

Pwyllgor Pensiynau a Buddsoddi

Man Cyfarfod
**Ystafell Bwyllgor A - Neuadd y Sir,
Llandrindod, Powys**

Dyddiad y Cyfarfod
Dydd Llun, 10 Gorffennaf 2017

Amser y Cyfarfod
2.00 pm



Neuadd Y Sir
Llandrindod
Powys
LD1 5LG

I gael rhagor o wybodaeth cysylltwch â
Carol Johnson
01597 826206
carol.johnson@powys.gov.uk

05/07/2017

AGENDA

1.	YMDDIHEURIADAU
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Ymddiheuriadau am absenoldeb.

2.	DATGANIADAU O DDIDDORDEB
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Derbyn unrhyw ddatganiadau o ddiddordeb gan Aelodau yn gysylltiedig ag eitemau i'w hystyried ar yr Agenda.

3.	COFNODION
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3.1. Cofnodion 9 Chwefror, 2017

Nodi cofnodion y cyfarfod a gynhaliwyd ar 9 Chwefror, 2017.

(Tudalennau 1 - 6)

3.2. Cofnodion 18 Mai, 2017

Awdurdodi'r Cadeirydd i lofnodi cofnodion y cyfarfod a gynhaliwyd ar 18 Mai, 2017 fel cofnod cywir.

(Tudalennau 7 - 8)

4.	DATGANIAD STRATEGAETH GYFATHREBU DIWYGIEDIG
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Ystyried Datganiad Strategaeth Gyfathrebu Diwygiedig.

(Tudalennau 9 - 18)

5.	DATGANIAD CYDYMFFURFIO A PHOLISI LLYWODRAETHU DIWYGIEDIG
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Cymeradwyo'r Datganiad Cydymffurfio a Pholisi Llywodraethu Diwygiedig.

(Tudalennau 19 - 38)

6.	CORFF MYNEDIAD NEWYDD - NEUADD LES Y GLOWYR, YSTRADGYNLAIS
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Ystyried adroddiad y Cyfarwyddwr Strategol Adnoddau.

(Tudalennau 39 - 40)

7.	CORFF PENDERFYNIAD NEWYDD - GWASANAETHAU EIDDO CALON CYMRU
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Ystyried adroddiad y Cyfarwyddwr Strategol.

(Tudalennau 41 - 42)

8.	PARTNERIAETH PENSIWN CYMRU
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Derbyn adroddiad llafar ar Bartneriaeth Pensiwn Cymru.

9.	DIOGELWCH ASED AU'R GRONFA BENSIWN
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Ystyried adroddiad y Cyfarwyddwr Strategol Adnoddau

10.	COFNODION BWRDD PENSIYNAU POWYS
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Derbyn cofnodion drafft cyfarfod Bwrdd Pensiynau Powys a gynhaliwyd ar 10 Mawrth, 2017, er gwybodaeth.

(Tudalennau 43 - 50)

11.	MATERION BUDDSODDI
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Ystyried adroddiadau gan ymgynghorwyr buddsoddi, Aon.

(To Follow)

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

3.a

Pensions & Investment Committee 09/02/2017

MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE HELD AT COMMITTEE ROOM A - COUNTY HALL, LLANDRINDOD WELLS, POWYS ON THURSDAY, 9 FEBRUARY 2017

PRESENT

County Councillor A G Thomas (Chair)

County Councillors PJ Ashton, W T Jones and G P Vaughan

Strategic Director Resources, Pension Fund Manager, Head of Business Services,
Pension Administration Manager, Financial Reporting & Policy Accountant.

Gerard Moore, Chair of the Powys Pensions Board

Richard Antrobus, Sion Cole and Simon Mayne Aon Hewitt

1.	APOLOGIES	PIC1- 2017
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Apologies were received from County Councillor E.A. Jones and Councillor Martin Weale.

2.	DECLARATIONS OF INTEREST	PIC2- 2017
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All Members declared interests as members of the Local Government Pension Scheme [LGPS].

3.	MINUTES	PIC3- 2017
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The Chair was authorised to sign the minutes of the last meeting held on 16th December, 2016 as a correct record.

The Committee agreed to consider the draft Pension Board minutes on the arrival of the Pension Board Chair.

4.	SECURITY OF PENSION FUND ASSETS	PIC4- 2017
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The Committee considered the Pension Board's recommendation that where the Fund intends to enter into a contract with a manager to invest Fund assets, that, in all cases, the contract documentation is first scrutinized by the Fund's legal advisers, in relation to this risk.

RESOLVED	Reason for Decision:
To approve the referral of all future contracts with asset managers to the Fund's legal advisers for scrutiny, in order to help manage the risk associated with investment manager insolvency.	Pension Board Recommendation

5.	NEW ADMISSION BODY - KIER FSL	PIC5- 2017
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The Committee was advised that Kier Facilities Services Ltd had become a Pension Fund employer following the transfer of the Schools Cleaning Service (Brecon and Llandrindod) from Powys County Council.

RESOLVED	Reason for Decision:
To note the admittance of Kier Facilities Services Ltd to the Powys Pension Fund.	As per report.

6.	NEW RESOLUTION BODY - MACHYNLLETH TOWN COUNCIL	PIC6- 2017
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The Committee was advised that Machynlleth Town Council had become a Pension Fund employer following the passing of a statutory resolution by the Town Council on 19 December 2016.

RESOLVED	Reason for Decision:
To note the admittance of Machynlleth Town Council to the Powys Pension Fund.	As per report

The Pension Fund Manager advised that several smaller employers would be admitted to the Fund in due course.

The following item was taken next.

7.	PENSIONS BOARD MINUTES	PIC7- 2017
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The Committee received the minutes of the meeting of the Powys Pensions Board held on 6 January, 2017, which were circulated at the meeting.

The Chair of the Board advised that it was satisfied with the actuarial process. The Committee noted that the Board would consider cyber security in the future, as this was an issue which was on the Pension Regulator's agenda for 2017.

8.	REVIEW OF COMMUNICATIONS STRATEGY STATEMENT	PIC8- 2017
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The Committee noted that as required under Regulation 61 of the Local Government Pension Scheme Regulations 2013 [SI 2013 No. 2356] administering authorities had to prepare and regularly review a written statement setting out details of communications strategy. The Committee considered the revised Communications Strategy Statement and noted that reference had been made to the Pension Board and the strategy in respect of Additional Voluntary Contributions [AVCs].

RESOLVED	Reason for Decision:
To approve the revised Communications Strategy Statement.	Statutory requirement

9.	WELSH LGPS FUNDS - COMPARATIVE DATA	PIC9- 2017
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The Committee received and noted the Welsh LGPS funding ratios and the incidence off ill health retirements.

RESOLVED	Reason for Decision:
To note the funding ratio of each Welsh LGPS Funds and the incidence of ill health retirements.	As per the report.

