

**MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT BY
TEAMS ON FRIDAY, 10 FEBRUARY 2023**

PRESENT

Gerard Moore (Chair)

David Powell (Scheme Member Representative)

John Byrne (Scheme Member Representative)

Wayne Thomas (Employer Representative)

Graham Evans (Employer Representative)

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

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| 1. APOLOGIES |
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Apologies for absence were received from Nigel Brinn (Employer Representative)

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| 2. DECLARATIONS OF INTEREST |
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There were no declarations of interest.

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| 3. MINUTES OF THE BOARD |
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The minutes of the meetings held on 28 October 2022 and 21 November 2022 were agreed as correct records.

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| 4. MATTERS ARISING |
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28 October 2022

Item 16 – In response to a query around the member benefit data scoring of 85.32% the Pension Fund Manager advised that the errors due to historic aggregation of records within Powys was being addressed and issues with the address formatting accuracy were being addressed by the report writers.

Item 18a – The Pension Fund Manager now has access to a set of data used to record contribution returns and reconciliations which is monitored monthly. In addition, 45% employers are now sending monthly data electronically so the administration is moving towards a more electronic process rather than manual processing, however the overall data electronically received is approximately 90%. It was noted that The Pension Regulator [TPR] in its annual survey asks for the percentage of data from employers received electronically. The Board agreed that comment should be made to TPR that for a scheme such as the Powys Fund, where the Authority is the main employer, a question should be asked regarding how much data is received electronically.

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| 5. MINUTES OF PENSIONS AND INVESTMENT COMMITTEE |
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The Board noted the minutes of the Pensions and Investment Committee of 07 October 2022 and 24 November 2022.

The Board noted:

- the Powys Fund had submitted the SR3 annual return by the due date.

- the Board's recommendations were approved by the Committee and changes were made to the Data Improvement Plan and Communications Strategy.
- the Fund's Accounts and Annual Report was published by 1 December 2022 and Audit Wales had issued an unqualified report for the accounts.

Minutes of the Pensions and Investment Committee 16 December 2022 will be shared when available.

The Chair commented that a new member of the Committee, at the Committee meeting on 16 December had praised the assistance from the Board on the Risk Register in depth reviews.

6. THE PENSION REGULATOR [TPR] CODES OF PRACTICE

The Pension Fund Manager confirmed focus areas had been reviewed and changes evidenced. The Board noted that where changes had been made to the score colour the previous colour was noted on the right-hand side, so creating an audit trail [numbers refer to the Compliance indicator]:

Governing your Scheme [38 – 60]

The annual training needs assessments analysis would take place by April and completed by Committee and Board.

40 and 41- remains amber with no changes to scores, due to ongoing training.

Comments were made that the document was comprehensive, and the analysis was helpful to monitor progress. The Board was reminded that TPR would be consolidating ten of the fifteen codes into one including the current Code 14 which is applicable to public sector pension schemes and the Board would need to help determine what elements of the other nine codes incorporated into the new code are relevant.

The new code, once it has been laid before Parliament, will have significant training implications for the Board, Committee and Pension Team. However, the Pension Fund Manager advised that the Pension Team have a good base to work from.

The Chair commented that the transitional issues would take time rather than the ongoing monitoring and it was hoped that the Local Government Association (LGA) would provide guidance.

Conflicts of interest and representation [62 – 91]

76, 77 and 81 have now changed from amber to green, due to the Conflict of Interest Policy being approved and published.

Administration [124 – 146]

Noted.

7. OPERATIONAL AND ADMINISTRATION REPORT & UPDATE

The Board received the Operational and Administration report.

Section 1-Introduction

The Board congratulated the newly qualified officer in the Pension Team on successfully achieving and undertaking the significant qualification. It was noted that other staff were also studying for formal qualifications and the Board considered this was important for the resilience of the relatively small Team.

The Chair passed on thanks to the member of the Pension Team volunteering for the Ombudsman's pool of pension staff who review individual complaint cases which demonstrated Team motivation.

It was agreed that the Pension Fund Manager would extend meeting invitations to the Team, in addition to induction modules to help development.

Section 2- Pensions Administration Financial Statistic – Income & Expenditure

A query was answered around the marked difference around the employer and employee contributions, which was due to the National Joint Council (NJC) pay awards processed in November and backdated to April, with pensions contributions on arrears of pay.

Section 3- Pensions Administration members statistics

New reporting software allowed easier presentation of data and additional detail to be provided if needed. The current data set is unable to provide who is eligible but not in the scheme.

The Member Employment Records by Status graph showed an accumulative figure showing all records since the scheme began. The graphs reflected the administration burden on the Team and what is being managed. The information regarding age profile has been shared with the Actuary.

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| 8. LEGISLATION AND GOVERNANCE UPDATE |
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The Board noted the Legislation and Governance Update.

The Pension Fund Manager highlighted:

Section 2 – Local Government Pension Scheme [LGPS] updates

2.1 - the Scheme Advisory Board [SAB] met with the Minister responsible for the Local Government Scheme around amendments to the LGPS regulations.

He was unsure of the impact of the implications and liabilities around the death grant and age barrier of seventy-five and would reflect if the age range data 75-80 (item 7) should be split to allow for planning where potential death grants could be paid.

2.3 - Once signed the Scheme Valuation Report would be sent to the Scheme Advisory Board and shared with the Board.

2.4 – Scheme Advisory Board have issued a statement around funding levels within LGPS, as many funds are over one hundred percent funded, it asked for funds to be considerate when setting the employer contributions.

