

## POWYS PENSIONS BOARD

Held at County Hall, Llandrindod Wells

on 4<sup>th</sup> March 2016

PRESENT:

Gerard Moore (Chair)

Mick Hutchison (Member Representative)

Geoff Petty (Employers Representative)

Joe Rollin (Secretary to the Board)

		Action
<b>1.</b>	<b>Apologies</b>  John Byrne (Member Representative), Wayne Thomas (Employer Representative). The Board extended best wishes to John Byrne who was recovering from an operation.	
<b>2.</b>	<b>Declarations of Interest</b>  None.	
<b>3.</b>	<b>Minutes of Board held 27<sup>th</sup> November 2015</b>  The minutes of the meeting held on 27 <sup>th</sup> November 2015 were agreed as a correct record.	
<b>4.</b>	<b>Matters Arising</b>	
<b>4a)</b>	<b>Actuarial Fees Arising From Outsourcing of Council Services</b>  The Board noted that following discussions with the Council's Strategic Director of Resources, it was agreed that at the next opportunity, appropriate budget provision would be made to enable actuarial fees arising from commissioning projects to be funded directly by the Council rather than being recharged to the Pension Fund.	
<b>4b)</b>	<b>Quarterly Investment Update – Aon fee discount</b> Dealt with under item 11 below.	

4c)	<p><b>Quarterly Investment Update – Investment Managers’ Target Review</b></p> <p>The Board was advised each investment manager set their own performance target and therefore the Pension Fund was not able to change the actual performance targets. This led the Board to question whether targets were realistic because a number of managers were performing well against the benchmark but falling short of the targets.</p> <p>The Secretary agreed to discuss this with the Fund’s advisers Aon Hewitt with a view to asking them to attend the Board to explain.</p>	<b>Secretary</b>
4d)	<p><b>Training on Stock Lending</b></p> <p>The Chair offered to provide training to the Board.</p>	
4g)	<p><b>Procedure for Reporting Breaches</b></p> <p>The Board was advised that an electronic register had been created for recording breaches of the law, including those of a minor (non-material) nature that would not be reportable to the Pensions Regulator.</p>	
5.	<p><b>Minutes of Board held on 22<sup>nd</sup> January 2016</b></p> <p>The minutes of the meeting held on 22<sup>nd</sup> January 2016 were agreed as a correct record.</p>	
6.	<p><b>Matters Arising</b></p>	
6a)	<p><b>List of Fund policy documents</b></p> <p>The Board received a list of Pension Fund policy documents that were available on request from the Secretary or from the Fund’s website.</p>	
6b)	<p><b>TPR Code 14, paragraph 46 – List of key Fund documents</b></p> <p>The Board received a list of key Pension Fund documents that were available on request from the Secretary or from the Fund’s website.</p>	
6c)	<p><b>Publication of Board meeting dates and agendas</b></p> <p>The Secretary confirmed that the Board’s agendas and minutes were available on the Fund’s website.</p>	

6d)	<p><b>Audit of payroll data</b></p> <p>The Board received the Internal Audit report of Payroll noting that the overall opinion of Reasonable Assurance. The Board noted that a number of high risks identified were outside of the Board's remit.</p>	
6e)	<p><b>Payroll end of year extract – procedure outline from systems Officers</b></p> <p>Megan Price, the Pensions Support Manager and Jo Tasker, Team Leader Systems, attended to give an outline of procedures for the end of year reconciliation and answered questions from members. They advised the Board that their priority was the production of the year-end report. Once that was complete they would start work on monthly records for each member of staff setting out their salaries, contributions and employers contributions that could be accessed online. They confirmed that they did not have any issues with receiving data from other employers, and confirmed that there would be a sample checking regime to ensure accuracy.</p> <p>The Chair congratulated the officers for producing the annual benefits statement on time.</p>	
7.	<p><b>Risk Register</b></p> <p>The Board received the Risk Register which had been considered by the Pensions and Investment Committee at its last meeting. The Board noted that, although some risks had been assessed with medium and high probabilities and impacts, there were no high risks identified but accepted the scoring mechanism used. The Board noted that the potential for an investment manager going bust had not been identified in the Risk Register. Whilst pooling arrangements reduced the risk, the Board felt that this should be considered further.</p>	<b>Secretary</b>
8.	<p><b>Key Performance Indicators</b></p> <p>The Secretary advised the Board that the Pension Fund no longer participated in the CIPFA Benchmarking Club but was preparing to submit data for a cost comparison exercise for the Society of Welsh Treasurers. The exercise was looking for evidence of compliance on governance issues such as risk registers, the constitutions of Boards and Committees and the funding position of funds. The Board felt that it would be in the interests of the Fund to publish the administration costs per member to avoid criticism from the Scheme Advisory Board. This could be reported as a line in the Annual Statement of Accounts. The Secretary noted the Board's comments.</p>	<b>Secretary</b>

9.	<p><b>Board Report 2015/16</b></p> <p>The Chair outlined the points he would cover in the Board report. He would seek to avoid duplication with the Pension Fund annual report but would highlight issues raised by the Board and accepted by the Committee.</p> <p>He would aim to circulate a draft by email by 31 May for members to comment on.</p>	<b>Chair</b>
10.	<p><b>Confidential Matters</b></p> <p><b>Resolved to exclude the public for item 11 below on the grounds that there would be disclosure to them of exempt information of a commercially sensitive nature.</b></p>	
11.	<p><b>Minutes of Board held 27<sup>th</sup> November 2015 item 6 – Quarterly Investment Update – Aon fee discount</b></p> <p>The Board received details of the fee discounts negotiated by Aon Hewitt with investment managers.</p>	
12.	<p><b>Draft Minutes of Pensions &amp; Investment Committee held 11<sup>th</sup> February 2016</b></p> <p>The Board received the draft minutes of the Pensions and Investment Committee meeting held on 11<sup>th</sup> February. The Chair asked for an amendment to the minute in relation to the declaration of interest he made at the meeting.</p>	
13.	<p><b>Investment Manager Appointment</b></p> <p>Board was advised that Carnegie Asset Management and Hosking Partners had been appointed to manage the Fund's active global equity portfolio.</p>	
14.	<p><b>Board Budget 2016/17</b></p> <p>The Secretary advised that the Section 151 Officer had approved the Board's budget. Members were asked to submit their claims as soon as possible.</p>	
15.	<p><b>Cessation of contracting out: Update</b></p> <p>The Secretary advised that no decision had been taken yet on working with other local authority partners.</p>	

16.	<p><b>Board Member Training (Standing Item)</b></p> <p>Members were asked to send their training needs analysis to the Secretary as soon as possible.</p>	
17.	<p><b>Date of Next Meeting</b></p> <p>The next meeting would be on 15<sup>th</sup> July. The Chair and Secretary would develop an outline work programme to bring to the next meeting.</p>	<p><b>Chair &amp; Secretary</b></p>

Gerard Moore  
Chair