10.	WALES POOL	PIC10- 2017
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The Committee received an update on the All Wales Investment Pool. It was noted that a:

- third party operator would develop a menu of investment opportunities from which Pensions Funds could select investments,
- joint governance committee would be established, with an elected member from each Pension Committee and
- Working Group, with two officers from each Pension Fund, would be established.

The Committee was advised that one authority would manage the Pool and it was planned that it would be a legal entity by April 2017 and operational by April 2018. The Strategic Director advised that a report would be considered by each authority and that the Monitoring Officer had advised that “purdah” would not have an impact on the councillors’ ability to make a decision on this issue.

11.	INVESTMENT STRATEGY STATEMENT	PIC11- 2017
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Richard Antrobus from Aon Hewitt advised the Committee of the minor changes to the document. It was noted that some further minor changes may be needed in respect of the reference to the Wales Pool.

RESOLVED	Reason for Decision:
1. That the Investment Strategy Statement be approved and 2. That it be delegated to the S151 Officer to agree any minor amendments to the Investment Strategy Statement.	As per the report.

12.	FUNDING STRATEGY STATEMENT	PIC12- 2017
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The Committee received the Funding Strategy Statement and noted the minor changes.

RESOLVED	Reason for Decision:
That the Funding Strategy Statement be approved.	As per the report.

In response to questions the Pension Fund Manager advised that the recent Supreme Court ruling regarding the right of a cohabiter to receive a widow's pension would have limited implications for the Fund. For actuarial purposes cohabiters had been assumed as married since April 2014. A review of deaths between April 2008 and April 2014 would be undertaken to see if any cases need to be revisited.

The Chair took the rest of the agenda as follows.

13.	STRATEGY HEALTHCHECK	PIC13- 2017
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The Committee considered further, the Strategy Healthcheck, which had been outlined at the previous meeting. The "Develop Stage" of the strategy healthcheck process had compared the current investment strategy with a number of alternative strategies. Simon Mayne from Aon Hewitt took the Committee through the strategy which proposed currency hedging to minimise the risk of volatility of currency movements, investment in infrastructure projects to provide cashflow and restructuring the hedge fund to minimise management fees.

RESOLVED	Reason for Decision:
<ol style="list-style-type: none"> 1. To change the current asset allocation strategy from equity unhedged to 50% hedged and that 100% of the Schroders holding be invested in the currency hedged share class and 66% of the BlackRock passive equity portfolio benchmark be currency hedged 2. That the long-term investment strategy allocates 10% in favour of infrastructure investments 3. To carry out a full review of the Fund's hedge fund strategy, looking to restructure the allocation away from Hedge Fund of Funds and instead invest in single strategy managers and 4. That the new Committee, after the May 2017 election, implement the strategy after receiving appropriate training. 	As per the report.

14.	FORWARD LOOKING BUSINESS PLAN AND TRAINING PLAN	PIC14- 2017
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Richard Antrobus advised that as a result of the decisions made today the Committee would now move to the "Delivery Phase" of the business plan. This would be for the new Committee to consider, after receiving appropriate training.

The Committee noted that the replacement for WM would form part of the Pool arrangements and it was hoped that this would be completed before the end of the current financial year. The Investment Strategy Statement had been agreed at this meeting, subject to any minor changes being agreed by the S151 Officer and the Committee noted that a range of training was planned for the new Committee after the May 2017 elections.

Richard Antrobus advised that as GAM had moved from a buy rated to a qualified rated fund manager he asked the Committee to consider whether it wished to move the allocation from GAM to Goldman Sachs which was buy rated. The Committee was reminded that it had previously agreed that where fund managers changed in such a way the Committee had agreed that its policy should be to move funds to reduce the risk.

RESOLVED	Reason for Decision:
that as GAM had moved from a buy rated to a qualified rated fund manager the allocation to GAM should be moved to Goldman Sachs which was buy rated fund manager.	As per policy.

The Chair noted that a vacancy still existed for an employee representative on the Committee. The Pension Board Chair advised he would raise this at the next Board meeting and the Pension Fund Manager advised he would invite the Trade Unions to make an appointment to the Committee for May 2017.

15.	DECISION REVIEW	PIC15- 2017
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The Committee received the Decision Review document.

16.	EXEMPT ITEMS	PIC16- 2017
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RESOLVED to exclude the public for the following items of business on the grounds that there would be disclosure to them of exempt information under category 3 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

17.	ASSET UPDATE AND QUARTERLY INVESTMENT OUTLOOK	PIC17- 2017
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The Committee received the quarterly report for the period ended 31st December, 2016. The value of the Fund had grown by £18.7m. The Committee noted that the new fund managers were performing well. In response to a question Richard Antrobus agreed that details would be given in future reports of where funds had been moved around.

In response to questions Richard Antrobus advised that Aon Hewitt's research team was reviewing HarbourVest 8 and whether funds should be transferred.

RESOLVED	REASON FOR DECISION
1. That it be delegated to the Chair and Vice Chair to	In order that an appropriate investment decision is taken

<p>consider the outcome of the review in respect of HarbourVest and</p> <p>2. that if no Chair and Vice Chair is in post, it be further delegated to the S151 Officer to consider the outcome of the review.</p>	<p>even when Chair and Vice Chair may not be in position.</p>
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18.	UPDATE ON ASSET ALLOCATION VIEWS FOLLOWING ADVANCES IN BREXIT AND THE US ELECTION	PIC18- 2017
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The Committee received and noted the Asset allocation views following the Brexit vote and the US election.

19.	MEDIUM TERM ASSET ALLOCATION	PIC19- 2017
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The Committee received the Medium Term Asset Allocation [MTAA] update.

The Chair advised that this was the last Committee meeting prior to the Local Government election in May 2017. He advised that there would be a void between the election and the appointment of the new committee and therefore governance arrangements would need to be put in place to cover this period. The S151 Officer stated that he would discuss this with the Monitoring Officer and if appropriate a recommendation would be made to Council to delegate to the S151 Officer authority to make decisions regarding the Pension Fund until the new Chair and Vice Chair had been appointed and undertaken appropriate training. The Pension Board Chair advised he supported this position and would be happy to assist in any way regarding the level of training required by the Chair and Vice Chair.

David Powell, Strategic Director Resources on behalf of officers thanked the Chair, County Councillor Tony Thomas for his help, support and advice during his membership of the Committee. Gerard Moore, Chair of the Powys Pensions Board also offered the Chair thanks on behalf of the Pensions Board.

County Councillor A G Thomas (Chair)

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE
HELD AT COUNCIL CHAMBER - COUNTY HALL, LLANDRINDOD WELLS, POWYS
ON THURSDAY, 18 MAY 2017**

PRESENT

County Councillors P E Lewis, DW Meredith, JG Morris and T J Van-Rees

1.	ELECTION OF CHAIR
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Resolved that County Councillor P. Lewis be elected Chair for the ensuing year.

