

MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT BY TEAMS ON MONDAY, 14 FEBRUARY 2022

PRESENT

Gerard Moore (Chair)

John Byrne (Scheme Member Representative)

David Powell (Scheme Member Representative)

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

1. APOLOGIES

The Chair apologised for the delay in starting the meeting and announced that the meeting was not quorate. As a result, the Board would discuss issues and he would produce a summary of the discussions for consideration at a reconvened meeting, when the Board is quorate, which he hoped could be held within two weeks.

Apologies were received from Graham Evans and Nigel Brinn Employer Representatives. Apologies were also received from Wayne Thomas, Employer Representative who had been unable to join the meeting due to technical difficulties.

2. DECLARATIONS OF INTEREST

David Powell advised he was an Associate in The Chartered Institute of Public Finance and Accountancy [CIPFA].

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 Chair advised that when quorate the Board normally agrees that this does not represent a conflict of interest as the Pension Fund Manager is responsible for arranging training.

3. MINUTES OF THE BOARD

The minutes of the last meeting held on 15 December 2021 were received.

4. MATTERS ARISING

The Chair highlighted the following issues:

Item 5 – the Pension Fund Manager had sent the Pension Fund Annual Report to the new Board members and the Forward Looking Business Plan would be sent to the Board.

The Board's self-assessment – this would be considered by the Board once the two new members had attended at least one Board meeting.

5. MINUTES OF PENSIONS AND INVESTMENT COMMITTEE

The Board noted the Pensions and Investment Committee's minutes for 17 December 2021. The Chair advised that as the Board meeting was held on 15

December 2021, he was unable to provide an Executive Summary for the Pensions and Investment Committee.

The Board noted that the Pensions and Investment Committee has continued to hold virtual meetings and investment advisors had attended the last Committee meeting and therefore governance arrangements were continuing to enable the Committee to meet its statutory duties.

6.	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 Chair noted that the Pension Fund Manager had sent an email on 4 February 2022 with updates from The Pension Regulator [TPR], some of which are relevant to the TPR Code 14 and others relate to new legislation. The Chair advised that reading the updates should be noted as 30 minutes training for the Board.

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

Managing Risks [104 – 120]

111 – the Pension Fund Manager advised that he had met with the Council's Risk and Compliance Team and he was proposing to review the risks to consolidate those that were similar. The revised Risk Register would be considered by the Board. The Board noted this work and considered that this was a sensible approach.

114 – the strength of employers' covenants had been reviewed 12 months ago and are constantly reviewed. They are also being reviewed as part of the valuation. The Board considered that as this was an ongoing review this should remain amber.

115 – The Board considered that this should remain amber and that the aspiration to move to green should be noted and that incremental mitigation and progression should be logged.

Maintaining contributions [147 – 169]

The Pension Fund Manager advised that this section would be reviewed as the Administration Team was looking to automate more processes and take advantage of technology for financial and payroll systems. The development of this was dependent on the software providers.

Recording breaches of the law [244 – 270]

The Pension Fund Manager advised that this section would be reviewed this year. The Board considered that it should be noted that the Breaches Policy would be reviewed after the publication of the single code.

7.	OPERATIONAL AND ADMINISTRATION REPORT & UPDATE
-----------	---

The Board received and noted the Operational and Administration report. The Pension Fund Manager advised that in response to the Board's request at the last meeting he had assessed how the Powys Pension Fund measured against the six key indicators of performance identified by TPR. The Board noted the Pension Fund position in respect of these key indicators. The Pension Fund Manager advised that although a conflicts of interest procedure is in place, a

policy was being developed and would be considered by the Board at the next quarterly Board meeting.

The Board noted the levels of training and professional qualifications with regards to the LGPS, attained by the Pensions Team. In response to a question the Pension Fund Manager advised that if a member of staff undertook training funded by the Council and then left the Authority, there was a time period between appointment and leaving the authority, in which the training costs would need to be refunded, but he would seek clarity on this position and inform the Board accordingly.

The Chair advised that he and the Pension Fund Manager had considered the information contained in the quarterly reports and how this might be better presented. He had shared information from other Funds with the Pension Fund Manager.

