received the report.

The Board noted that HM Treasury [HMT] had published the Exit Payment Cap Directions 2021, which disapply the regulations relating to Exit Payment Cap with immediate effect. It was noted that one individual was affected by this change and amendments would be made. In response to a question the Pension Fund Manager advised he would consider whether this should be recorded as a breach and advise the Board by email.

It was noted that the Business planning process was a key element in the Final Good Governance Report. The Pension Fund Manager advised that a report would be considered by the Board and Pensions & Investment Committee in due course regarding the resources required to ensure the Pension Administration Team could meet good governance requirements and the continuing complexities of the LGPS, such as the McCloud judgement.

In respect of the McCloud judgement the Pension Fund Manager advised that records for 30% of scheme members would require data input and recalculations of benefits.

In respect of Climate risk the Board noted that the Fund had approximately 1.8% invested in companies with ties to fossil fuels.

Nigel Brinn left to attend another meeting.

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| 13. | BOARD MEMBER TRAINING [STANDING ITEM] |
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The Board received the Powys Pension Fund's policy in relation to the knowledge and skills requirements of members of the Pensions & investment Committee and Board. The Training Needs Analysis would be emailed to Board members for them to complete and return to the Pension Fund Manager. It was noted that this would also be circulated to the Committee members.

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| 14. | INTERNAL DISPUTE RESOLUTION PROCEDURE [IDRP] UPDATE [STANDING ITEM] |
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The Pension Fund Manager advised that one appeal had been upheld at Stage 1.

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| 15. | STANDING ITEMS WITH NO UPDATES REQUIRED |
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The Pension Fund Manager reported on the following:

- Breaches Register - The Board noted there were no new recorded breaches of the law since the last meeting. The Pension Fund Manager advised he would review whether a recordable breach should be added as a result of the clash of legislation relating to the £95k cap and to entitlement to benefits.
- Cessation of contracting out – it was noted that progress on this was behind schedule. The Pension Fund Manager advised that this was an internal deadline rather than a statutory deadline. The revised schedule was that scheme members whose pensions would be affected would be notified in the summer and given two months notice if benefits were to decrease.
- Audit Reports – no update.
- Board Communications Log – noted.

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| 16. | FUTURE BOARD MEETINGS |
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The Board noted the following meeting dates in 2021 and that the meetings will be at 1400hrs:

14 June

13 September

22 November

Gerard Moore (Chair)