2.	ELECTION OF VICE CHAIR
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Resolved that County Councillor T. Van-Rees be elected Chair for the ensuing year.

3.	APOLOGIES
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Apologies were received from County Councillor A. Jones.

**County Councillor P E Lewis
Chair**

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

CYNGOR SIR POWYS COUNTY COUNCIL

Pensions & Investment Committee
10th July 2017

REPORT BY: Strategic Director of Resources

SUBJECT: Revised Communications Strategy Statement

REPORT FOR: Decision

1. Summary

Following matters raised at the Pension Board meeting of 6th January 2017, a review of the Fund's Communications Strategy Statement has been undertaken and the revised document is attached for Committee approval.

2. Principal Amendments

2.1 Inclusion of a set of principles that underpin the strategy.

2.2 Inclusion of appropriate references to the Fund's local Pension Board and its members.

3. Recommendation

Committee is asked to approve the revised policy statement and note that it was reviewed by the Pension Board at the meeting held on 10th March 2017.

Recommendation:		Reason for Recommendation:	
<ul style="list-style-type: none"> That Committee approves the revised Communications Strategy Statement. 		As per report	
Person(s) To Action Decision:			
Date By When Decision To Be Actioned:			
Relevant Policy (ies):	N/A		
Within Policy:	N/A	Within Budget:	N/A
Contact Officer Name:	Tel:	Fax:	Email:
Joe Rollin	01597 827641	01597 826290	joe.rollin@powys.gov.uk

Relevant Portfolio Member(s):	Cllr A Davies
Relevant Local Member(s):	N/A



Powys

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**COMMUNICATIONS STRATEGY
STATEMENT**

Reviewed March 2017

1. Introduction

- 1.1 Regulation 61 of the Local Government Pension Scheme 2013 (as amended) [SI 2013 No. 2356] requires an administering authority to prepare, publish and maintain a statement that sets out strategy for communication and promotion of the Local Government Pension Scheme.
- 1.2 The Statement is required to include details of policy for communicating with Scheme members and their representatives; prospective Scheme members; and Scheme employers.
- 1.3 In particular, the Statement must set out policy on the provision of information and publicity about the Scheme to Scheme members, their representatives and Scheme employers; the format, frequency and method of distributing such information or publicity; and the promotion of the Scheme to prospective members and their employers.
- 1.4 The Statement must be reviewed and published following any material change relevant to the policy.
- 1.5 An effective communications strategy is vital for any organisation that strives to provide a high quality and consistent service to its customers. The complexity of pensions in general and the LGPS in particular, places communications at the heart of a high quality service provision.
- 1.6 There are six distinct groups with whom Powys Pension Fund needs to communicate:
 - Pension Fund Trustees and local Pension Board Members
 - Scheme Members
 - Prospective Scheme Members
 - Scheme Employers
 - Pension Fund Officers and Staff
 - Other Stakeholders
- 1.7 Set out in this Statement are the mechanisms which are used to communicate with each of these groups, together with a strategy for widening and improving communications and to promote the Scheme amongst non-members.

2. Principles Underpinning this Strategy

- 2.1 The drivers for communicating that underpin this strategy are:

- a) to inform and educate stakeholders and interested parties about the Powys Pension Fund and the Local Government Pension Scheme in an open and transparent manner;
 - b) to better facilitate accountability;
 - c) to promote the engagement of scheme members and employers.
- 2.2 Whereever possible the Pension Fund seeks to make its communications as open and as accessible as are needed by stakeholders. This includes:
- a) the provision of information through the medium of Welsh;
 - b) the provision of information in other languages if required;
 - c) where possible, providing communications in alternative forms for example in large print, via audio etc.
 - d) the increasing use of social media.
- 2.3 In the context of the LGPS, deciding on when to communicate is largely determined by the statutory requirements imposed upon the Pension Fund. The Pension Fund aims to provide communications to stakeholders within statutory timelines and, for non-statutory information, as and when required.

3. Pension Fund Trustees and local Pension Board Members

- 3.1 The Trustees of Powys Pension Fund (the members of the Pensions & Investment Committee - six Powys County Council Elected Members plus two non-voting members representing other participating Scheme employers and Scheme members) and local Pension Board Members (an independent Chair, two Scheme employer representatives and two Scheme member representatives) receive information, primarily in the form of written reports and email correspondence, that cover investment, actuarial and administration issues. Committee and Board members also attend conferences and seminars on the LGPS.
- 3.2 Completion of appropriate training for Pension Fund Trustees and local Pension Board Members is a mandatory requirement. Ongoing knowledge development and training is to be provided via Pension Fund Officers and advisers. Full details are set out in the Knowledge & Skills Framework Policy appended to the Pension Fund's Governance Policy & Compliance Statement.

4. Scheme Members

- 4.1 Newsletters – are sent out to all active and pensioner members covering LGPS and related issues, as and when required.
- 4.2 Benefit Statements – sent to all active and deferred members (where a current home address is held) annually. Statements include State Scheme benefits and are produced in conjunction with the Department for Work and Pensions.
- 4.3 Scheme Literature – A range of Scheme literature and information covering many aspects of the LGPS is produced by Powys Pension Fund and is supplied direct to employers and Scheme members, as required.
- 4.4 Additional Voluntary Contributions (AVCs) – Regular promotional mailshots are sent to active members in partnership with the Fund’s AVC providers.
- 4.5 Pay Advices – Powys Pension Fund issues pay advices to all its Fund pensioners twice per year, or more often where pay amounts vary from month-to-month.
- 4.6 Pensions Increases – all Fund pensioners are advised of their annual pension increase via a personalised letter sent in April each year.
- 4.7 Correspondence – the Pension Fund utilises both surface mail and email to send and receive correspondence with Scheme members.
- 4.8 Telephone – much of the Pension Fund’s communication with individual Scheme members is conducted by telephone.
- 4.9 Pensions Clinics – The Pension Fund provides a periodic clinic service where Scheme members have the opportunity to discuss their individual pension issues on a face-to-face basis. In addition, clinics focussing on AVCs are also held for the benefit of active members, provided by the Fund’s AVC providers.
- 4.10 Welsh Language – wherever possible the Pension Fund provides access to Scheme documents in the medium of Welsh.
- 4.11 Website - a full range of Pension Fund and LGPS information is available via the Pension Fund’s dedicated bespoke website at www.powypensionfund.org.
- 4.12 My Powys Pension – an online system that is available to all active and deferred Scheme members. It enables members to interact with their pension records; log changes to basic data (eg changes to address etc.); and perform pension benefit forecasts.

- 4.13 Powys Pension Fund has both facebook and twitter accounts through which it is able to communicate further with Scheme members who prefer to receive information via these media platforms.