8.	PARTIAL REVIEW OF RISK REGISTER AND CONSIDERATION OF ANY NEW RISKS
-----------	---

The Pension Fund Manager that no new risks had been identified and no changes had been made to the current Register. The Board raised the following: Cyber risks – in response to a question the Pension Fund Manager advised that he had met with the Council’s Risk and Security Team and professional bodies regarding the approach for the Fund. He advised the Fund would rely on the Council’s cyber policy, which was being developed. The Fund would produce a document which would refer to the Council’s protocol and procedures. He advised he would review the Risk Register to assess whether cyber security and risks are appropriately documented in the Register to reflect its significance. In addition, the Pension Fund Manager would also review whether the Register contained information regarding the cyber risks within the software provider and employers.

Risk of inflation – the Pension Fund Manager advised he would discuss this issue with the actuaries.

Acronyms – these should be defined in the document.

9.	NEW LEGISLATION AND GUIDANCE
-----------	-------------------------------------

The Board noted the report and the following:

Section 13 report - Under Section 13 of the Public Service Pensions Act 2013 the Department for Levelling Up, Housing and Communities (DLUHC) published the Government Actuary’s Department (GAD) report on the 2019 valuation. The report also raises “flags” where it is identified that a fund sits outside certain tolerances, which may require action. The Board noted that the Powys Pension Fund received no “flags” in respect of the GAD review of the 2019 triennial evaluation.

2022/23 employee contribution bands - The Pension Fund Manager advised he would check the communication with scheme members regarding this information.

“Nudge” consultation – the Pension Fund Manager advised that the impact on the Administration Team’s workload as a result of the legislation would need to be recorded.

Pension Scams – the Pension Fund Manager advised that the transfer out process was being reviewed. If a suspected scam is highlighted the Fund will report this to TPR.

10. TRAINING NEEDS ANALYSIS

The Pension Fund Manager advised the Training Needs Analysis would be circulated to all members. A training programme would then be developed for individuals and the Board as a whole. The Pension Fund Manager agreed to refer to the WPP in Section 7.7 of the document.

11. STANDING ITEMS WITH NO UPDATES REQUIRED

The Board noted the following in respect of standing items:

- a. Breaches Register – there were no new breaches recorded for rother reasons. In respect of frozen funds, the Board noted that 67 frozen funds had been identified as at 31 January 2022
- b. Audit Reports – none outstanding
- c. Board Communications Log
- d. Internal Dispute Resolution Procedure [IDRP] – no new cases.

The Pension Fund Manager reported that a compliments and complaints document had been developed and would be circulated to the Board for comment.

12. FUTURE BOARD MEETINGS

The Board noted the dates and times of meetings in 2022:

- 15 June 2pm
- 19 September 2pm
- 21 November 2pm

13. CONFIDENTIAL

RESOLVED that in accordance with Section 106 [8] Local Government Pension Scheme [LGPS] Regulations 2013 the Board goes into the confidential agenda with the public and press being excluded as some of the information may relate to financial or business affairs of a particular person or organisation.

14. CHAIR'S UPDATE

The Chair advised he attended a WPP training event on stewardship and a LGPS webinar. He would forward his notes to the Pension Fund Manager.

15. WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE [STANDING ITEM]

The Board noted the report and the Pension Fund Manager advised he would defer discussion on this to the next meeting when the Board was quorate.

16. CONTRACTS UPDATE

The Pension Fund Manager advised that the contract for the investment consultant had been awarded to Aon, for the period of up to 5 years. The Chair noted that the Pensions and Investment Committee Chair was involved in the appointments process.

The Chair advised that he would urgently raise with CIPFA the need for timely confirmation of the detailed contract for the provision of the services of a Pension Board Chair.

17. VALUATION

The Pension Fund Manager advised that the Administration Team had accessed training regarding the valuation. The Chair agreed to share his previous presentation on the role of the Board in the valuation with the Board.

18. WORKFLOW UPDATE

The Board received the Workflow report for the period 2021/22 Q3 (October to December 2021).

The Board noted that the Administration Team performance had fallen to 81.1% during this period. However, it was acknowledged that four new staff had been appointed during this period which had required the Administration Team to provide an induction and training programme. The Pension Fund Manager also advised that when compared to the same period 12 months earlier, there had been an additional 600 processes started in Quarter 3 which had impacted on the performance figures. He advised the Team was looking into the reasons for this increase.

The Pension Fund Manager advised that work was continuing to develop and check the reporting system and once he was satisfied that the information was robust, the Workflow Report would be included on the public agenda.

Gerard Moore (Chair)