3. Pension Dashboards

Work was ongoing towards the launch of the Portal, with project work around aggregations.

The Board agreed to add the Pension Dashboard to the Work Programme and add this as a single item on an agenda when the LGA guidance has been received.

4.The Pensions Regulator (TPR)

4.2 - the Board was made aware that the TPR have updated the Enforcement and Prosecution policies.

4.4 – the Financial Conduct Authority [FCA] and the TPR are undertaking joint work.

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| 9. REVIEW OF RISK REGISTER |
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The Board noted the Risk Register. Comment was made that although the Scheme's cashflow is currently positive reference should be made to the fact that, over time this may change and reference to this and how communications are managed regarding such a change should be included in the Risk Register.

The Governance Pillar element of the Risk Register was being updated to reflect the outcomes of the in-depth review, which had been agreed by the Committee.

The Board supported that the Pensions Dashboard would be added under the Administration Pillar of the Risk Register and a potential risk would be the integration of the two-Stage process for internal dispute resolution procedure which is currently wholly managed internally.

The Board:

- 1. Agreed to set a date in April for the Investment Pillar in-depth review.**
- 2. The Pension Dashboard to be added to the Administration Pillar.**

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| 10. TPR ANNUAL GOVERNANCE AND ADMINISTRATION SURVEY |
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The Board noted the content of the report, and that the survey would be submitted before the deadline of 17 February 2023.

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| 11. STANDING ITEMS WITH NO UPDATES REQUIRED |
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The Board noted the following in respect of standing items:

- Breaches Register - there were no new breaches recorded.
The Pension Fund Manager is working with finance colleagues around the approach to employer contribution returns. A communication plan has been developed which also offers training to employers which

includes LGPS responsibilities.

- b) Audit Reports – a SWAP audit is being conducted with the Pensions Administration Team which concludes on 31 March 2023.
- c) Board Communications Log – reports attached for information.

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| 12. FUTURE BOARD MEETINGS |
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The Board noted the 2023 meeting dates:

12 June – 2pm

11 September – 2pm

20 November – 10am

April – Investment Pillar in-depth review of the Risk Register

An open invitation will be sent to Councillor Roger Philips, Chair of the Scheme Advisory Board [SAB] to attend a Board meeting later this year.

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| 13. CONFIDENTIAL |
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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.

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| 14. UPDATE BY CHAIR OF PENSIONS BOARD |
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The Chair advised he would continue in his role until the end of July 2024. He advised he would hold his annual meeting with the S151 Officer later in February 2023. He asked that the Workplan be reviewed once the deep dive into the Investment Pillar of the Risk Register is completed.

In response to a question the Pension Fund Manager advised that the Employers Representative vacancy was actively being filled, information regarding the vacancy had been raised at the annual Employers meeting in December 2022 and this had been followed up by email. He hoped to receive nominations by the end of February 2023. In respect of the Scheme Member representative vacancy, he advised he had discussed this with the Chair and S151 Officer and the current Scheme Member representative was discussing the vacancy with union colleagues.

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| 15. VALUATION UPDATE |
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The Pension Fund Manager provided an overview of the Actuary's report regarding the Actuarial valuation as at 31 March 2022.

The Board noted the valuation process, the financial and demographic assumptions and the improvements in the fund in key areas. The Pension Fund Manager advised that the volatility in the markets since 31 March 2022 had been

taken into account and the Actuaries had advised that this had not materially impacted the valuation.

The Board reflected on the report positively and the prudent approach being taken in respect of the value for money for taxpayers and the stability of the fund. The Board noted that the employers had received the initial valuation results at the Employers meeting in December 2022 and had now been advised of their contributions from 1 April 2023.

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| 16. | WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE [STANDING ITEM] |
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The Board noted the Wales Pension Partnership – Investment Pooling Update.

The Pension Fund Manager highlighted the following:

The complaints policy for constituent authorities to raise a complaint against the WPP has been approved and published.

The Responsible Investment Policy has been updated and published which introduces reference to Human Rights.

The Sustainable Equity Fund should be available from the end of April 2023 and the Powys Pension Fund has committed to invest in this.

The Pension Fund Manager advised that the eight constituent authorities in the WPP had asked for a common set of communications from the WPP to ensure consistency and accuracy in the information received and this would commence soon. The Chair advised that the eight Board Chairs had met the WPP and he assured the Board that appropriate considerations are being given towards risks associated with a Pooling operator.

The Pension Fund Manager in response to comments about class actions advised that when required he would provide information regarding these.

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| 17. | INTERNAL DISPUTE RESOLUTION PROCEDURE [IDRP] |
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The Pension Fund Manager advised that one complaint had moved to Stage 2. The complaint related to the payment of a pension under specific circumstances to a surviving partner.

It was noted that the Ombudsman may look to integrate the two stage complaints procedure into one and the Pension Fund Manager agreed to review whether this should be added to the Risk Register.

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| 18. | GMP RECONCILIATION UPDATE |
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The Board noted the GMP Reconciliation Update.

The Pension Fund Manager reported that the February 2023 payroll would include rectifications for those pensioner memberships impacted by the GMP reconciliation project. It was noted that reimbursements were not being sought from those who had received overpayments in line with the Fund's overpayment policy and national approach, but their benefits would be adjusted from the February 2023 payroll.

Information about the GMP reconciliation would be included in the letter regarding the pensions increase to complete the communications audit trail. The Board noted that a remapping exercise is underway to reconcile Pensions with Payroll to satisfy an Audit request.

County Councillor Moore (Chair)