5. Prospective Scheme Members

- 5.1 Scheme Guide – All prospective Scheme members are provided with Scheme information on being appointed to their employments.
- 5.2 Website - a full range of Pension Fund and LGPS information is available via the Pension Fund's dedicated bespoke website at www.powypensionfund.org.
- 5.3 The Pension Fund's intention is to request formal notification of non-joiners from Scheme employers. The information will be used to market the Scheme with dedicated literature. (Targeted for implementation during 2017/18).
- 5.4 Pensions Clinics – The Pension Fund provides a periodic clinic service where prospective Scheme members have the opportunity to discuss their individual pension issues on a face-to-face basis.

6. Scheme Employers

- 6.1 Employers' Guide – An Employers' Guide is issued to each employer to assist them in the administration associated with participation in the Scheme.
- 6.2 Ill Health Retirements – The Pension Fund has made available to all participating employers access to the Pension Fund's approved Occupational Health Physician for the purposes associated with ill health benefits.
- 6.3 Employer Meetings and Reports – Periodic Employer meetings are held at least annually. Typically these are used to communicate a variety of Pension Fund matters of specific interest to employers, such as the results of triennial valuations. In addition, employers receive copies of the Pension Fund's Annual Report & Accounts, Statement Of Investment Principles, Funding Strategy Statement and Governance Policy & Compliance Statement.
- 6.4 Technical Updates – These are sent to employers from time to time to advise them of significant changes to the Scheme and associated legislation.

- 6.5 Website - a full range of Pension Fund and LGPS information is available via the Pension Fund's dedicated bespoke website at www.powypensionfund.org.
- 6.6 It is envisaged that technical updates for employers will be regularised in the form of a quarterly briefing paper, to include, in addition to Scheme changes, matters of national debate and interest on the future development of pensions in general and the LGPS in particular. (Targeted for implementation during 2017/18).
- 6.7 Powys Pension Fund has both facebook and twitter accounts through which it is able to communicate further with employers who prefer to receive information via these media platforms.

7. Pension Fund Officers and Staff

- 7.1 Team Meetings – Pensions Administration meets quarterly at which team members consider procedural issues; plan work and developments for the coming quarter and beyond; and, at which the team is kept abreast of Scheme developments and changes.
- 7.2 Technical Information – Bulletins and Circulars issued by the Local Government Association together with guidance and consultation documents from the Department for Communities and Local Government are available to all Pension Fund Officers and Staff for information. In addition, periodic in-house procedural guidance, procedure notes and technical explanations are provided, as required.
- 7.3 Intranet and Internet – All staff have been enabled to use the corporate network in order to access both the Powys Intranet and the internet.
- 7.4 E-mails – All staff have access to email facilities.
- 7.5 Pension Fund Manager – The Pension Fund Manager maintains an open-door policy and attempts to make himself available to all staff at all times.

8. Other Stakeholders

- 8.1 All Wales Pension Officers' Group – Pension Officers from the 8 administering authorities in Wales meet regularly in order to ensure uniform interpretation of the LGPS and other associated regulations. The group's views are passed up to the national level via the Local Government Pensions Committee's Technical Group Meetings (an arm of the Local Government Association) that are held quarterly.
- 8.2 All Wales Communications Group – Pensions Officers from the 8 administering authorities in Wales meet periodically in order to devise, develop and promote the use of common Scheme literature.
- 8.3 CLASS Group – As a user of the Altair Pensions Administration System, the Pension Fund is a member of the local authority CLASS Group and attends both regional user groups and national meetings.
- 8.4 National Fraud Initiative – The Pension Fund has participated in the National Fraud Initiative since 1998 and continues to do so. This has helped to avoid the overpayment of pension benefits to both deceased and re-employed pensioners.

- 8.5 Taxpayers and the General Public – all the principal Pension Fund documents including the Annual Report & Accounts, Actuarial Valuation Reports, Statement of Investment Principles, Funding Strategy Statement, Governance Policy & Compliance Statement and this Statement, are available to the public via the Pension Fund’s website at www.powypensionfund.org or on request.

9. Contacts

- 9.1 Any questions, queries or observations on this Statement; or, on matters relating to the investment of the Powys Pension Fund; or, on the governance of the Pension Fund, should be addressed to:

Mr J Rollin
Pension Fund Manager
Powys County Council
County Hall
Llandrindod Wells
Powys LD1 5LG

Tel: 01597 827641

Email: joe.rollin@powys.gov.uk

- 9.2 Questions or queries concerning membership, benefits or information in respect of the Local Government Pension Scheme, should be directed to:

Mr C Hurst
Pensions Administration Manager
Powys County Council
County Hall
Llandrindod Wells
Powys LD1 5LG

Tel: 01597 827640

Email: chris.hurst@powys.gov.uk

- 9.3 All other enquiries should be addressed to:

The Pensions Section
Powys County Council
County Hall
Llandrindod Wells
Powys LD1 5LG

Email: pensions@powys.gov.uk

CYNGOR SIR POWYS COUNTY COUNCIL

Pensions & Investment Committee
10th July 2017

REPORT BY: Strategic Director of Resources

SUBJECT: Revised Governance Policy & Compliance Statement

REPORT FOR: Decision

1. Summary

Following a matter raised at the Pension Board meeting of 6th January 2017, a review of the Fund's Governance Policy & Compliance Statement has been undertaken and the revised document is attached for Committee approval.

2. Principal Amendments

- 2.1 Inclusion of references to the Public Service Pensions Act 2013, as necessary.
- 2.2 Incorporate the changes made in 2016 to the constitution of the Pensions & Investment Committee which were to include, as a sixth voting member of the Committee, the County Council's Portfolio Holder for Finance.

3. Recommendation

Committee is asked to approve the revised policy statement and note that it was reviewed by the Pension Board at the meeting held on 10th March 2017.

Recommendation:		Reason for Recommendation:	
<ul style="list-style-type: none"> That Committee approves the revised Governance Policy and Compliance Statement. 		As per report	
Person(s) To Action Decision:			
Date By When Decision To Be Actioned:			
Relevant Policy (ies):		N/A	
Within Policy:	N/A	Within Budget:	N/A
Contact Officer Name:	Tel:	Fax:	Email:
Joe Rollin	01597 827641	01597 826290	joe.rollin@powys.gov.uk

Relevant Portfolio Member(s):	Cllr A Davies
Relevant Local Member(s):	N/A



Powys

**CRONFA BENSIWN
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**GOVERNANCE POLICY AND
COMPLIANCE STATEMENT**

Last Reviewed 10th March 2017
Approved

GOVERNANCE POLICY & COMPLIANCE STATEMENT

In accordance with the requirements of regulation 55 of the Local Government Pension Scheme Regulations 2013 (as amended), this document sets out details of the delegation, management, operation and governance of the Powys Pension Fund. In addition, the Pension Fund's governance arrangements are compared to the best practice guidance issued by Communities and Local Government on 21st July 2008 (see Appendix D).

1. Constitutional Arrangements.

- 1.1 The Powys Pension Fund is a local government pension fund. The primary legal frameworks are the Superannuation Act 1972 and the Public Service Pensions Act 2013, with operational matters being set out in regulations made thereunder.
- 1.2 Powys County Council is the administering authority for the Powys Pension Fund. The governance arrangements of the County Council (including the Constitution, Financial Regulations and Contract Standing Orders) apply to the management of the Pension Fund. In addition, the administering authority is assisted by the Powys Pensions Board which was established under the Public Service Pensions Act 2013.

2. Scheme of Delegation.

- 2.1 Powys County Council delegates its functions in relation to maintaining the Pension Fund to the Pensions & Investment Committee and the Section 151 Officer, in accordance with Appendices A and B to this Statement.
- 2.2 Day-to-day decisions in respect of the management of the Pension Fund and investment decisions that are required to be taken before the next Committee, are delegated to the Section 151 Officer, in consultation with the Chair and Vice Chair of Pensions & Investment Committee.
- 2.3.1 Powys County Council will appoint the voting members of the Pensions & Investment Committee. The Committee will consist of 6 voting members (1 of which will be the Portfolio Holder for Finance); 1 non-voting member representing Pension Fund employers (elected by those Pension Fund employers); and, 1 non-voting member representing pension scheme members (nominated by the recognised trade unions).

- 2.3.2 The Pensions & Investment Committee will meet quarterly with special meetings and training workshops as necessary.
- 2.3.3 The Pensions & Investment Committee will be advised by the Council's Section 151 Officer, the Pension Fund's Investment Adviser (currently Aon Hewitt) and the Pension Fund's Actuary (currently Aon Hewitt).
- 2.3.4 Members of the Pensions & Investment Committee will be required to undertake training and demonstrate competency in accordance with the Knowledge & Skills Framework Policy (Appendix C).
- 2.3.5 The minutes of the Pensions & Investment Committee will be reported to the County Council.

3. Powys Pensions Board.

- 3.1 Powys County Council established a local pension board on 21st January 2015 in accordance with the requirements of the Public Service Pensions Act 2013.
- 3.2 Powys County Council will appoint the independent chair of the Pensions Board. The Board will consist of 4 voting members in addition to the independent chair; 2 members representing Pension Fund employers (nominated by those Pension Fund employers); and, 2 members representing pension scheme members (nominated by the recognised trade unions).
- 3.3 The Pensions Board will meet quarterly (after each meeting of the Pensions & Investment Committee), with special meetings and training workshops as necessary. Pension Board meetings are open to the public.
- 3.4 The Pensions Board will be advised by the Section 151 Officer and any other Council Officers and professional Advisers and Consultants, as may be required.
- 3.5 Members of the Pensions Board will be required to undertake training and demonstrate competency in accordance with the Knowledge & Skills Framework Policy (Appendix C).
- 3.6 The minutes of the Pensions Board will be reported to the Pensions & Investment Committee and published on the Pension Fund's website.

4. Consultation

- 4.1 The Pensions & Investment Committee will engage with stakeholders (including Pension Fund employers and trade unions) through the following:

- An annual general meeting for the main stakeholders.
- A triennial meeting between Pension Fund employers and the actuary to discuss the results of the actuarial valuation.

5. Review of this Statement

- 5.1 In accordance with the requirements of regulation 55(2) of the Local Government Pension Scheme Regulations 2013 (as amended), this Statement will be reviewed and published by Powys Pension Fund following any material changes.

6. Contacts

- 6.1 Any questions, queries or observations on this Statement should be addressed to:

Joe Rollin
Pension Fund Manager
Powys County Council,
County Hall,
Llandrindod Wells,
Powys
LD1 5LG

- 6.2 Further information about the Powys Pension Fund and the Local Government Pension Scheme, can be found on the Fund's website: www.powyspensionfund.org

Appendix A

Functions Delegated to Pensions & Investment Committee

Pension Administration Functions

To appoint the Pension Fund's Actuary;

To receive the triennial actuarial valuation and such other valuations that may arise from time to time and set employers' contribution rates arising therefrom.

To monitor and review the overall arrangements for the administration of the Local Government Pension Scheme (LGPS).

To respond to consultations in respect of the LGPS.

To undertake the following functions of the LGPS:

- To act as Scheme Trustees in relation to the Powys County Council Additional Voluntary Contributions (AVC) Scheme
- To exercise the discretionary powers available to an administering authority under the provisions of the LGPS regulations
- To develop, publish and review policies as required by the LGPS regulations.

Investment Functions

To determine long-term investment policy.

To approve the Council's Funding Strategy Statement and Statement of Investment Principles (this latter document is replaced from 1st April 2017 by the Investment Strategy Statement).

To review the Pension Fund's investment structure at least triennially, having regard to the Fund's liabilities and the advice of the Fund's Investment Adviser and the Section 151 Officer.

To appoint and dismiss investment managers, consultants and advisers.

To review investment performance at least once every 3 months.

To appoint the Fund's custodian for its assets and to periodically review custody arrangements.

To appoint the Performance Measurement Service for the Fund.

General

To approve the annual business plan.

To receive the annual accounts of the Pension Fund and any external audit comments related thereto;

To approve the Pension Fund Annual Report.

To receive internal audit reports on Pension Fund matters.

Appendix B

Functions Delegated to Section 151 Officer

Pension Administration Functions

To manage the administration of LGPS.

To undertake the following functions of the LGPS:

- Award of Death Grants in accordance with the Council's agreed policy.
- Ensure compliance with the Pensions Act 1995
- Ensure compliance with relevant Finance Acts, in particular the meeting of HMRC Reporting Requirements
- Ensure compliance with the Public Service Pensions Act 2013.
- Ensure compliance with the statutory requirements imposed by The Pensions Regulator.

Investment Functions

To undertake regular monitoring and reconciliation of investments and to report matters of significance to the Pensions & Investment Committee.

To undertake tendering exercises for Fund services and Investment Managers in accordance with the Council's overall governance arrangements and the Pensions & Investment Committee's instructions and to present the Committee with shortlists for appointment.

General

To produce the Fund's Annual Report & Accounts in accordance with proper practice.

To authorise, within limits, expenditure from the Fund.

To authorise cash or asset movements between the Council, the Fund, custodian and investment managers.

When necessary, the exercise of the Fund's voting rights by instruction to the investment managers and custodian, after consultation with the Chairman and Vice-Chairman of the Pensions & Investment Committee. The Pensions & Investment Committee has delegated the use of the voting rights attached to its shareholdings to the investment managers but retains a right to exercise those rights on its own account in exceptional circumstances.

The Section 151 Officer may authorise Officers in his service to exercise, on his behalf, functions delegated to him. Any decisions taken under this authority shall remain the responsibility of the Section 151 Officer and must be taken in his name and he shall remain accountable and responsible for such decisions.

Appendix C

Knowledge and Skills Framework Policy

1 Introduction

- 1.1 This document sets out the policy of the Powys Pension Fund in relation to the knowledge and skills requirements that it places upon those serving as members of either:
- The Powys County Council Pensions & Investment Committee (being the principal decision-making and management body for the Powys Pension Fund), or
 - The Powys Pension Board
- 1.2 Commitment to this policy is an obligation placed upon those concerned as part of the discharge of their duties; as a matter of best practice and good governance.

2 Knowledge and Skills Framework

- 2.1 The Powys Pension Fund has adopted the CIPFA Knowledge and Skills Framework, as set out in the Code of Practice on pensions, in partnership with the Pensions Regulator. The Framework provides a roadmap to the knowledge and skills that should be held by those involved in the management and governance of the Powys Pension Fund, who are not themselves pension professionals. Whilst the Regulator provides access to relevant study and training materials.
- 2.2 All relevant Members will be assessed against the criteria set out in the Framework, as soon as possible following their appointment. This will be done by the completion of a Member Training Needs Self-Assessment Form.
- 2.3 On completion of the self-assessment form, the Section 151 Officer will assess the Member against the Framework criteria and determined what training is required to be completed and within what time period.
- 2.4 In total there are 6 areas of knowledge and skills that CIPFA have identified as the core technical requirements:

- pensions legislative and governance context
- pensions accounting and auditing standards
- financial services procurement and relationship management
- investment performance and risk management
- financial markets and products knowledge
- actuarial methods, statements and practices.

3 Meeting Knowledge and Skills Needs

3.1 Identified knowledge and skills needs may be met by a variety of methods that will include, but are not restricted to:

- completion of specific modules in the e-Learning Public Service toolkit provided free online by the Pensions Regulator
- attendance at external training events for pension trustees and/or board members
- attendance at internal training events facilitated by Powys Pension Fund or Powys County Council
- attendance at pension conferences, seminars and workshops that cover fund investment, scheme administration, fund governance, actuarial matters or other relevant areas.

4 Continuing Development

4.1 Pension fund matters do not stand still. Therefore, there will be a requirement to undertake continual development to remain up to date with general pensions and LGPS specific issues. The requirement is for all relevant Members, regardless of professional background, to undertake a minimum of 4 days continuing development in each scheme year (ending 31st March).

4.2 Completion of this requirement may be achieved by a range of attendances at, for example, LGPS Trustees Conference or LAPFF seminars.

5 Accountability and Transparency

5.1 Accountability and transparency are principles of good governance and best practice. Therefore, knowledge and skills needs, training and development undertaken and continuing development, will be monitored and recorded and published annually.

5.2 Failure by a Member to meet their obligations under this policy, may result in them being barred from serving on either the Pensions & Investment Committee or the Powys Pension Board, as applicable, and as determined by the Section 151 Officer.

Appendix D

Governance Compliance Statement

Principle A – Structure

	Level of Compliance				
	Non*				Full
a) The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.					X
b) That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.					x
c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.					
d) That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.					
* Reason for non-compliance:- none					
Notes and explanations on the ratings given above:- c) There is no secondary Committee. d) There is no secondary Committee.					

Principle B – Representation

	Level of Compliance			
	Non*			Full
That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include :- e) Fund employers				X
f) Scheme members				x
g) Independent professional observers (where appropriate)	x			
h) Expert advisers	x			
i) That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.				x
* Reason for non-compliance:- g) and h) These are not considered to be appropriate nor statutory requirements. However, professional expert advisers to the Pension Fund whilst not members, attend Pensions & Investment Committee.				
Notes and explanations of the ratings given above:- none				

Principle C – Selection and role of lay members

	Level of Compliance				
	Non*				Full
j) That committee members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.					x
k) That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.					x
* Reason for non-compliance:- none					
Notes and explanations on the ratings given above:- none					

Principle D – Voting

	Level of Compliance				
	Non*				Full
l) The policy on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.					x
* Reason for non-compliance:- none					
Notes and explanations on the ratings given above:- There are no voting rights for either the employer or member representative on the Fund's Pensions & Investment Committee. Powys County Council takes the view that it is inappropriate for members of the Pensions & Investment Committee who are not elected members of the County Council to have decision-making powers in respect of a function for which the County Council, as the administering authority, is responsible.					

Principle E – Training / Facility Time / Expenses

	Level of Compliance				
	Non*				Full
m) That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.					x
n) That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.					x
o) That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.					x
* Reason for non-compliance:- none					
Notes and explanations on the ratings given above:- None.					

Principle F – Meetings (Frequency / Quorum)

	Level of Compliance				
	Non*				Full
p) That an administering authority's main committee or committees meet at least quarterly.					x
q) That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.					
r) That an administering authority who does not include lay members in their formal governance arrangements, must provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.					
* Reason for non-compliance:- none					
Notes and explanations on the ratings given above:- q) there is no secondary committee.					
r) Such interests are represented on the Pensions & Investment Committee.					

Principle G – Access

	Level of Compliance				
	Non*				Full
s) That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.					x
* Reason for non-compliance:- none					
Notes and explanations on the ratings given above:- None.					

Principle H – Scope

	Level of Compliance			
	Non*			Full
t) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.				x
* Reason for non-compliance:- none				
Notes and explanations on the ratings given above:- None.				

Principle I – Publicity

	Level of Compliance			
	Non*			Full
u) That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.				x
* Reason for non-compliance:- none				
Notes and explanations on the ratings given above:- None.				

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

CYNGOR SIR POWYS COUNTY COUNCIL

Pensions and Investment Committee
10th July 2017

REPORT BY: Strategic Director of Resources

SUBJECT: New Admission Body – Miners Welfare Ystradgynlais

REPORT FOR: Information

1 Introduction

- 1.1 Committee are asked to note that The Ystradgynlais Miners Welfare and Community Hall Trust Ltd has become a Pension Fund employer following the transfer of a member of staff from the Arts and Cultural Service of Powys County Council.

2 Legislation

- 2.1 Paragraph 1(d)(i) of Part 3 of Schedule 2 to the Local Government Pension Scheme Regulations 2013 [SI. 2013 No. 2356] provides that a Pension Fund may enter into an admission agreement with a body who provides a service that was formerly provided by a Scheme employer, as a consequence of a transfer of undertakings. In addition, the requirements of the Welsh Authorities Staff Transfers (Pensions) Direction 2012 applies in this case. The admission agreement discharges these requirements.

3 Actuarial Assessment

- 3.1 The Pension Fund's Actuary has advised that initially, Miners Welfare Ystradgynlais should pay an employer contribution rate of 24.3% of pensionable payroll. 1 employee is covered by the admission agreement, which is closed.

4 Recommendation

- 4.1 To note the contents of this report.

Recommendation:	Reason for Recommendation:
<ul style="list-style-type: none"> To note the admittance of Miners Welfare Ystradgynlais to the Powys Pension Fund.. 	As per report
Person(s) To Action Decision:	Pension Fund Manager

Date By When Decision To Be Actioned:			
Relevant Policy (ies):	N/A		
Within Policy:	N/A	Within Budget:	N/A
Contact Officer Name:	Tel:	Fax:	Email:
Joe Rollin	01597 827641	01597 826290	joe.rollin@powys.gov.uk

Relevant Portfolio Member(s):	Cllr A Davies
Relevant Local Member(s):	N/A

CYNGOR SIR POWYS COUNTY COUNCIL**Pensions and Investment Committee
10th July 2017**

REPORT BY: Strategic Director of Resources

SUBJECT: New Admission Body – Heart of Wales Property Services

REPORT FOR: Information

1 Introduction

- 1.1 Committee are asked to note that Heart of Wales Property Services Ltd has become a Pension Fund employer following the transfer of staff from the County Council to this newly created joint venture company that the Council has entered into with Keir Facilities Services Ltd.

2 Legislation

- 2.1 Paragraph 1(d)(i) of Part 3 of Schedule 2 to the Local Government Pension Scheme Regulations 2013 [SI. 2013 No. 2356] provides that a Pension Fund may enter into an admission agreement with a body who provides a service that was formerly provided by a Scheme employer, as a consequence of a transfer of undertakings. In addition, the requirements of the Welsh Authorities Staff Transfers (Pensions) Direction 2012 applies in this case. The admission agreement discharges these requirements.

3 Actuarial Assessment

- 3.1 The Pension Fund's Actuary has advised that initially, Heart of Wales Property Services should pay an employer contribution rate of 21.6% of pensionable payroll. Approximately 520 employees are covered by the admission agreement, which is open.
- 3.2 In addition, Heart of Wales Property Services are required to purchase and maintain an indemnity or bond of a value sufficient to cover pension liabilities of £2,000,000.

4 Recommendation

- 4.1 To note the contents of this report.

Recommendation:		Reason for Recommendation:	
<ul style="list-style-type: none"> To note the admittance of Heart of Wales Property Services to the Powys Pension Fund.. 		As per report	
Person(s) To Action Decision:	Pension Fund Manager		
Date By When Decision To Be Actioned:			
Relevant Policy (ies):	N/A		
Within Policy:	N/A	Within Budget:	N/A
Contact Officer Name:	Tel:	Fax:	Email:
Joe Rollin	01597 827641	01597 826290	joe.rollin@powys.gov.uk

Relevant Portfolio Member(s):	Cllr A Davies
Relevant Local Member(s):	N/A

**MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT
COMMITTEE ROOM B - COUNTY HALL, LLANDRINDOD WELLS, POWYS ON
FRIDAY, 10 MARCH 2017**

PRESENT

Gerard Moore (Chair)

John Byrne and Mick Hutchison (Member Representatives)

Geoff Petty and Wayne Thomas (Employers Representatives)

Joe Rollin (Secretary to the Board)

Chris Hurst, Pension Administration Manager

1.	APOLOGIES	1
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Apologies for absence were received from Dan Paley Financial Reporting and Policy Accountant.

2.	DECLARATIONS OF INTEREST	2
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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.

3.	MINUTES	3
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The minutes of the last meeting held on 6th January, 2017 were agreed as a correct record.

4.	MATTERS ARISING	4
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4.1. Pensioner Payroll

The Board received a report on the arrangements in place to ensure pensioners were paid where there was a failure of the payroll system and mechanisms in place to cover any costs incurred by pensioners in such situations.

RESOLVED	Reason for Decision:
That the Board notes the risk controls in place to ensure the payment of pensioners and the arrangements for dealing with additional costs incurred by pensioners where failures occur.	As per report.

4.2. Review of Governance Policy and Compliance Statement

The Committee received the Governance Policy and Compliance Statement.

The Chair stated that the governance process of the Board having an opportunity to consider such documents prior to their consideration by the Pensions and Investment Committee was an appropriate function of the Board. The Board noted the document.

4.3. Review of Appendix A to the Investment Strategy

The Secretary advised that Appendix A of the Investment Strategy would be considered at the next Pension and Investment Committee. The Myners Compliance specified a number of principles which set a minimum standard for Funds. It was noted that this version of Appendix A would replace the first section of Appendix A [page 62 of the agenda pack] of the Investment Strategy Statement [ISS].

The Board noted that the ISS as currently drafted had been approved by the Pensions and Investment Committee at its last meeting and that the latter had agreed that it be delegated to the Section 151 Officer to make any minor changes, prior to publication on 1st April, 2017.

After discussion it was agreed that cross references should be included in the document to relevant sections of the ISS and Fund Strategy Statement [FSS]. It was agreed that the last sentence of Principle 4 needed to be reworded.

RESOLVED	Action:
That the Secretary: i. redrafts Appendix A to include cross references to relevant sections of the ISS the FSS and that the last sentence of Principle 4 be reworded and ii. circulates the new draft to the Board for checking prior to its inclusion in the ISS from April 2017.	Secretary

The Chair advised he would provide an Annual Report at the next meeting.

4.4. Board Member Indemnity

The Board received a report on Board Member Indemnity. The Secretary advised that the Welsh Funds had discussed the issue and each was addressing the issue in its own way. The Secretary recommended to the Board the proposed solution.

RESOLVED	Reason for Decision:
That the Board notes that the Pension Fund is to purchase an insurance indemnity policy to cover Board members against loss up to a value of £5M.	As per report

4.5. Reference to the Board in the Constitution

The Board noted that as it was not a committee of the Council it was not referred to in the Council's Constitution.

5.	CHAIRMAN'S ANNOUNCEMENTS	5
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The Chair reported on the following:

- The Scheme Advisory Board was undertaking a review of Local Pension Boards. The review would be sent to both Administering Authorities and Boards.
- The Pension Regulator had undertaken its second review of Local Government Pension Schemes between November 2016 and January 2017. The report on the review would be available soon. The Secretary advised that the Fund had participated in this review and had also completed the Regulators self-assessment tool.
- The Chair, as Chair of the Mid and West Wales Fire Authority Pensions Board had received a telephone call from the Pension Regulator seeking assurances that the Authorities' website was compliant with the Code of Practice 14.
- A meeting of the Chairs of the Welsh Pension Boards would take place on 28th March, 2017 and it was noted that the meeting was open to all Board members.

In response to a question regarding the decision of the Employment Tribunal in relation to the new Judicial Pension Scheme 2015 the Secretary advised this issue had been discussed at a national level but he was not aware of any challenges or of any great concern. The Chair advised that he would review the legislation updates on governance issues which he received and forward any information to members.

6.	MINUTES OF THE PENSIONS AND INVESTMENT COMMITTEE 9 FEBRUARY 2017	6
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The Board received the Pensions and Investment Committee's minutes for 9th February, 2017.

In response to a question regarding the Committee's decision, being made in public, regarding moving funds from a qualified rated to a buy rated fund manager, the Secretary advised that the policy regarding such changes was a public document and so the decision was made in public.

6.1. Communications Strategy Statement

The Secretary advised that the Communications Strategy Statement had been reviewed and updated taking into account comments from the Board. It was noted that the Statement would refer to on-line access to the Scheme, when this system was "live".

Concerns were raised regarding the quality of pension's communications. It was suggested that the principles underpinning communication should be stated such as clarity, equity and equality and timely communications.

RESOLVED	Action
The Secretary agreed to review the principles underpinning communication and include this in the statement.	Secretary

The Board noted the Communications Strategy Statement.

6.2. Investment Strategy Statement

The Secretary advised that the Investment Strategy Statement [ISS], as drafted, had been agreed at the last Pensions & Investment Committee. The Committee had also agreed delegated authority to the Section 151 Officer to make any minor changes to the Strategy, prior to its publication on 1st April, 2017.

The Board considered that it should receive details of the investment manager(s) who exercise its voting rights.

RESOLVED	Action
details of the investment manager(s) who exercise its voting rights be reported to the next Board meeting.	Secretary

The Board noted the Investment Strategy Statement.

6.3. Funding Strategy Statement

The Secretary advised that the Funding Strategy Statement [FSS] had been agreed at the last Pensions & Investment Committee. In response to a question the Secretary advised that the recovery period for funds is, as agreed with the Fund actuary, set at a limit of 25 years. This limit however, can be extended in exceptional circumstances for employers of sound covenant to an absolute limit of 40 years.

The Board noted the Funding Strategy Statement.

7.	UNAUTHORISED PAYMENTS (VERBAL REPORT)	7
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The Pension Administration Manager advised that unauthorised payments [such as the late payment of a death grant, paid after 12 months of the Fund being notified of a death] are monitored on an annual basis and quarterly reports are made to HMRC. It was noted that no unauthorised payments have been recorded for the Fund.

8.	BREACHES (VERBAL REPORT)	8
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The Secretary advised that at this point in time there had been no recorded or reported breaches. However, there were potential breaches in respect of outstanding deferred benefit awards, which were being investigated. These breaches would be recordable, as the notification of deferred benefits had been made over two months after the Fund had received information about the deferment.

The Board was assured that systems were in place to monitor any breaches.

9.	REVIEW OF COMPLIANCE WITH TPR CODE 14	9
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RESOLVED	Action
To defer consideration of the review of Compliance with TPR Code 14 to the next meeting.	Secretary

10.	REVIEW OF RISK REGISTER (STANDING ITEM)	10
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The Board noted that the Committee had, as recommended by the Board, agreed that where the Fund intends to enter into a contract with a manager to invest Fund assets, that the contract documentation is first scrutinized by the Fund's legal advisers, in relation to the risk associated with investment manager insolvency.

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

- PEN 030 – It was noted that the Pensions & Investment Committee agreed on 9th February 2017, that when entering into new contractual arrangements with investment managers, contract documentation will be referred to the Fund's legal advisers for review and appropriate due diligence. As a result of this further control it was noted that the risk moved from High to Medium. The Board asked whether the Custodian would feature as a control especially in respect of Pooled Funds. The Secretary advised that further advice would be sought on this issue.
- The legal status of Pooled Funds was questioned and it was agreed that further advice would be sought.
- The Board discussed the merit of asking Burges Salmon to undertake a desktop review of existing contracts to advise on the security of assets if a fund manager were to go into liquidation. The Secretary advised that he would raise this issue with the Pension & Investment Committee due to the cost of such a review. He considered a review could be undertaken and a report be provided by the end of the summer.
- PEN011 Failure to comply with LGPS and other statutory regulations and PEN013 Failure to maintain and hold up to date and accurate pension records – staff training should be included as a control for both of these. Also in respect of PEN013 the consequences of fines by the regulator should be added in as a possible consequence.
- PEN019 Lack of expertise of members of Pensions & Investment Committee – as a control training events should be provided for Committee members after an election.
- It was noted that no reference was included regarding the risk of insolvency of an admitted body. Reference to this would be included in the Risk Register.
- The Risk Register would be updated as required as any strategies etc are updated.

RESOLVED	Action
That advice would be sought on: i. whether the Custodian would feature as a control especially in respect of Pooled Funds.	Secretary

ii. The legal status of Pooled Funds.	
That the Pension & Investment Committee be asked to consider the merit of asking Burges Salmon to undertake a desktop review of existing contracts to advise on the security of assets if a fund manager were to go into liquidation, with a view to receiving assurances by the end of the summer.	Secretary
That the Risk Register: <ol style="list-style-type: none"> <li data-bbox="225 495 954 568">i. in respect of PEN011, PEN013, PEN19 and PEN030 be amended as detailed above <li data-bbox="225 568 863 642">ii. refers to the risk of insolvency of an admitted body and <li data-bbox="225 642 935 712">iii. be updated as required as any strategies etc. are updated. 	Secretary
That the following Excel reports be printed on A3 paper for the Board: <ul style="list-style-type: none"> <li data-bbox="277 792 699 831">• Code of Practice Review <li data-bbox="277 831 533 869">• Risk Register <li data-bbox="277 869 635 904">• Recording breaches 	Clerk

11.	WALES POOL - INVESTMENT POOLING UPDATE (STANDING ITEM)	11
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The Secretary advised that all eight Welsh Authority Pension Funds had formally approved the establishment of a Wales Pool. The formal documentation would now be signed and Carmarthenshire County Council has been appointed as the "host" authority. The Chairs of the eight Welsh Funds will meet and become the Joint Governance Committee. The Secretary explained the bidding and tender process for the appointment of the Pool Operator.

12.	AUDIT REPORT (STANDING ITEM)	12
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The Secretary advised that a report on the Administration of the Pension Fund [processes and procedures] was pending and would possibly be available in July.

The Chair advised that CIPFA was to hold an event on the administration of pension funds.

13.	CESSATION OF CONTRACTING OUT (STANDING ITEM)	13
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The Pension Administration Manager reported that as at 28th February, 2017 74.43% of discrepancies had been resolved. Officers were meeting with the company undertaking the review in mid March. As the project was coming to an end the Authority had to decide how to undertake the next stage either internally or externally which needed to be completed by December 2018,

The Board noted the satisfactory progress and asked to receive regular updates.

14.	BOARD MEMBER TRAINING (STANDING ITEM)	14
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The Board raised concerns regarding the level of detail in the Pension Regulator's online training toolkit for members and the Board considered that this was pitched at the wrong level.

The Board had been advised of the post-election Induction training for the Pension & Investment Committee taking place on 30th June, 2017.

15.	FUTURE BOARD MEETINGS	15
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The Board noted the following future meeting dates:

14th July 2017

20th October 2017

12th January 2018

Gerard Moore
Chair

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol