Bwrdd Pensiynau Powys

Man Cyfarfod
By Teams

Dyddiad y Cyfarfod
Dydd Gwener, 5 Mawrth 2021

Amser y Cyfarfod
2.00 pm

I gael rhagor o wybodaeth cysylltwch â
Carol Johnson
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Dyddiad Cyhoeddi

Mae croeso i'r rhai sy'n cymryd rhan ddefnyddio'r Gymraeg. Os hoffech chi siarad Cymraeg yn y cyfarfod, gofynnwn i chi roi gwybod i ni erbyn hanner dydd ddau ddiwrnod cyn y cyfarfod

AGENDA

1.	**YMDDIHEURIADAU**

Derbyn ymddiheuriadau am absenoldeb.

2.	**DATGANIADAU O DDIDDORDEB**

Derbyn unrhyw ddatganiadau o ddiddordeb.

3.	**COFNODION Y BWRDD**

Awdurdodi'r Cadeirydd i lofnodi cofnodion y cyfarfod a gynhaliwyd ar 9 Tachwedd 2020 fel cofnod cywir.
(Tudalennau 1 - 6)

4.	**MATERION YN CODI**

5.	**CYHOEDDIADAU'R CADEIRYDD**

Derbyn diweddariad llafar gan y Cadeirydd.

6.	COFNODION Y PWYLLGOR PENSIYNAU A BUDDSODDIADAU

Cofnodion y Pwyllgor Pensiynau a Buddsoddi a gynhaliwyd ar 11 Rhagfyr 2020.
(Tudalennau 7 - 12)

7.	ADOLYGU CYDYMFFURFO GYDA TPR COD 14

Ystyried diweddariadau a wnaed ar gyfer cydymffurfio â TPR Cod Ymarfer 14.
(Tudalennau 13 - 38)

8.	ADRODDIAD AR WEITHGAREDDAU GWEINYDDU (EITEM SEFYDLOG)

Ystyried yr adroddiad.
(Tudalennau 39 - 40)

9.	GWRTHDRAWIADAU BUDDIANNAU

Derbyn diweddariad llafar.

10.	ADOLYGU'R GOFRESTR RISGIAU (EITEMAU SEFYDLOG)

Adolygu’r Gofrestr Risg ac ystyried unrhyw risgiau newydd.
(Tudalennau 41 - 48)

11.	PARTNERIAETH PENSIWN CYMRU - DIWEDDARIAD AR GRONNI BUDDSODDIADAU [EITEM SEFYDLOG]

Derbyn adroddiad ar Bartneriaeth Pensiwn Cymru.
(Tudalennau 49 - 50)

12.	DEDDFWRIAETH A CHANLLAWIAU NEWYDD (EITEM SEFYDLOG)

Derbyn adroddiad ar ddeddfwriaeth a chanllawiau newydd.

13.	HYFFORDDI AELODAU'R BWRDD (EITEM SEFYDLOG)

Derbyn diweddariad ar y Dadansoddiad o Anghenion Hyfforddiant.
(Tudalennau 51 - 64)

14.	DIWEDDARIAD AR WEITHDREFNAU DATRYS ANGHYDFODAU MEWNOL (EITEM SEFYDLOG)

Derbyn diweddariad llafar.

15.	ADRODDIADAU ARCHWILIO (EITEM SEFYDLOG)

Cofrestr Toriadau
Rhoi'r gorau i gontractio allan
Adroddiadau Archwilio
Log o Eitemau Cyfathrebu'r Bwrdd
(Tudalennau 65 - 68)

16.	CYFARFODYDD NESAF Y BWRDD

2021 – bydd y cyfarfodydd am 1400hrs ar:
14 Mehefin
13 Medi
22 Tachwedd

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

MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT BY TEAMS ON MONDAY, 9 NOVEMBER 2020

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

In attendance
Chris Hurst, Pension Fund Manager (Secretary to the Board)
Jane Thomas, Section 151 Officer

Observer - Richard Lloyd-Bithell, CIPFA

1. APOLOGIES

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

The Chair advised he was an Associate of The Chartered Institute of Public Finance and Accountancy [CIPFA] and declared an interest if reference was made to CIPFA when discussing the Board's training. The Board agreed that this does not represent a conflict of interest as the Pension Fund Manager is responsible for arranging training.

3. MINUTES OF THE BOARD

The minutes of the last meeting held on 30 September 2020 were agreed as a correct record.

4. MATTERS ARISING

The following were noted [Item number refers to the number in previous minutes]:
Item 4 – the Action Plan in respect of the LGPS Cohort Review would be considered by the Board.
Item 6 – Terms of Reference [ToR] update – the ToR had been approved by Full Council. It was noted that within the current ToR there is no scope to make a financial compensation to any Board member other than the Chair. As the current Chair's term of office would come to an end in mid 2021, it was considered that this was the appropriate time to review the ToR again and consider payments etc.
Item 10 – Annual Report - Draft Chairman's Statement – the Board noted that the costs in respect of the Board had been added to the report and therefore this was now complete. The Pension Fund Manager advised that the Annual Report, which forms part of the Pension Fund's Annual Report and Accounts, would be formally adopted by the Pensions & Investment Committee at its meeting on 25 November 2020.

5. CHAIR'S ANNOUNCEMENTS

The Chair advised that the Scheme Advisory Board [SAB] survey had been delayed again. It was noted that the SAB was awaiting legal comments on a proposed question on whether Boards are covered by an insurance policy.

Richard Lloyd-Bithell of CIPFA joined the meeting as an observer.

6. MINUTES OF PENSIONS AND INVESTMENT COMMITTEE

The Board received the Pensions and Investment Committee's minutes for 9 October, 2020.

The Board noted the following:
Risk Register – this would be considered at the next Committee meeting.
Equity Risk Management – the Committee was considering an appropriate governance approach to allow speedier decisions in respect of changes to equity protection in response to market changes. The Board would have a role in reviewing the proposed governance arrangements and its transparency.

The Chair reported on the excellent quality of debate at the last Pensions & Investment Committee meeting.

7. REVIEW OF COMPLIANCE WITH TPR CODE 14

The Pension Fund Manager advised that the document had been updated in line with the comments at the previous meeting.

The Board reviewed the following sections and noted the following [numbers refer to the Compliance indicator]:
Governing your Scheme [38-60]
46 – an easily accessible library of relevant documents for the Board would be created.
48 – it was noted that the Board is regularly advised of training opportunities. The Pension Fund Manager agreed to circulate the Training Needs questionnaire, as this was previously completed in February 2019. The Chair advised that the recent WPP training was excellent. It was considered that some training could be done as a Group and could be undertaken when the new members are appointed.
56 – it was agreed that refresher training would be provided to existing Board members at the same time as the new Board members.
53 - 57 – the Training Needs Self-assessment would be recirculated, as this had been undertaken in February 2019.
The Board agreed that a one-off training meeting would be scheduled to coincide with the appointment of the new Board members.

Publishing information about the schemes [92- 98] this section had been reviewed and updated.

Providing information to Members [188 – 210] - this section had been reviewed and updated. The Pension Fund Manager advised that providing information to members was becoming more complicated due to the McCloud case and exit payment cap changes.

196 – the Board noted that further clarification had been added to this section as a result of discussions at the last meeting.
208 – the Board noted the ongoing work as a result of the first address tracing exercise.

Resolving issues [216 – 240]
216 – a process for IDRP was in place and consideration of whether any element could be undertaken externally, was an option in the future.

The Board acknowledged the work involved in reviewing and monitoring compliance with the Code.

8.	OPERATIONAL AND ADMINISTRATION REPORT & UPDATE [STANDING ITEM]

The Board received and noted the Operational and Administration report. The Pension Fund Manager advised that when a large payment was due, the Pension Team would discuss this in advance with the Finance Team to manage the cash flow. He advised that the communication between the two Teams was robust.

9.	DATA IMPROVEMENT PLAN

The Board received the Data Improvement Plan and noted the progress. The Chair advised that this was one of the top priorities for TPR. The Board noted that data had improved year on year since the production of the original plan. It was noted that further work was required on those that were classed as “gone away”.

The Board asked that an update be provided on the very high priority actions in the plan.

The Pension Fund Manager advised that he would update the information in respect of the very high priorities and recirculate the document to the Board for further comment, prior to circulation to the Committee.

Nigel Brinn left to attend another meeting.

10.	COMMUNICATIONS POLICY

The Board received the draft Communications Policy. The Chair asked that sections 188 - 210 be cross checked with the TPR Code 14.

The following comments were made in respect of the following paragraphs:
3.1 - it was noted that the non-voting observer position on the Pensions and Investment Committee for a scheme member had been vacant for some time. The Pension Fund Manager agreed that he would develop a protocol and action plan for filling this vacancy and discuss this with the scheme member representatives on the Board. He would also clarify whether the scheme member observer role was restricted to nominations by the recognised trade unions. Reference to annual accounts would be added to this section.

3.2 – training was mandatory for Board members but currently not for Committee members. The document would be amended to ensure consistency of wording in respect of this.
4.11 - the Pension Fund Manager advised that the website was updated as and when needed and also following Committee meetings. Information regarding changes to legislation was updated by Hymans and he would check how often this is undertaken.
8 – reference should be made to Wales Pension Partnership [WPP].

In response to a question, the Pension Fund Manager advised he would consider whether reference should be made to the Responsible Investment Policy in this document.

The Pension Fund Manager advised that he would update the draft policy and recirculate the document to the Board for further comment, prior to circulation to the Committee.

11.	GOVERNANCE AND COMPLIANCE STATEMENT

The Board considered the Governance and Compliance Statement which had previously been reviewed three years ago. The Chair asked that a sentence be added to the document setting out the context of the document and that it would be reviewed further when the SAB published its Good Governance guidance.

The following comments were made:
2.3.1 – details on the quorum would be added
3.2 – the results of the discussion on whether the scheme member [non-voting] observer on the Committee should be nominated by the recognised trade unions, referred to in agenda item 10, would be reflected here as required.
Appendix A Functions Delegated to the Pensions & Investment Committee – reference to the WPP and its role would be added.
Appendix B Functions Delegated to the Section 151 Officer – General - the wording regarding the limits for expenditure by the Section 151 Officer would be clarified.
Appendix D Governance Compliance Statement - reference to good governance and SAB would be added. The Pension Fund Manager agreed to consider whether reference to the Board should be included in Principle E - Training/Facility Time/Expenses.

The Board noted the Committee was considering the development of an Equity Protection Framework, which may include the establishment of a secondary panel to make timely decisions on equity protection. If the Committee agrees to such a framework, reference would be included in this document.

The Pension Fund Manager advised that he would update the draft policy and recirculate it to the Board for further comment, prior to circulation to the Committee.

12.	REVIEW OF RISK REGISTER AND CONSIDERATION OF ANY NEW RISKS [STANDING ITEMS]

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

PEN 036 - the Pension Fund Manager advised that discussions were being held with the Council's Commercial Services Team regarding the process to fill the vacant seats and recruiting the replacement of the Chair. Discussions were being held on how to approach scheme members and employers and this would be raised at the employers meeting in December. It was noted that if new members could be recruited a training session could be provided in early February before the Board meeting on 15 February 2021. A timescale for the completion of the action plan would be added.

In respect of the replacement of the Chair, the Pension Fund Manager agreed to include a date by which a new Chair is appointed to enable a handover from the current Chair.

The timing of training sessions was considered. **The Board agreed that training of up to an hour would be provided before the scheduled Board meetings in 2021 and these could also be open to Committee members and officers.**

The Board recommended that a new risk relating to the implementation of good governance in accordance with SAB guidance should be added to the Risk Register.

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

The Board noted the update report. The Pension Fund Manager advised that the with the transition of fixed income sub funds to the WPP, the Powys Fund now has over 70% of assets invested within pooled vehicles. The Pension Fund Manager advised that the WPP is currently drafting a climate change policy.

14.	NEW LEGISLATION AND GUIDANCE (STANDING ITEM)

The Board noted the report.

The Pension Fund Manager referred to the HMT rules in respect of exit caps. The £95K exit payments cap became law on the 4 November 2020 but the LGPS rules had not been updated to reflect this. The conflict in the rules had not yet impacted on the Fund but this could happen at any time. There is ongoing discussion and the LGA is looking at producing new guidance for Administering Authorities to enable them to undertake their roles before pension regulations catch up with HMT regulations. The Board recognised its focus was on compliance with legislation but the current position was outside of its control.

15.	BOARD MEMBER TRAINING [STANDING ITEM]

The Board had covered training issues during other parts of the meeting.

16.	STANDING ITEMS WITH NO UPDATES

The Board noted that there are no new breaches and no new IDRP cases.

17.	FUTURE BOARD MEETINGS

The Board noted the 2021 meeting dates as follows:
15 February
14 June
13 September
22 November

As the meetings are scheduled for 1400hrs, the Board agreed that training sessions would be held, where appropriate, at 1100hrs.

Gerard Moore (Chair)

MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE HELD AT BY TEAMS ON FRIDAY, 11 DECEMBER 2020

PRESENT
County Councillor P E Lewis (Chair)

County Councillors E A Jones, JG Morris, D H Williams, A W Davies,
Mr G Moore, Chair Powys Pension Board

In attendance: Head of Finance, Pension Fund Manager and Financial Reporting & Policy Accountant
Aon representatives – Richard Antrobus, Becky Durran, Rachel Pinder, Simon Mayne and Kenneth Ettles

1. APOLOGIES

Apologies for absence were received from County Councillor T J Van-Rees.

The Committee noted that Mr Martin Weale co-opted member, would be arriving late to the meeting.

2. DECLARATIONS OF INTEREST

Members of the Committee declared interests as members of the Local Government Pensions Scheme. These are personal interests, not prejudicial interests in accordance with Paragraph 12(b) (iv) of the Members Code of Conduct 2016.

3. MINUTES

The Chair was authorised to sign the minutes of the Pensions and Investment Committee meetings held on 25 November 2020 and 3 December as correct records.

4. GOVERNANCE AND COMPLIANCE STATEMENT

The Committee received the draft interim Governance and Compliance Statement.

The Pension Fund Manager advised that the draft had been considered by the Pension Board and changes had been made as a result of its comments. The Statement would be reviewed again when the Scheme Advisory Board's [SAB] Good Governance Project is completed.

It was moved and duly seconded to approve the Statement.

RESOLVED	Reason for decision
That the updated Governance and Compliance Statement be approved.	**To comply with Local Government Pension Scheme (LGPS) Regulations 2013.**

5.	GOVERNANCE AND ADMINISTRATION UPDATE

The Committee received the Governance and Administration update report.

The Pension Fund Manager highlighted the Guidance to support the new employer exit flexibilities and SAB's advice on how to manage any conflict between the LGPS regulations and the new exit cap regulations. The Committee noted that the consultation on the draft LGPS regulations in respect of exit cap payments, ended on 18 December and a response would be submitted.

RESOLVED	Reason for decision
That the update report be noted.	**To ensure that the Fund continues to focus on high standards of administration and governance.**

6.	WALES PENSION PARTNERSHIP [WPP] UPDATE

The Committee noted the WPP report. The Pension Fund Manager advised that the Joint Governance Committee [JGC] had approved the inclusion of a co-opted (non-voting) pension board scheme member representative on the JGC.

The Committee noted that the WPP had received the "Investment Innovation Award" in the Local Authority Pension Fund [LAPF] Awards.

Resolved	Reason for decision
That the report be noted.	**As per the report.**

7.	EXEMPT ITEM

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).

The Chair agreed to take the Quality Monitoring report next.

8.	QUARTERLY MONITORING REPORT

The Committee received the Quarterly Monitoring report to 30 September 2020 from Richard Antrobus, Aon.

The Committee noted the increase in the asset valuation over the quarter and the under-performance of Hedge Funds, which would be considered later on the agenda. As Equities were overweight the equity protection mitigated against this and the additional risks. It was reported that there was more liquidity in the property market and values were now considered to be more accurate.

RESOLVED	Reason for decision
That the Quarter 3 monitoring report be noted.	**As per the report.**

9. RUSSELL INVESTMENTS

The Chair welcomed Sasha Mandich, Aidan Quinn and Gerard Fitzpatrick from Russell Investments to the meeting for this item. Mr M Weale joined the meeting.

The Committee received a presentation on the current investment by the WPP in Multi Asset Credit Fund, Global Credit Fund and Absolute Return Bond Fund in which the Powys Pension Fund is invested. It was noted that work is ongoing on the Emerging Markets and Private Markets sub funds, with a hope to launch them in 2021.

The Chair thanked the Russell Investments' representatives for attending the meeting.

10. ACTUARIAL UPDATE

The Committee received a presentation on the Actuarial update from Becky Durran, Aon.

The Committee noted the status of the Fund at the 2019 valuation in comparison to the 2016 valuation, the improvements in the fund in key areas and the financial assumptions. Since the valuation in 2019 the demographic changes due to COVID-19, expected lower investment returns and the changes in the funding level may have an impact on the fund. These will need to be considered prior to the next tri-annual valuation in 2022. In addition to these, the impact of the following would also need to be considered: the McCloud judgement, the employer flexibilities introduced in September 2020 and the £95k exit cap payments plus a number of other changes including widowers pensions on pre 1988 service and the GMP Equalisations and indexation.

The Committee noted that a workforce plan was being developed to ensure the Pensions Administration Team could continue to meet the more complicated administration of the LGPS and to respond to the changing legislation and guidance. As the cost of the Team was met from the Pension Fund a report regarding the workforce plan would be considered by the Committee.

11. EQUITY PROTECTION

The Chair welcomed Simon Mayne and Kenneth Ettles, Aon to the meeting.

The Committee received a presentation on the Equity Protection.

The Committee debated the need to continue with equity protection, the level and period of protection. It was noted that the reasons for having equity protection were still valid. Although global equity markets had rebounded from the pandemic induced lows of early 2020, following the unprecedented monetary and fiscal support, it was questioned whether such market gains would continue and downside risks remained.

It was moved and duly seconded to continue with equity protection at the 50% level, the downside protection be set at 15% and that protection be focused on the US region and that it be delegated to the Chair and Vice Chair to finalise the details after circulation to the Committee for comment.

RESOLVED	Reason for decision
That: **i. Equity protection strategy continues at a level of 50% equity exposure** **ii. the downside protection be set at 15% and** **iii. that protection be focused on the US region** **iv. the final details of the proposal be circulated to the committee for comment and that it be delegated to the Chair and Vice Chair to finalise the new tranche of equity protection.**	**To ensure that continuing appropriate equity risk management structure is in place.**

Councillor A Davies left the meeting for other Council business.

12.	HEDGE FUND UPDATE

The Committee considered the Hedge Fund update report presented by Rachel Pinder, Aon.

The Committee was reminded that two of the current four hedge fund managers had been classed as non-buy and the Fund only wishes to hold “buy” rated managers. It was noted that the WPP does not yet have an appropriate sub fund for the Hedge Fund asset class and it is unclear as to when this may be available.

The Committee considered the options available. It was noted that Aon presented options available through its services, but other options may be available in the market.

It was moved and seconded to redeem the funds from the non-buy rated hedge fund managers, that further information be sought from the WPP regarding the launch of its hedge fund asset class and depending on the response, Aon produces more details regarding options 1, 2 and 3.

RESOLVED	Reason for decision
i. that the funds from the non-buy rated hedge fund managers be redeemed, **ii. further information be sought from the WPP regarding the launch of its hedge fund asset class and**	**To reduce the volatility of returns whilst continuing to target the required returns over the long term.**

iii.	**depending on the response, Aon produces more details regarding options 1, 2 and 3.**	

County Councillor P E Lewis (Chair)

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

PENSION REGULATOR CODE OF PRACTICE 14 - COMPLIANCE ANALYSIS

Powys Pension Fund

		Action Required	Current Position
22	Scheme manager - each public service pension scheme has one or more persons responsible for manging or administering the scheme. Public service pension schemes can have different persons acting as scheme manager for different parts of the pension scheme. For the locally administered schemes, the scheme managers may be the local administering authorities or a person representing an authority or police force.		*The Administering Authority is designated scheme manager under the regulations.*
23	Pension board – the scheme manager (or each scheme manager) for a scheme has a pension board with responsibility for assisting the scheme manager to comply with the scheme regulations and other legislation relating to the governance and administration of the scheme and any requirements imposed by the regulator. The pension board must also assist the scheme manager with such other matters as the scheme regulations may specify. It will be for scheme regulations and the scheme manager to determine precisely what the pension board's role, responsibilities and duties entail.		*A Local Pension Board has been established and operates under a prescribed Terms of Reference. The Board was established on*
Governing your Scheme			
38	Schemes **should** establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support their pension board members. Schemes **should** designate a person to take responsibility for ensuring that a framework is developed and implemented.		Training Log kep. Maintened by Secretary to the Board
39	However, it is the responsibility of individual pension board members to ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the pension board.		Carry out an up to date skills and knowledge analysis. Taking Place in Feb/March 2021
40	Pension board members **must be conversant with their scheme rules**, which are primarily found in the scheme regulations, and documented administration policies currently in force for their pension scheme. Being 'conversant' means having a working knowledge of the scheme regulations and policies, so that pension board members can use them effectively when carrying out their duties.		Analyse results of Training needa assessment
41	They **must also have knowledge and understanding of the law** relating to pensions (and any other matters prescribed in legislation) to the degree appropriate for them to be able to carry out their role, responsibilities and duties.		Analyse results of Training needs assessment

42	In terms of documented administration policies, specific documents recording policy about administration will vary from scheme to scheme. However, the following are examples of administration policies which the regulator considers to be particularly pertinent and would expect to be documented where relevant to a pension scheme, and with which pension board members must therefore be conversant where applicable. This list is not exhaustive and other documented policies may fall into this category: any scheme-approved policies relating to: conflicts of interest and the register of interests record-keeping internal dispute resolution reporting breaches the appointment of pension board members maintaining contributions to the scheme risk assessments/management and risk register policies for the scheme scheme booklets, announcements and other key member and employer communications, which describe scheme policies and procedures the roles, responsibilities and duties of the scheme manager, pension board and individual pension board members In terms of reference, structure and operational policies of the pension board and/or any sub-committee statements of policy about the exercise of discretionary functions, statements of policy about communications with members and scheme employers the pension administration strategy, or equivalent, and any admission body (or equivalent) policies.		Work ongoing to set up Pension Board knowledge/document library (Feb 2021)
43	For pension board members of funded pension schemes, documents which record policy about the administration of the scheme will include those relating to funding and investment matters. For example, where relevant they must be conversant with the statement of investment principles and the funding strategy statement.		Available on website
44	Pension board members must also be conversant with any other documented policies relating to the administration of the scheme. For example, where applicable, they must be conversant with policies relating to: the contribution rate or amount (or the range/variability where there is no one single rate or amount) payable by employers participating in the scheme statements of assurance (for example, assurance reports from administrators)		Available on Fund website
45	Where DC or DC AVC options are offered, pension board members should also be familiar with the requirements for the payment of member contributions to the providers, the principles relating to the operation of those arrangements, the choice of investments to be offered to members, the provider's investment and fund performance report and the payment schedule for such arrangements.		AVC Training has been carried out. New AVC Risk documetation introduced.
46	**Schemes should prepare and keep an updated list of the documents with which they consider pension board members need to be conversant.** This will enable them to effectively carry out their role. They should make sure that both the list and the documents are available in accessible formats.		To be included in Pension Board Document Library

47	The roles, responsibilities and duties of pension boards and their individual members will vary between pension schemes. Matters for which the pension board is responsible will be set out in scheme regulations. Clear guidance on the roles, responsibilities and duties of pension boards and the members of those boards should be set out in scheme documentation.		To be included in Pension Board Document Library
48	Schemes **should assist individual pension board members** to determine the degree of knowledge and understanding that is sufficient for them to effectively carry out their role, responsibilities and duties as a pension board member.		Carry out an up to date skills and knowledge analysis. Taking Place in Feb/March 2021
49	Pension board members **must have a working knowledge of their scheme regulations and documented administration policies**. They **should understand their scheme regulations and policies i**n enough detail to know where they are relevant to an issue and where a particular provision or policy may apply.		Regular Training reviews in place
50	Pension board members **must have knowledge and understanding of the law relating to pensions** (and any other prescribed matters) sufficient for them to exercise the functions of their role. Pension board members should be aware of the range and extent of the law relating to pensions which applies to their scheme, and have sufficient understanding of the content and effect of that law to recognise when and how it impacts on their responsibilities and duties.		Regular Training reviews in place
51	Pension board members **should be able to identify and where relevant challenge any failure to comply with:** the scheme regulations other legislation relating to the governance and administration of the scheme any requirements imposed by the regulator, or any failure to meet the standards and expectations set out in any relevant codes of practice issued by the regulator.		Noted
52	Pension board members' breadth of knowledge and understanding **should be sufficient** to allow them to understand fully and challenge any information or advice they are given. They **should understand** how that information or advice impacts on any issue or decision relevant to their responsibilities and duties.		Regular Training reviews in place
53	Pension board members of funded pension schemes **should ensure that** they have the appropriate degree of knowledge and understanding of funding and investment matters relating to their scheme to enable them to effectively carry out their role. This includes having a working knowledge of provisions in their scheme regulations and administration policies that relate to funding and investment, as well as knowledge and understanding of relevant law relating to pensions.		Carry out an up to date skills and knowledge analysis. Taking Place in Feb/March 2021
54	All board members **should attain appropriate knowledge** so that they are able to understand the relevant law in relation to their scheme and role. The degree of knowledge and understanding required of pension board members may vary according to the role of the board member, as well as the expertise of the board member. For example, a board member who is also a pensions law expert (for instance, as a result of their day job) **should have a greater level of knowledge** than that considered appropriate for board members without this background.		Carry out an up to date skills and knowledge analysis. Taking Place in Feb/March 2021
55	Pension board members **should invest sufficient time in their learning and developmen**t alongside their other responsibilities and duties. **Schemes should provide** pension board members with the relevant training and support that they require. Training is an important part of the individual's role and will help to ensure that they have the necessary knowledge and understanding to effectively meet their legal obligations.		Training Needs Self Assessment carried out feb 2019
56	Newly appointed pension **board members should be aware** that their responsibilities and duties as a pension board member begin from the date they take up their post. Therefore, they **should immediately start to familiarise** themselves with the scheme regulations, documents recording policy about the administration		Training Needs Self Assessment distributed March 2020. Each new board member received one to ne training with the Chair.

57	Pension board members **should undertake a personal training needs analys**is and regularly review their skills, competencies and knowledge to identify gaps or weaknesses. They **should use a personalised training plan** to document and address these promptly.		Carry out an up to date skills and knowledge analysis. Taking Place in Feb/March 2021
58	Learning **programmes should be flexible**, allowing pension board members to update particular areas of learning where required and to acquire new areas of knowledge in the event of any change. For example, pension board members who take on new responsibilities will need to ensure that they gain appropriate knowledge and understanding relevant to carrying out those new responsibilities.		
59	The regulator will provide an e-learning programme to help meet the needs of pension board members, whether or not they have access to other learning. If schemes choose alternative learning programmes they should be confident that those programmes: cover the type and degree of knowledge and understanding required reflect the legal requirements, and are delivered within an appropriate timescale.		
60	Schemes **should keep appropriate records of the learning activities of individual pension board members and the board as a whole.** This will help pension board members to demonstrate steps they have taken to comply with legal requirements and how they have mitigated risks associated with knowledge gaps. A good external learning programme will maintain records of the learning activities of individuals on the programme or of group activities, if these have taken place.		Training logs/records kept
Conflicts of Interest and Representation			
62	In relation to the pension board, **scheme regulations must include provision** requiring the scheme manager to be satisfied: that a person to be appointed as a member of the pension board does not have a conflict of interest and from time to time, that none of the members of the pension board has a conflict of interest.		COI declared at every Board meeting
63	Scheme **regulations must require** each member or proposed member of a pension board to provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of meeting the requirements referred to above.		COI declared at every Board meeting

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64	Scheme r**egulations must include provision** requiring the pension board to include employer representatives and member representatives in equal numbers.		Equal numbers appointed and each Board meeting is quorate
70	Some, if not all, of the 'Seven principles of public life' (formerly known as the 'Nolan principles') will already apply to people carrying out roles in public service pension schemes, for example through the Ministerial code, Civil Service code or other codes of conduct. These **principles should be applied to all pension board members** in the exercise of their functions as they require the highest standards of conduct. **Schemes should incorporate the principles in**to any codes of conduct (and across their policies and processes) and other internal standards for pension boards.		Nolan's principles circulated to Board.
73	Scheme regulations will set out matters for which the pension board is responsible. **Schemes should set out** clear guidance on the roles, responsibilities and duties of pension boards and the members of those boards in scheme documentation. This **should cover**, for example, whether they have responsibility for administering or monitoring the administration of the scheme; developing, delivering or overseeing compliance with requirements for governance and/or administration policies; and taking or scrutinising decisions relating to governance and/or administration. Regardless of their remit, potential conflicts of interest affecting pension board members need to be identified, monitored and managed effectively.		Chairman meets with new members to provide guidance and explanation of expectations
74	**Schemes should consider** potential conflicts of interest in relation to the full scope of roles, responsibilities and duties of pension board members. It is recommended that all those involved in the management or administration of public service pension schemes take professional legal advice when considering issues to do with conflicts of interest.		
76	**Schemes should ensure** that there is an agreed and documented conflicts policy and procedure, which includes identifying, monitoring and managing potential conflicts of interest. They should keep this under regular review. Policies and procedures should include examples of scenarios giving rise to conflicts of interest, how a conflict might arise specifically in relation to a pension board member and the process that pension board members and scheme managers should follow to address a situation where board members are subject to a potential or actual conflict of interest.		To be discussed at March 2021 Meeting
77	Broadly, **schemes should consider potential conflicts** of interest in three stages: identifying monitoring, and managing.		To be discussed at March 2021 Meeting
78	**Schemes should cultivate a culture of openness and transparency. They should recognise** the need for continual consideration of potential conflicts. Disclosure of interests which have the potential to become conflicts of interest should not be ignored. Pension **board members should have a clear understanding of their rol**e and the circumstances in which they may find themselves in a position of conflict of interest. They should know how to manage potential conflicts.		COI declared at every Board meeting
79	**Pension board members**, and people who are proposed to be appointed to a pension board, **must provide** scheme managers with **information** that they reasonably require to be satisfied that pension board members and proposed members do not have a conflict of interest.		

80	**Schemes should ensure** that pension board members are appointed under procedures that require them to disclose any interests, including other responsibilities, which could become conflicts of interest and which may adversely affect their suitability for the role, before they are appointed.		Identified at interview/appointment
81	All terms of engagement, for example appointment letters, **should include a clause requiring disclosure** of all interests, including any other responsibilities, which have the potential to become conflicts of interest, as soon as they arise. All interests disclosed should be recorded. See the section of this code on 'Monitoring potential conflicts'.		To be discussed at March 2021 Meeting
82	**Schemes should take time to consider** what important matters or decisions are likely to be considered during, for example, the year ahead and identify and consider any potential or actual conflicts of interest that may arise in the future. **Pension board members should be notified as soon as practically possible and mitigations should be put in place** to prevent these conflicts from materialising.		Would be identified in the workplan
83	As part of their risk assessment process, **schemes should identify, evaluate and manage dual interests** which have the potential to become conflicts of interest and pose a risk to the scheme and possibly members, if they are not mitigated. **Schemes should evaluate** the nature of any dual interests and assess the likely consequences were a conflict of interest to materialise.		Would be identified in the workplan
84	**A register of interests should provide** a simple and effective means of recording and monitoring dual interests and responsibilities. **Schemes should also capture decisions** about how to manage potential conflicts of interest in their risk registers or elsewhere. The register of interests and other relevant **documents should be circulated to** the pension board for ongoing review and published, for example on a scheme's website.		To be discussed at March 2021 Meeting
85	**Conflicts of interest should be included as an opening agenda item** at board meetings and revisited during the meeting, where necessary. This provides an opportunity for those present to declare any interests, including other responsibilities, which **have the potential to become conflicts of interest,** and to minute discussions about how they will be managed to prevent an actual conflict arising.		COI declared at every Board meeting
86	**Schemes should establish and operate procedures** which ensure that pension boards are not compromised by potentially conflicted members. They **should consider** and determine the roles and responsibilities of pension boards and individual board members carefully to ensure that conflicts of interest do not arise, nor are perceived to have arisen.		
90	While scheme regulations **must require pension boards to have an equal number** of employer and member representatives, there is flexibility to design arrangements which best suit each scheme.		Equal numbers appointed and each Board meeting is quorate

91	Arrangements should be designed with regard to the principles of proportionality, fairness and transparency, and with the aim of ensuring that a pension board has the right balance of skills, experience and representation (for example, of membership categories and categories of employers participating in the scheme). T**hose responsible for appointing members to a pension board should also consider the mix of skill**s and experience needed on the pension board in order for the board to operate effectively in light of its particular role, responsibilities and duties.		On-going traing needs analysis and training required
Publishing Information about Schemes			
92	**The scheme manager for a public service scheme must publish information** about the pension board for the scheme(s) and **keep that information up-to-date.**		Available on website
93	The information **must include**: who the members of the pension board are representation on the board of members of the scheme(s), and the matters falling within the pension board's responsibility.		See above
94	Scheme members will want to know that their scheme is being efficiently and effectively managed. Public service pension **schemes should have a properly constituted**, trained and competent pension board, which is responsible for assisting the scheme manager to comply with the scheme regulations and other legislation relating to the governance and administration of the scheme and requirements imposed by the regulator.		Powy Pension Board terms of reference provides the detail
95	**Scheme managers must publish the information required about the pension board** and keep that information up-to-date. This will ensure that scheme members can easily access information about who the pension board members are, how pension scheme members are represented on the pension board and the responsibilities of the board as a whole.		Available on website

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96	When publishing information about the identity of pension board members, the representation of scheme members and matters for which the board is responsible, **schemes should also publish** useful related information about the pension board such as: the employment and job title (where relevant) and any other relevant position held by each board member the pension board appointment process who each pension board member represents the full terms of reference for the pension board, including details of how it will operate, and any specific roles and responsibilities of individual pension board members.		Discussed at Pension Board and happy to leave in current state.
97	Schemes **should also consider publishing information** about pension board business, for example board papers, agendas and minutes of meetings (redacted to the extent that they contain confidential information and/or data covered by the Data Protection Act 1998). They **should consider any requests for additional information** to be published, to encourage scheme member engagement and promote a culture of transparency.		Link to Corporate website where agendas and reports are held
98	**Scheme managers must ensure that information published about the pension board is kept up-to-date. Schemes should have policies** and processes to monitor all published data on an ongoing basis to ensure it is accurate and complete.		Minutes regularly uploaded and documentation reviewed.
Managing Risks			
104	Good internal controls are an important characteristic of a well-run scheme and one of the main components of the scheme manager's role in securing the effective governance and administration of the scheme. Internal controls can help protect pension schemes from adverse risks, which could be detrimental to the scheme and members if they are not mitigated.		Discussed at each Board meeting
105	**Scheme managers must establish and operate internal controls. These should address** significant risks which are likely to have a material impact on the scheme. Scheme managers **should employ a risk-based approach** and ensure that sufficient time and attention is spent on identifying, evaluating and managing risks and developing and monitoring appropriate controls. They **should seek advice, as necessary.**		Discussed at each Board meeting

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106	Before implementing an internal controls framework, **schemes should carry out a risk assessment.** They should begin by: setting the objectives of the scheme determining the various functions and activities carried out in the running of the scheme, and identifying the main risks associated with those objectives, functions and activities.		Discussed at each Board meeting
107	An effective risk assessment process will help schemes to identify a wide range of internal and external risks, which are critical to the scheme and members. When identifying risks, **schemes should refer to relevant sources** of information, such as records of internal disputes and legislative breaches, the register of interests, internal and external audit reports and service contracts.		Discussed at each Board meeting
108	Once schemes have identified risks, they **should record them in a risk register and review them regularly. Schemes should keep appropriate record**s to help scheme managers demonstrate steps they have taken to comply, if necessary, with legal requirements.		Discussed at each Board meeting
109	**should consider both these area**s when determining the order of priority for managing risks and focus on those areas where the impact and likelihood of a risk materialising is high.		Discussed at each Board meeting
110	administering authority. **Schemes should review their existing arrangements and procedures** to determine whether they can prevent and detect errors in scheme operations and help mitigate pension scheme-related risks. For example, schemes could obtain assurance about their existing controls through direct testing or by obtaining reports on controls. **Any such review should be appropriate to the outcome of the risk evaluation.**		Discussed at each Board meeting
111	**Schemes should consider what internal controls are appropriate to mitigate the main risks they have identified and how best to monitor them.** For example, the scheme manager(s) for a funded scheme should establish and operate internal controls that regularly assess the effectiveness of investment-related decision making. Scheme managers for all pension schemes should establish and operate internal controls that regularly assess the effectiveness of data management and record-keeping.		Discussed at each Board meeting
113	Risk assessment is a c**ontinual process and should take account of a changing environme**nt and new and emerging risks, including significant changes in or affecting the scheme and employers who participate in the scheme.		Discussed at each Board meeting
114	For example, where relevant, **schemes should put in place systems and processes for making an objective assessment of the strength of an employer's covenant (**which should include analysis of their financial position, prospects and ability to pay the necessary employer contributions).		In Place - exercise to be undertaken to co-ordinate with Funding Strategy Statement review and Valuation. Review Commencing Sept 2020
115	An effective risk assessment process will provide a mechanism to detect weaknesses at an early stage. **Schemes should periodically review the adequacy of internal controls in:** mitigating risks supporting longer-term strategic aims, for example relating to investments identifying success (or otherwise) in achieving agreed objectives, and providing a framework against which compliance with the scheme regulations and legislation can be monitored.		Investment Strategy Statement was currently under review and the MIFID II [The Markets in Financial Instruments Directive II] needed to be taken into account.

116	**Internal or external audits and/or quality assurance processes should ensure that adequate internal controls are in place and being operated effectively**. Reviews should take place when substantial changes take place, such as changes to pension scheme personnel, implementation of new administration systems or processes, or where a control has been found to be inadequate.		March 2020. Board reviewed report completed in Feb 20 and made observations. Board received assurances on the findings.
119	The legal requirements relating to internal controls apply equally where schemes outsource services connected with the running of the scheme. **Providers should be required to demonstrate that they will have adequate internal controls in their tenders f**or delivering services. T**he requirements should be incorporated in the terms of engagement** and contract between the scheme and service provider. Outsourced services may include, for example, the maintenance of records and data, calculation of benefits and investment management services. Where services are outsourced, **scheme managers should be satisfied that internal controls associated with those services are adequate and effective.**		
120	An increasing number of service providers are obtaining independent assurance reports to help demonstrate their abilit to deliver quality administration services. **Schemes should ask their service providers to demonstrate** that they have adequate internal controls relating to the services they provide. **It is vital that schemes ensure they receive sufficient assurance from service providers.** For example, the information from providers should be sufficiently detailed and comprehensive and the **service level agreements should cover all services that are outsourced. Schemes should also consider including provisions in contracts for outsourced services requiring compliance with appropriate standard**s. This should help to ensure effective administration.		
Administration			
124	Failure to maintain complete and accurate records and put in place effective internal controls to achieve this can affect the ability of schemes to carry out basic functions. Poor record-keeping can result in schemes failing to pay benefits in accordance with scheme regulations, processing incorrect transactions and ultimately paying members incorrect benefits. For funded schemes, it may lead to schemes managing investment risks ineffectively. There is also the potential for the maladministration of members' contributions and failure to identify any misappropriation of assets. **Schemes should be able to demonstrate to the regulator, where required, that they keep accurate, up-to-date and enduring records to be able to govern and administer their pension scheme efficiently.**		Data Quality testing Undertaken in May 2018, 2019 and 2020
125	S**cheme managers must establish and operate adequate internal controls, which should include processes** and systems to support record-keeping requirements and ensure that they are effective at all times.		Monthly and annual data checking exercise
126	**Scheme managers must ensure that member data across all membership categories specified in the Record Keeping Regulations is complete and accurate. Member data should be subject to regular data evaluation.**		Monthly and annual data checking exercise
127	**Scheme managers must keep specific member data, which will enable them to uniquely identify a scheme member and calculate benefits correctly.** This is particularly important with the establishment of career average revalued earnings (CARE) schemes. **Scheme managers must be able to provide members with accurate information regarding their pension benefits (accrued benefits to date and their future projected entitlements**) in accordance with legislative requirements, as well as pay the right benefits to the right person (including all beneficiaries) at the right time.		Final Salary and CARE data held in Admin system accordingly

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128	**Schemes should require participating employers to provide them with timely and accurate data in order f**or the scheme manager to be able to fulfil their legal obligations. **Schemes should seek to ensure that processes are established by employer**s which enable the transmission of complete and accurate data from the outset. Processes will vary from employer to employer, depending on factors such as employee turnover, pay periods, number of employees who are members and the timing and number of payroll processing systems.		Finance check monthly. Annual letter of compliance issued to employers.
129	**Schemes should seek to ensure that employers understand the main events** which require information about members to be passed from the employer to the scheme and/or another employer, such as when an employee: joins or leaves the scheme changes their rate of contributions changes their name, address or salary changes their member status, and transfers employment between scheme employers.		Guidance and training provided at time of Admission into Fund. Iconnect allows electronic input and updating.
130	**Schemes should ensure that appropriate procedures and timescales are in place for scheme employers to provide updated information when member data changes,** for checking scheme data against employer data and for receiving information which may affect the profile of the scheme. If an employer fails to act according to the procedures set out above, meaning that they and/or scheme managers may not be complying with legal requirements, those under a statutory duty to report breaches of the law to the regulator under section 70 of the Pensions Act 2004 should assess whether there has been a relevant breach and take action as necessary.		Guidance and training provided at time of Admission into Fund
131	**Schemes should be able to trace the flow of funds into and out of the scheme and reconcile these against expected contributions and scheme costs.** In doing so, they will have clear oversight of the core scheme transactions and **should be able to mitigate risks swiftly.**		Finance Section carry out checks
132	Scheme managers **must keep records of transactions made to and from** the scheme and any amount due to the scheme which has been written off. They **should be able to demonstra**te that they do so.		Audit trails available in Admin system and quarterly reconciliation with Finance.
133	**Scheme managers must keep records of pension board meetings including any decisions made. Schemes should also keep records of key discussions**, which may include topics such as compliance with policies relating to administration of the scheme.		Available in Minutes and held on fund website
134	**Scheme managers must also keep records relating to any decision taken by members of the pension board other than at a pension board meeting, or taken by a committee/sub-committee, which has not been ratified by the pension board. The records must include the date, time and place of the decision and the names of board members participating in that decision. This will ensure that there is a clear and transparent audit trail of the decisions made in relation to the scheme.**		Available in Minutes

135	**Schemes should retain records for as long as they are needed.** It is likely that data will need to be held for long periods of time and schemes will need to retain some records for a member even after that individual has retired, ensuring that pension benefits can be properly administered over the lifetime of the member and their beneficiaries. **Schemes should have in place adequate systems and processes to enable the retention** of records for the necessary time periods.		Currently 15 years following GDPR review.
136	**Schemes should have policies and processes that monitor data on an ongoing basis to ensure it is accurate and complete,** regardless of the volume of scheme transactions. This **should be in relation to all membership categories**, including pensioner member data where queries may arise once the pension is being paid.		Data Improvement Plan in place on fund website and regularly reviewed
137	**Schemes should adopt a proportionate and risk-based approach to monitoring**, based on any known or historical issues that may have occurred in relation to the scheme's administration. This is particularly important for the effective administration of CARE pension schemes, which requires schemes to hold significantly more data than needed for final salary schemes.		Monthly and annual data monitor and cleanse processes in place.
138	**Schemes should continually review their data and carry out a data review exercise at least annually**. This **should include an assessment of the accuracy and completeness** of the member information data held. Schemes should decide the frequency and nature of the review in light of factors such as the level of data quality, any issues identified and key scheme events.		Data Quality Testing and Improvement Plan in place and regularly reviewed
140	Where there has been a change of administrator or the administration system/platform, s**chemes should review and cleanse data records and satisfy themselve**s that all data are complete and accurate.		Completed in 2019
141	Where schemes **identify poor quality or missing data, they should put a data improvement plan in place** to address these issues. The plan **should have specific data improvement measures** which schemes can monitor and a defined end date within a reasonable timeframe when the scheme will have complete and accurate data.		Data Quality testing and Improvement Plan, but monitored Annually
142	**Schemes should ensure that member records are reconciled with information held by the employer**, for example postal address or electronic address (email address) changes and new starters. Schemes should also ensure that the numbers of scheme members is as expected based on the number of leavers and joiners since the last reconciliation. Schemes should be able to determine those members who are approaching retirement, those who are active members and those who are deferred members.		Monthly/Annual Reconciliation
143	Schemes **must ensure that processes that are created to manage scheme member data meet the requirements of the Data Protection Act 1998 and the data protection principles.**		reviewed under GDPR May 2018
144	Schemes **should understand:** • their obligations as data controllers and who the data processors are in relation to the scheme • the difference between personal data and sensitive personal data (as defined in the Data Protection Act 1998) • how data are held and how they should respond to data requests from different parties • the systems which need to be in place to store, move and destroy data, and • how data protection affects member communications.		reviewed under GDPR May 2018
146	Where applicable, schemes should be able to demonstrate that they keep records in accordance with these and any other relevant legal requirements. Schemes should read the relevant legislation and any guidance in conjunction with this code where applicable.		reviewed under GDPR May 2018
Maintaining Contributions			

147	**Employer contributions must be paid to the scheme in accordance with any requirements in the scheme regulations**. Where employer contributions are not paid on or before the date they are due under the scheme and the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to the regulator in the exercise of any of its functions, the scheme manager must give a written report of the matter to the regulator as soon as reasonably practicable.		Breaches Log and procedure in place. Ongoing risk requiring monitoring
148	**at the latest by the 19th day of the month following the deduction, or by the 22nd day if paid electronically** (the 'prescribed period'), or earlier if required by scheme regulations. References to 'days' means all days. References to 'working days' do not include Saturdays, Sundays or Bank Holidays.		Breaches Log and procedure in place. Ongoing risk requiring monitoring
149	**failure is likely to be of material significance** to the regulator in the exercise of any of its functions, they **must give notice of the failure to the regulator** and the member within a reasonable period after the end of the prescribed period. Where there is a failure to pay employee contributions on an earlier date in accordance with scheme regulations, **schemes should also consider their statutory duty under section 70 of the Pensions Act 2004 to assess and if necessary report breaches of the law.** For more information about reporting breaches of the law, see this section of the code.		Breaches Log and procedure in place.
150	As part of the requirement to establish and operate adequate internal controls, **scheme managers should ensure that there are effective procedures and processes in place to identify payment failures that are – and are not – of material significance to the regulator**. A 'payment failure' is where contribution payments are not paid to the scheme by the due date(s), or within the prescribed period and a 'materially significant payment failure' refers to a payment failure which is likely to be of material significance to the regulator in the exercise of its functions.		Breaches Log and Policy in place
151	Schemes **should monitor pension contributions, resolve payment issues and report payment failures, as appropriate,** so that the scheme is administered and managed in accordance with the scheme regulations and other legal requirements.		Breaches Log and procedure in place. Ongoing risk requiring monitoring
152	Adequate procedures and processes are likely to involve: developing a record to monitor the payment of contributions monitoring the payment of contributions managing overdue contributions, and reporting materially significant payment failures.		
153	These procedures and processes **should help scheme managers to meet their statutory duty to report materially significant payment failures to the regulator**, as well as ensuring the effective management of scheme contributions and payment of the right pension.		Breaches Log and Policy in place
155	Public service pension schemes which meet these exemptions **should nonetheless develop a record for monitoring the payment of contributions to the scheme (**a contribution monitoring record, which must reflect any requirements in scheme regulations where relevant). **Schemes should prepare thecontributions monitoring record in consultation with employees**.		Work ongoing to review and develop procedure
156	A contributions monitoring record will enable schemes to check whether contributions have been paid on time and in full, and, if they have not, provide a trigger for escalation for schemes to investigate the payment failure and consideration of whether scheme managers need to report to the regulator and, where relevant, members.		Work ongoing to review and develop procedure

157	A **contributions monitoring record should include the following information:** • contribution rates • the date(s) on or before which employer contributions are to be paid to the scheme • the date by when, or period within which, the employee contributions are to be paid to the scheme • the rate or amount of interest payable where the payment of contributions is late.		Work ongoing to review and develop procedure
158	The date when employer contributions must be paid is the date on or before which they are due under the scheme in accordance with the scheme regulations (or other scheme documentation). Schemes should assess the timing of payments against the date specified.		Work ongoing to review and develop procedure
161	Schemes **should monitor contributions on an ongoing basis for all the membership categories within the scheme. Schemes should regularly check payments due against the contributions monitoring record.**		
162	Schemes **should apply a risk-based and proportionate approach to help identify employers and situations which present a higher risk of payment failures** occurring and which are likely to be of material significance and require the scheme manager to intervene.		
163	Schemes **should be aware of what is to be paid in accordance with the contributions monitoring record** or other scheme documentation, which may be used by the pension scheme. Schemes **should also have a process in place to identify where payments are late or have been underpaid, overpaid or not paid at all.**		
165	Schemes **should have adequate internal controls in place to monitor the sharing of payment information between the employer, pension scheme and member**. Where the necessary payment information is not automatically available or provided by employers, **schemes should request the additional information** they need. Schemes may not need to obtain payment information as a matter of course, only where it is required for effective monitoring.		Procedure in place within the Finance Section
166	Scheme managers must record and retain information on transactions, including any employer and employee contributions received and payments of pensions and benefits, which will support them in their administration and monitoring responsibilities.		Procedure in place within the Finance Section
167	Where the a**dministration of scheme contributions is outsourced** to a service provider, **schemes should ensure that there is a process in place to obtain regular information on the payment of contributions to the scheme** and a **clear procedure in place** to enable them to identify and resolve payment failures which may occur.		Procedures and policy in place

168	When schemes identify or are notified of a problem, they **should assess whether a payment failure has occurred before taking steps to resolve and, if necessary, report it.** During their assessment, **schemes should take into account:** • legitimate agreed payments made directly by an employer for scheme purposes, ie where the scheme has agreed that a contributions payment can be made late due to exceptional circumstances • legitimate agreed payment arrangements made between an employee and employer, ie where the employer has agreed that a contribution payment can be made late due to exceptional circumstances • contributions paid directly to a pension provider, scheme administrator or investment manager • any AVCs included with an employer's overall payment.		Procedures and policy in place
169	Where schemes identify a payment failure, they should follow a process to resolve issues quickly. This should normally involve the following steps: a. Investigate any apparent employer failure to pay contributions in accordance with the contributions monitoring record or legal requirements. b. Contact the employer promptly to alert them to the payment failure and to seek to resolve the overdue payment. c. Discuss it further with the employer as soon as practicable to find out the cause and circumstances of the payment failure. d. Ask the employer to resolve the payment failure and take steps to avoid a recurrence in the future.		Breaches Log and procedure in place.
Providing information to Members			
188	Scheme regulations must require scheme managers to provide an annual benefit information statement to each active member of a DB scheme established under the 2013 Act or new public body scheme. The statement must include a description of the benefits earned by a member in respect of their pensionable service.		Procedures in place
189	The first statement must be provided no later than 17 months after the scheme regulations establishing the scheme come into force. Subsequent statements must be provided at least annually after that date.		Procedures in place
190	Statements must also comply with HM Treasury directions in terms of any other information which must be included and the manner in which they must be provided to members.		Annual Review exercise on All Wales basis
191	Managers of a scheme must also provide a benefit statement following a request by an active, deferred or pension credit member of a DB scheme if the information has not been provided to that member in the previous 12 months before that request.		Procedures in place
192	These benefit statements must include information about the amount of benefits by reference to a particular date and how they are calculated. The full details depend on the type of member making the request.		Compliant
193	The information must be given as soon as practicable but no more than two months after the date the request is made.		Procedures in place

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196	Under the Disclosure Regulations 2013, managers of a scheme must provide other information to members and others in certain circumstances (for example, on request). The Regulations set out the information which must be given, the timescales for providing such information and the methods that may be used. Not all information must be provided in respect of all public service pension schemes (there are some exemptions for specified public service schemes or according to the type of benefit offered), but information which scheme managers may need to provide includes: • basic scheme information • information about the scheme that has materially altered • information about the constitution of the scheme • annual report (this requirement will generally not apply to unfunded DB public service pension schemes and DB schemes for local government workers) information about funding principles, actuarial valuations and payment schedules (these requirements will generally not apply to unfunded DB public service pension schemes and DB schemes for local government workers) • information about transfer credits • information about lifestyling (this requirement will not apply in respect of DB benefits in public service pension schemes) • information about accessing benefits, and • information about benefits in payment.		Compliant. Misc regs require notifaction to members within timescales. Amber to reflect difficulties in notifying all deferred members of actual benefits within timescales. Interim letter issued to advise of benefit entitlement whilst actual benefits calculated
197	The detail of the information that must be provided to scheme members and others and any exemptions are set out in the Disclosure Regulations 2013. Managers must provide the required information, along with confirmation that members may request further information and the postal and email addresses to which a person should send those requests and enquiries.		
198	Managers of a scheme must ensure that scheme members and others are given information in accordance with the Disclosure Regulations 2013, unless they are an 'excluded person' (as defined above).		

199	The Disclosure Regulations 2013 make provision for scheme members and others to receive information that is relevant to their pension rights and entitlements under the scheme. The categories of people who are entitled to receive information vary according to the different types of information, and there are exemptions where information has already been provided in a specified period. The detail of who is entitled to any particular type of information is set out in the Disclosure Regulations 2013 but may include any of the following ('a relevant person'): • active members • deferred members • pensioner members • prospective members • spouses or civil partners of members or prospective members • other beneficiaries, and • recognised trade unions.		
200	Managers must disclose certain basic information about the scheme and the benefits it provides to a prospective member (if practicable to do so) or a new member. Where the manager has received jobholder information for the member or prospective member they must provide the information within a month of the jobholder information being received. Where they have not received jobholder information, they must provide the information within two months of the date the person became an active member of the scheme.		procedures in place. Compliant.
201	Managers must also provide information on request to a relevant person within two months of the request being made, except where the same information was provided to the same person or trade union in the 12 month before the request.		Compliant. Procedures in place in workflow system.

203	Generally, schemes may choose how they provide information to scheme members, including by post, electronically (by email or by making it available on a website) or by any other means permitted by the law. For benefit statements issued under the 2013 Act, HM Treasury directions may specify how the information must be provided. Where schemes wish to provide information required under the Disclosure Regulations 2013 by electronic means there are important steps and safeguards that must first be met. These include: • scheme members and beneficiaries being provided with the option to opt out of receiving information electronically by giving written notice to the scheme • managers being satisfied that the electronic communications have been designed: – so that the person will be able to access and either store or print the relevant information and – taking into account the requirements of disabled people • ensuring that members and beneficiaries who were members or beneficiaries of the public service pension scheme on 1 December 2010 (where the scheme had not provided information electronically prior to that date) has been sent a written notice (other than via email or website), informing them that: – it is proposed to provide information electronically in the future and – scheme members and beneficiaries may opt out of receiving information electronically by sending written notice.		Exercise carried out and majority of scheme documentation delivered electronically, except to those who have opted out of e-communications
204	Where schemes make information or a document available on a website for the first time, they must give notice (other than via a website) to the recipient. They must ensure that the notice includes: • a statement advising that the information is available on the website • the website address • details of where on the website the information or document can be read, and • an explanation of how the information or document may be read on the website.		Compliant

205	When any subsequent information is made available on a website, managers of a scheme must give a notice (other than via a website) to recipients informing them that the information is available on the website. This notice will not be required where: • at least two documents have been given to the recipient by hand or sent to the recipient's last known postal address • each of those letters asks the recipient to give their electronic (email) address to the scheme and informs the recipient of their right to request (in writing) that information or documents are not to be provided electronically • a third letter has been given to the recipient by hand or sent to the recipient's last known postal address and includes a statement that further information will be available to read on the website and that no further notifications will be sent to the recipient and • the managers of the scheme do not know the recipient's email address and have not received a written request that information or documents are not to be provided to the recipient electronically.		Exercise carried out and majority of scheme documentation delivered electronically, except to those who have opted out of e-communications
206	In some cases, the Disclosure Regulations 2013 specify that information must be made available by one of the following methods: • available to view free of charge, at a place that is reasonable having regard to the request • published on a website (in which case the procedure to be followed before making information available on a website does not apply, except that the person or trade union must be notified of certain details) • given for a charge that does not exceed the expense incurred in preparing, posting and packing the information, or • publicly available elsewhere.		Compliant
207	Schemes should design and deliver communications to scheme members in a way that ensures they are able to engage with their pension provision. Information should be clear and simple to understand as well as being accurate and easily accessible. It is important that members are able to understand their pension arrangements and make informed decisions where required.		Ongoing Exercise
208	Schemes should attempt to make contact with their scheme members and, where contact is not possible, schemes should carry out a tracing exercise to locate the member and ensure that their member data are up-to-date.		Numbers of "Gone Away" members identified. Address tracing exercise commenced Oct 2020
209	Where a person has made a request for information, schemes should acknowledge receipt if they are unable to provide the information at that stage. Schemes may encounter situations where the time period for providing information takes longer than expected. In these circumstances, schemes should notify the person and let them know when they are likely to receive the information. Scheme managers and managers (where different) must provide information in accordance with the time periods specified in the 2013 Act and Disclosure Regulations 2013.		Compliant
210	To promote transparency, schemes should make information readily available at all times to ensure that prospective and existing members are able to access information when they require it.		Website, Intranet

Resolving Issues

216	Dispute resolution arrangements may require people with an interest in the scheme to first refer matters in dispute to a 'specified person' in order for that person to consider and give their decision on those matters. The specified person's decision may then be confirmed or replaced by the decision taken by the scheme manager after reconsideration of the matters.		Pensions Decision - Pensions Administration Manager. Employer decision - HR Manager
217	Scheme managers and specified persons (if used as part of a scheme's procedure) must take the decision required on the matters in dispute within a reasonable period of receiving the application. They must notify the applicant of the decision within a reasonable period of having taken it.		IDRP information made available to Specified Person
218	Internal dispute resolution procedures must state the manner in which an application for the resolution of a pension dispute is to be made, the particulars which must be included in such an application and the manner in which any decisions required in relation to such an application are to be reached and given. The procedure must specify a reasonable period within which applications must be made by certain people.		Detail in Letter.
219	Scheme managers must provide information about the scheme's dispute resolution procedure as well as information about The Pensions Advisory Service (TPAS) and the Pensions Ombudsman to certain people at certain stages.		Included in letters
220	Scheme members expect their pension scheme to be managed effectively. Where a person with an interest in the scheme is not satisfied with any matter relating to the scheme (for example a decision which affects them), they have the right to ask for that matter to be reviewed.		Included in letters
222	Schemes can operate a two-stage procedure with a 'specified person' undertaking the first-stage decision. Alternatively, they may adopt a single-stage procedure if they consider that is more appropriate for their scheme.		Two-stage adopted. Stage 1 - Pensions Administration Manager. Stage 2 - Pension Fund Manager
223	With the exception of certain matters outlined below, the law does not prescribe the detail of the dispute resolution procedure. Schemes should decide on this and ensure it is fit for purpose.		Noted.
224	Schemes may choose to specify time limits within which the following people must apply for a dispute to be resolved, following notifaction to them: • scheme members • widows, widowers, surviving civil partners or surviving dependants of deceased scheme members • surviving non-dependant beneficiaries of deceased scheme members, and • prospective scheme members.		Within 6 months of being notified of decision

225	If schemes decide to specify time limits, they should publish and make those time limits readily available to ensure that those with an interest in the scheme are aware that they must submit an application within a prescribed time limit.		Within 6 months of being notified of decision
226	Scheme managers must ensure their scheme's procedure specifies a reasonable period within which applications by the following people must be made: • a person who has ceased to be within the categories in paragraph 224 above • a person who claims that they were a person within the categories in paragraph 224 above and has ceased to be such a person, and the dispute relates to whether they are such a person.		Noted.
227	A reasonable period would be six months beginning immediately after the date on which the person ceased to be, or claims they ceased to be, a person with an interest in the scheme. However, schemes have the flexibility to exercise their judgement and take an application outside a specified time period, if appropriate.		6 months applied
228	Managers and specified persons (where applicable) must decide the matter in dispute within a reasonable period of receiving the application. A reasonable period is within four months of receiving the application. In the case of a two-stage dispute resolution procedure, the reasonable period applies to each stage separately. Where a dispute is referred to scheme managers for a second-stage decision, the reasonable period begins when the managers receive the referral. However, there may be cases where it will be possible to process an application sooner than the reasonable time given. Where this is the case, there should not be a delay in taking the decision.		Matter to be acted upon quickly but within 4 months
229	There may be exceptional circumstances of a particular dispute which may prevent the process being completed within the reasonable time period stated above. For instance, where the dispute involves unusually complex and labour-intensive calculations or research, or delays occur that are outside the control of the scheme manager (or specified person), or because they need to obtain independent evidence.		Noted.
230	The regulator recognises that the circumstances of each dispute are different and decision times may vary. Schemes should be satisfied that the time taken to reach a decision is appropriate to the situation and be able to demonstrate this, if necessary.		Procedure is documented and evidenced
231	Applicants must be notified of the decision made by a scheme manager and specified person (where applicable) within a reasonable time period after the decision has been made123. Schemes should usually notify applicants of the decision no later than 15 working days after the decision has been made. However, there may be cases where it is possible to notify an applicant sooner than the reasonable time given. Where this is the case, there should not be a delay in notifying them of the decision.		Procedures in place to notify
232	Applicants must be notified of the decision made by a scheme manager and specified person (where applicable) within a reasonable time period after the decision has been made123. Schemes should usually notify applicants of the decision no later than 15 working days after the decision has been made. However, there may be cases where it is possible to notify an applicant sooner than the reasonable time given. Where this is the case, there should not be a delay in notifying them of the decision.		Procedures in place to notify

233	Scheme regulations or other documents recording policy about the administration of the scheme should specify internal dispute resolution arrangements. Schemes should focus on educating and raising awareness of their internal dispute resolution arrangements and ensuring that they are implemented.		Included in correspondence.
234	Schemes should ensure that the effectiveness of the arrangements is assessed regularly and be satisfied that those following the process are complying with the requirements set, which includes effective decision making. This is particularly important where the arrangements require employers participating in the pension scheme to carry out duties as part of the process, for example where schemes have implemented the two-stage procedure and employers are acting as the specified person for the first stage		Guidance provided to Employers and individuals where appropriate
235	Schemes should confirm and communicate their arrangements to members, for example, in the joining booklet. Schemes should make their arrangements accessible to potential applicants, for example by publishing them on a scheme website.		Information readily available
236	Scheme managers must provide the following information about the procedure and processes the scheme has in place for the internal resolution of disputes to certain people in certain circumstances124: • prospective members, if it is practicable to do so • any scheme members who have not already been given the information • certain relevant people who request the information and who have not been given that information in the previous 12 months, and • members or prospective members when schemes receive jobholder information, or when a jobholder becomes an active member, in connection with automatic enrolment.		Information available.
237	Scheme managers must also provide the postal or email address and job title of the person to contact in order to make use of the internal dispute arrangements.		Included in correspondence
238	In addition, scheme managers must provide information about TPAS and the Pensions Ombudsman at certain stages125. Upon receiving an application for the resolution of a pension dispute, scheme managers (or the specified person) must make the applicant aware as soon as reasonably practicable that TPAS is available to assist members and beneficiaries of the scheme and provide contact details for TPAS. When notifying the applicant of the decision, scheme managers must also inform the applicant that the Pensions Ombudsman is available to investigate and determine complaints or disputes of fact or law relating to a public service pension scheme and provide the Pension Ombudsman's contact details.		Included in correspondence

239	Schemes can decide what information they need from applicants to reach a decision on a disputed matter and how applications should be submitted. Schemes should ensure they make the following information available to applicants: • the procedure and processes to apply for a dispute to be resolved • the information that an applicant must include • the process by which any decisions are reached, and • an acknowledgement once an application has been received.		Information available.
240	When reviewing an application, scheme managers and specified persons (where relevant) should ensure that they have all the appropriate information to make an informed decision. They should request further information if required. Scheme managers and specified persons should be satisfied that the times taken to reach a decision and notify the applicant are appropriate to the situation and that they have taken the necessary action to meet the reasonable time periods. Scheme managers should be able to demonstrate this to the regulator if required.		Noted.
Reporting Breaches of the Law			
244	Schemes should be satisfied that those responsible for reporting breaches are made aware of the legal requirements and this guidance. Schemes should provide training for scheme managers and pension board members. All others under the statutory duty to report should ensure they have a sufficient level of knowledge and understanding to fulfil that duty. This means having sufficient familiarity with the legal requirements and procedures and processes for reporting.		Reporting Breaches Policy produced and available on Fund website
245	Identifying and assessing a breach of the law is important in reducing risk and providing an early warning of possible malpractice in public service pension schemes. Those people with a responsibility to report breaches, including scheme managers and pension board members, should establish and operate appropriate and effective procedures to ensure that they are able to meet their legal obligations. Procedures should enable people to raise concerns and facilitate the objective consideration of those matters. It is important that procedures allow reporters to decide within an appropriate timescale whether they must report a breach. Reporters should not rely on waiting for others to report.		Reporting Breaches Policy produced and available on Fund website. Traffic light system included for determining seriousness

Sep-20

246	Procedures should include the following features: • a process for obtaining clarification of the law around the suspected breach where needed • a process for clarifying the facts around the suspected breach where they are not known • a process for consideration of the material significance of the breach by taking into account its cause, effect, the reaction to it, and its wider implications, including (where appropriate) dialogue with the scheme manager or pension board • a clear process for referral to the appropriate level of seniority at which decisions can be made on whether to report to the regulator • an established procedure for dealing with difficult cases • a timeframe for the procedure to take place that is appropriate to the breach and allows the report to be made as soon as reasonably practicable • a system to record breaches even if they are not reported to the regulator (the record of past breaches may be relevant in deciding whether to report future breaches, for example it may reveal a systemic issue), and • a process for identifying promptly any breaches that are so serious they must always be reported.		Reporting Breaches Policy produced and available on Fund website. Traffic light system included for determining seriousness. Breaches Log kept and updated rebularly.
253	In deciding whether a breach is likely to be of 'material significance' to the regulator. It would be advisable for those with a statutory duty to report to consider the: • cause of the breach • effect of the breach • reaction to the breach, and • wider implications of the breach.		Detailed in Breaches Policy
255	The breach is likely to be of material significance to the regulator where it was caused by: • dishonesty • poor governance or administration • slow or inappropriate decision making practices • incomplete or inaccurate advice, or • acting (or failing to act) in deliberate contravention of the law.		Detailed in Breaches Policy

270	Breaches should be reported as soon as reasonably practicable, which will depend on the circumstances. In particular, the time taken should reflect the seriousness of the suspected breach.		Detailed in Breaches Policy

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

2021.

CYNGOR SIR *POWYS* COUNTY COUNCIL

Pension Board
5th March 2021

REPORT BY: **Board Secretary**

SUBJECT: **Administration Activity Update**

REPORT FOR: **Information**

1. Introduction

1.1 Further to the information provided at the November 2020 Pension Board meeting, this report contains the membership and Pensions Administration financial statistics for the period 1st October to 31st December 2020.

2. Pensions Administration Financial Statistics - Income & Expenditure

2.1

	Oct	Nov	Dec
Payments	Pension Fund	Pension Fund	Pension Fund
Pensions	2,033,446	2,022,495	2,043,836
Lump Sum	196,450	224,545	108,735
Transfers Out	77,557	1,769	185,397
Death Grants	99,102	32,347	106,333
Total Payments	**2,406,555**	**2,281,155**	**2,444,301**
Income			
Employee Contributions	(434,710)	(454,607)	(444,139)
Employer Contributions	(1,541,536)	(1,587,655)	(1,562,630)
Transfers In		(893,921)	(144,287)
Total Income	**(1,976,247)**	**(2,936,183)**	**(2,151,056)**

3. Pensions Administration membership statistics

3.1 The table below contains the detail of the movements of the scheme membership between the different statuses (Active member to a pensioner or deferred status for example) in the reporting quarter.

The column on the left shows the totals per status at the start of the period. The middle section shows the movements, which leaves the totals per status at the end of the period in the right hand column.

Key:

Status

1 Active Member
2 Undecided leaver (Deferred not yet processed)
3 Exit (Refund, Transfer Out)
4 Deferred member
5 Pensioner member
6 Dependant Member
7 Death
8 Awaiting Entry (Starter not fully processed)
9 Frozen Refund
10 Optant Out
T Third Tier Cessation
Z Aggregations

		Recalculation Date 1	01/10/2020	Recalculation Date 2	31/12/2020
Status	**Description**		**Total 1**		**Total 2**
1	Active		5672		5740
2	Undecided Leaver		770		840
3	Leaver - No Liability		13370		13475
4	Deferred Pensioner		6280		6236
5	Pensioner		4322		4339
6	Widow/Dependant		636		639
7	Death/Cess Liability		3674		3701
8	Awaiting Entry		4		4
9	Frozen Refund		574		578
O	Opt-Out		1247		1270
Z	Aggregation		1542		1709
			---		---
			38091		38531
			---		---

3.2 50/50 Scheme Membership

Active	19
Deferred	6
Frozen Refund	2

							Inherent Risk								Residual Risk			
Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
	PEN001	01/11/2015		Pensions Administration	Failure to pay pensions and lump sums on time	Financial difficulty for the scheme member concerned, reputational risk to the Pension Fund, and additional cost to the employer where interest is payable as a result of late payment.	M	2	L	Low	Maintenance and update of Altair and Trent systems, sufficient staff resources and training. Quality assurance processes in place to check work done.	Pension Fund Manager	A Davies	Review of process as part of the ongoing review of pensions administration processes following the implementation of the 2014 Scheme.	M	L	Low	
	PEN002	01/11/2015		Finance	Failure to collect and account for pension contributions being paid over to the Fund on time by Fund employers.	Adverse audit opinion, potential delays to Fund employer FRS17/IAS19 reporting; and potential delay to production of annual report and accounts.	L	1	M	Low	Contrbutions received monitored on a monthly basis by Fund accounting staff.	Section 151 Officer	A Davies	Requirement that each end of scheme year, Fund employers certify that they have paid over contributions at the correct rates and on time.	L	M	Low	
	PEN003	01/10/2019		Finance	Insufficient Fund cashflow to meet liabilities as they fall due.	Immediate injections of cash from Fund employers would be required where Fund assets cannot be liquidated quickly. For now the Fund is cashflow positive but will not remain so for much longer, therefore requiring the use of investment income to subsidise the payment of pension benefits rather than being reinvested as now.	H	3	M	Medium	Funding strategy statement. Will this year (2020) commission Fund actuary to undertake a Fund cashflow forecast based on Fund maturity	Section 151 Officer	A Davies	Following completion of the fund actuary's cashflow forecast, review strategic asset allocation to ensure that cashflow remains positive (on a targeted and monitored basis) whilst at the same time ensuring that the Fund is not forced to liqiudate assets on an unplanned basis.	M	M	Medium	
	PEN004	01/11/2015		Pensions Administration	Inability to deliver service as a result of loss of pensions administration system, or any other system used in the provision of service (eg. pensioner payroll). Failure of any system used by the service as a result of a breach of cyber security.	Immediate injections of cash from Fund employers would be required where Fund assets cannot be liquidated quickly. For now the Fund is cashflow positive but will not remain so for much longer, therefore requiring the use of investment income to subsidise the payment of pension benefits rather than being reinvested as now.	L	1	L	Low	Business Continuity Plan for the Pensions administration service. Assurances received from all systems providers in relation to their current resilience to the threat of a failure in cyber security.	Pension Fund Manager	A Davies	Keep Business Continuity Plan under review. Periodic review by the Pension Board of provider assurances in respect of cyber secuity.	L	L	Low	
	PEN005	01/11/2015		Pension Fund	Inability to deliver service as a result of the loss of key personnel	Failure to provide service at all, or at an acceptable level	L	1	M	Low	Business Continuity Plan in place for the pensions administration service	Pension Fund Manager	A Davies	Keep Business Continuity Plan under review	L	M	Low	
	PEN006	01/11/2015		Pension Fund	Loss of funds through fraud or misappropriation	Financial loss to the Fund	L	1	M	Low	Internal and External Audit regularly test that approriate controls are in place and are working effectively. Due diligence is carried out whenever a new investment manager is appointed	Pension Fund Manager	A Davies	None	L	M	Low	

							Inherent Risk								Residual Risk			
Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
	PEN007	01/01/2015	FSS	Pension Fund	Significant rise in employer contribution rates for Fund employers with strong covenants, as consequence of increases in liabilities.	Employer contribution rates rise to unacceptable levels, putting upward pressure on Council Tax rates and the ability of Powys County Council to continue to deliver services to its communities.	L	1	M	Low	Employers have Discretionary Powers Policies that help to control liabilities. In reality, little can actually be done in mitigation due to the fact that liabilities are largely determined by bond yields that are outside of the Fund's control.	Pension Fund Manager	A Davies	Investigate further liability mitigations such as ill health strain insurance; developing guidance to assist employers to manage liability increases derived from their actions or inactions; and, work closely with the Fund actuary to determine appropriate valuation assumptions and deficit recovery strategies.	L	M	Low	
	PEN008	01/01/2015	FSS	Pension Fund	Significant rises in employer contribution rates for Fund employers with weak covenants as a consequence of increases in liabilities.	Employer contribution rates rise to unsustainable levels that cause employers to become insolvent	L	1	H	Medium	Employers have Discretionary Powers Policies that help to control liabilities. In reality, little can actually be done in mitigation due to the fact that liabilities are largely determined by bond yields that are outside of the Fund's control.	Pension Fund Manager	A Davies	In process of developing risk sharing arrangements to enable employers with weak covenants to attain a degree of certainty over the level of employer contribution rates.	L	M	Low	
	PEN009	01/01/2015	FSS	Pension Fund	Significant rises in employer contribution rates for employers with strong covenants as a result of poor/negative investment returns.	Employer contribution rates rise to unacceptable levels that result in Powys County Council and other Employers being unable to provide appropriate services for its communities.	L	1	M	Low	Use expert specialist consultants to help set and monitor investment strategy and investment manager performance and selection. Quarterly investment performance reports presented to	Pension Fund Manager	A Davies	Continual monitoring of performance; review of asset allocation strategy, including consideration of alternative asset clasees and non-market led assets.	L	M	Low	
	PEN010	01/01/2015	FSS	Pension Fund	Significant rises in employer contribution rates for employers with weak covenants as a result of poor/negative investment returns.	Employer contribution rates rise to unsustainable levels that result in employers with weak covenants becoming insolvent.	L	1	H	Medium	Use expert specialist consultants to help set and monitor investment strategy and investment manager performance and selection. Quarterly investment performance reports presented to	Pension Fund Manager	A Davies	Continual monitoring of performance; review of asset allocation strategy, including consideration of alternative asset clasees and non-market led assets.	L	M	Low	
	PEN011 / 034 JCAD	01/01/2015	FSS	Pension Fund	Failure to comply with LGPS and other statutory regulations.	Payment of incorrect pension benefits; provision of incorrect benefit estimates; failure to comply with governance standards; failure to meet HMRC tax requirements. Resulting in: loss of customer satisfaction / confidence; IDRP and Ombudsman appeals; TPR fines for non-compliance. Reputational Risk	H	3	L	Medium	Rigorous checking and authorisation procedures in respect of pension benefit calculations and payments; and, regular review of governance compliance policy. Staff training and development.	Pension Fund Manager	A Davies	Closer partnership working with employer payrolls to facilitate accurate data receipts; increased compliance oversight provided by Local Pensions Board.	M	L	Low	

							Inherent Risk								Residual Risk			
Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
	PEN012	25/01/2016		Pensions Administration	Failure to hold scheme member's personal data securely.	Poor data quality; compromised data; fines	L	1	M	Low	Compliance with Powys County Council Data Protection and ICT policies, including reference to remote/home working as appropriate.	Pension Fund Manager	A Davies	Data protection audit in conjunction with TPR data quality standards to be undertaken regularly.	L	M	Low	
	PEN013	01/04/2015	TPR	Pension Fund	Failure to maintain and hold up to date and accurate pension records.	Payment of incorrect pension benefits; late payment of benefits; assessment of incorrect liability values. Resulting in loss of customer confidence and satisfaction; IDRP and Ombudsman appeals; and, incorrect assessment of employer contribution rates.	M	2	M	Medium	Pensions team work with employer payrolls to ensure data quality; data validation checks undertaken by team at each year end; validation checks carried out at each actuarial valuation (triennially) by the Fund actuary. Staff training and development.	Pension Fund Manager	A Davies	Additional data validation and quality checks to be implemented as required by the TPR code of practice.	L	M	Low	
	PEN014	25/01/2016	CIPFA	Pension Fund	Lack of expertise of Pension Fund Officers and Head of Service	Poor decision making in relation to principal functions of the Pension Fund , particularly in relation to investments.	L	1	H	Medium	Officers ensure that they receive appropriate training and are required to keep up to date with developments in pensions matters, as part of their periodic Individual Performance Reviews and by attending relevant conferences and seminars, by reading and through discussions with consultants and peers.	Pension Fund Manager	A Davies	Formalised Officer training via individual training plans based on the CIPFA 'Knowledge and Skills' framework, as is the the procedure for members of both Pensions & Investment Committee and the Pensions Board.	L	M	Low	
	PEN015	25/01/2016	CIPFA	Pension Fund	Over-reliance on key Officers	When senior Officers leave or are on long term sickness, large knowledge gaps remain.	M	2	H	Medium	In the short term, knowledge gaps can be filled by using our external colleagues from other Welsh Funds and buying in assistance from consultants.	Pension Fund Manager	A Davies	Formalise succession planning by including in Officer individual training plans for less senior Officers.	M	L	Low	
	PEN016	25/01/2016		Pensions Administration	Failure to communicate effectively with stakeholders.	Scheme members unaware of their rights under the LGPS and make poor decisions in relation to pension rights. Employers unaware of the scheme regulations, the procedures and their responsibilities, resulting in poor or inappropriate decision-making and may adversely effect the flow of pensions data to the Pension Fund.	L	1	M	Low	the Pensions Support Manager is tasked with responsibilities in relation to scheme and Fund communications, as part of their Job Description. In addition, the Fund has a clear communications policy as well as a regularly updated website.	Pension Fund Manager	A Davies	No further action proposed.	L	M	Low	

							Inherent Risk								Residual Risk			
Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
	PEN017	26/01/2016		Pensions Administration	Failure to provide the pensions service in accordance with principles of equality.	Some stakeholders may be unable to access the service fully or at all. In the worst case scenario, this could result in court action against the Fund.	M	2	M	Medium	The Fund maintains a Welsh Language register in respect of scheme members and employers.	Pension Fund Manager	A Davies	To urtilise technology to enable access to service and information for stakeholders with disabilities, other language needs etc.	L	M	Low	
	PEN018	01/01/2015	FSS	Pension Fund	Failure to collect payments due from ceasing employers with no active members.	Failure to collect cessation payments from ceasing employers results in relevant liabilities being funded by the Powys Pension Fund and the active employers.	L	1	M	Low	The Fund undertakes periodic reviews of the strength of employer covenants. For existing employers, the Fund requires that a guarantor, bond or 'risk sharing agreement' is in place. For all new employers, the Fund insists on either a guarantor or a bond being in place.	Pension Fund Manager	A Davies	No further action planned.	L	M	Low	
	PEN019	25/01/2016	SAB	Pension Fund	Lack of expertise of members of Pensions & Investment Committee	Poor decision making in relation to all aspects of the Fund, particularly those in relation to investment.	M	2	H	Medium	The Fund adopts the CIPFA Knowledge and Skills Framework to inform its training plans for members of Pensions & Investment Committee (and the Pension Board)	Pension Fund Manager	A Davies	Rollout of individual training plans for all members. After each County Council election, specific training events are put on for new members elected to Pensions & Investment Committee.	L	H	Medium	
	PEN020	01/01/2015	FSS	Pension Fund	Pension Fund assets fail to deliver returns in line with the anticipated returns underpinning the valuation of liabilities over the long-term.	Increased employer contribution rates.	L	1	M	Low	Only anticipate long-term returns on a relatively prudent basis to reduce the risk of under-performance. Also monitors and analyses progress every three years for each employer. In addition, the Fund receives quarterly funding updates to help monitor the position.	Pension Fund Manager	A Davies	No further action planned.	L	M	Low	
	PEN021	01/01/2015	FSS	Pension Fund	Inappropriate long-term investment strategy.	Failure to meet funding objectives.	L	1	H	Medium	Use of a Fund specific benchmark, as recommended by the Fund's investment consultant	Pension Fund Manager	A Davies	Nothing further planned	L	H	Medium	
	PEN022	01/01/2015	FSS	Pension Fund	Active investment manager under-performance relative to the benchmark.	Failure to meet funding objectives.	L	1	M	Low	Short-term (quarterly) investment monitoring analyses market performance and active managers relative to their index benchmark	Pension Fund Manager	A Davies	Nothing further planned	L	M	Low	

							Inherent Risk								Residual Risk			
Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
	PEN023	01/01/2015	FSS	Pension Fund	To permit deficits to be eliminated over a recovery period rather than immediately, introduces the risk that action to restore solvency is insufficient bewtween successive measurements.	Increased employer deficit recovery payments.	L	1	M	Low	It is the practice to discuss every such situation with the Pension Fund actuary, for each individual employer. Moreover deficit recovery periods are generally restricted to no more than 25 years, or 40 years in very exceptional circumstances. Reviewed during triennial valuation	Pension Fund Manager	A Davies	No further action planned.	L	M	Low	
	PEN024	01/01/2015	FSS	Pension Fund	Permitting contribution rate changes to be introduced by annual steps rather than immediately, introduces a risk that action to restore solvency is insufficient between successive measurements.	Increased employer contribution rates.	L	1	M	Low	Each individual employer situation is discussed with the Pension Fund actuary, with stepping restricted to three years, or 6 years, in very exceptional circumstances. Reviewed during triennial valuations.	Pension Fund Manager	A Davies	No further action proposed.	L	M	Low	
	PEN025	01/01/2016	FSS	Pension Fund	Pensioners living longer and, changing retirement patterns.	Increased employer contribution rates.	L	1	M	Low	Mortality assumptions are set with some allowance for future increases in life expectancy. The Fund actuary investigates these matters at each valuation or more frequently where appropriate. If significant demographic changes were to occur between valuations, the Pension Fund will advise employers accordingly and notify them of the likely impact on their contribution rates, reviewing bond values, as required.	Pension Fund Manager	A Davies	No further action proposed.	L	M	Low	
	PEN026	01/01/2016	FSS	Pension Fund	Deteriorating patterns of ill health or other early retirements.	Increase in employer contribution rates and deficit recovery payments.	L	1	M	Low	Employers are required to pay the capital costs of early retirements (pension strain), upfront for all cases. Ill health retirements and costs are monitored against Fund allowances.	Pension Fund Manager	A Davies	No further action proposed.	L	M	Low	

							Inherent Risk								Residual Risk			
Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
	PEN027 / PEN 035 on JCAD	01/01/2015	FSS	Pension Fund	Fall in the returns on Government bonds.	Increase to the value placed on Fund liabilities.	M	2	M	Medium	Allowing for a risk-based approach should limit the impact of short-term changes in returns on Government bonds. Some investment in bonds also helps to mitigate this risk. Monitoring (quarterly) helps to give an early warning of significant changes.	Pension Fund Manager	A Davies	No further action proposed.	M	M	Medium	
	PEN028	01/01/2015	FSS	Pension Fund	Pay and price inflation significantly more than anticipated.	Increased employer contribution rates and deficit recovery payments.	M	2	M	Medium	Employers 'pay' for their own salary awards and are reminded of the geared effect on salary-linked pension liabilities. Particularly where bias towards longer serving employees may be considered.	Pension Fund Manager	A Davies	No further action proposed.	M	M	Medium	
	PEN029	26/01/2016	SAB	Pensions Administration	Failure to reconcile all relevant active, deferred and pensioner member GMP records against the data held by DWP in respect of the cessation of contracting out.	Increase in Fund liabilities; increased employer contribution rates and deficit recovery payments; and, payment of incorrect pension benefits.	M	2	M	Medium	Reconciliation Complete. Work on Rectification due to be complete by the end of 2020	Pension Fund Manager	A Davies	Appoint external partners to a) identify scale of work required; b) bank 'quick wins' - both now completed. Complete project by end of 2020.	M	L	Low	

Risk Register

							Inherent Risk								Residual Risk			
Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
	PEN030	04/03/2016	LPB	Pension Fund	Insolvency of an investment manager investing Pension Fund assets.	A reduction in the capital value of the Fund; a loss of liquidity as creditors agree on distribution of assets; the costs of legal representation; and, reputational damage.	M	2	C	High	Diversification of investment managers; adherence to the limits for individual investment mandates as set out in the LGPS investment regulations; regular meetings with investment managers undertaken by the Fund's investment consultant; Statement on Standards for Attestation Engagements No. 16 internal controls are monitored on an annual basis; due diligence by investment consultants to ensure that custodians are used by each investment manager; equity investment mandates are invested in pooled funds; and, only well respected and researched investment managers are selected in the first place. De Dilligence carried out by Wales Pension Partnership and its advisers.	Section 151 Officer	A Davies	Increased investment manager diversification may be further facilitated by pooling via the Wales Pension Partnership. As agreed by P & I Committee on 9th February 2017, when entering into new contractual arrangements with investment managers, contract documentation is to be referred to the Fund's legal advisers for review and appropriate due diligence.	L	C	Medium	
	PEN031	04/03/2016	LPB	Pension Fund	Pooling of Pension Fund assets with other LGPS Pension Funds.	Investment of Fund Officer and Committee time and other resource with unknown outcomes; front loaded costs before potential savings are realised; potential loss of local accountabilities; and, the loss of the primacy of the Fund and its strategic needs.	M	2	M	Medium	Due diligence on all pooling proposals; full transparency of all pool proposals and costs; full participation of the Pension Fund in all pooling development.	Pension Fund Manager	A Davies	Pooling vehicles to be structured so that each participating Fund has full representation in the pool; the pool structure enables full strategic decisions to be retained by each individual Fund; and. economies of scale (based on experience to date) indicate that savings will be made by the Fund that will exceed initial costs.	L	M	Low	

							Inherent Risk								Residual Risk			
Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
	PEN032	10/03/2017	LPB	Pension Fund	An admitted body ceasing to exist with insufficient funding or level of a bond available to meet all its Fund liabilities.	Unfunded pension liabilities being orphaned without sufficient funding/guarantees in place, resulting on increased liabilities falling on other Fund employers.	M	2	L	Low	To seek funding guarantees wherever possible, from other Scheme employers or outside bodies. To require, in all cases, a bond or other form of security to protect the Fund in the case of unexpected cessation and insolvency. Ensuring that admitted bodies are fully aware of their obligations and responsibilities to the Pension Fund and the benefits of their employees.	Pension Fund Manager	A Davies	Regular review of admitted body covenants and financial health.	M	L	Low	
	PEN034/ 036 on JCAD	01/10/2019	LPB	Pension Fund	MIFID II ongoing compliance	Financial implications of not being treated as an institutional investor	H	3	H	High	Regular Review of MIFID Status	Pension Fund Manager	A Davies		M	M	Medium	
	PEN035 / 037 on JCAD	29/03/2020	LPB	Pension Fund	Pension Fund Personnel and/or key suppliers are unable to work due to extreme weather, fire, epidemics	Inability to deliver administration services or investment of the Fund. Impact of welfare of Pensions Section Staff.	H	3	H	High	Business Continuity Plan, assesment of Pensioner Payroll services. Electronic implementation of paperwork.	Pension Fund Manager	A Davies		M	M	Medium	#REF!
	PEN036	14/09/2020	LPB	Pension Fund	Appointment of new Pension Board Chair in Summer 2021 and additional Scheme Member/Employer representitive	Non compliance with Public Services Pension Act. Chalenge and scrutiny of the Pesions Regulator. Reduced standards of governance	H	3	H	High	Procurement and Appointment exercises required. Work with Commercial Services Team to proceed accordingly	Pension Fund Manager	A Davies		M	M	Medium	
	PEN037	14/09/2020	LPB	Pension Fund	Cessation of Pensions Administration Software Contracts	Falure to meet legislative requirements and administer the LGPS to scheme members. Risk of intervention by the Pensions Regulator, legal challenges, reputational risk	H	3	H	High	Rigorous procurement exercises required at the appropriate time to identify most suitable software provider. Work with Commercial Services Team to identify.	Pension Fund Manager	A Davies		M	M	Medium	

2021.

CYNGOR SIR *POWYS* COUNTY COUNCIL

Pension Board
5th March 2020

REPORT BY:	**Board Secretary**
SUBJECT:	**Wales Pension Partnership Update**
REPORT FOR:	**Information**

1. Introduction

1.1 This report has been produced to provide Board with an update on the work undertaken on behalf of the Wales Pension Partnership (WPP) with pooling investments in Wales.

1.2 The last Joint Governance Committee (JGC) meeting was held virtually on the 10th of December 2020 and a link to the agenda is available here:

https://democracy.carmarthenshire.gov.wales/ieListDocuments.aspx?CId=234&MId=3563&Ver=4

1.3 The Next JGC meeting is scheduled to take place virtually on the 24th of March 2021.

2. Pooling investments in Wales

2.1 Work has been continuing on the following items:

- Governance;
- Policies
- Responsible Investment (including voting and engagement)
- Scheme Member representation on the Joint Governance Committee (JGC)
- Training and meetings; and

2.2 **Scheme Member representation on the JGC.** The JGC is a joint committee constituted under the Local Government Act 1972 and therefore Member Representatives could only join the JGC as co-opted Members in a non-voting capacity. To allow this to happen, the Inter Authority Agreement would need to be amended and the amendments would need to be taken to all eight constituent authorities for approval. The Officer Working Group will develop a person specification and selection process and present it at a future JGC for formal approval.

2.3 **Voting Policy.** Robeco were appointed as the WPP's Voting and Engagement Service provider in March 2020. Following adoption by the JGC, Robeco's voting policy was approved with the understanding that it could be developed and tailored specifically to the WPP and its Constituent Authorities over the next 12 months.

2.4 **Training**. The WPP held a training event on the 24th of February which was open to members of Pension Committees, Boards and Officers. The topics covered were:

- Review/Decision Making Process
- Regulatory Requirements

Further training events are planned, details of which will be circulated to Board accordingly.

3. Recommendation

Note the content of this report.

CRONFA BENSIWN *POWYS* PENSION FUND

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.

Drafted: June 2015
Approved: 16th July 2015
Last Revised: January 2020

CRONFA BENSIWN **POWYS** PENSION FUND

MEMBER KNOWLEDGE & TRAINING NEEDS SELF-ASSESSMENT FORM

Last Reviewed November 2020

Introduction

In accordance with the requirements of the Public Service Pensions Act 2013, the CIPFA Knowledge & Skills Framework and the policy adopted by the Powys Pension Fund in July 2015, members of both the Pensions & Investment Committee and the Pension Board are required to have knowledge and understanding of:

- 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.

They are also required to be conversant with the Powys scheme and policy documentation.

This self-assessment is designed to help Members to identify their current level of knowledge and in which areas they may need further training or development.

Completing the Self-Assessment

When completing the self-assessment, it is important that you assess your own level of knowledge as accurately and as honestly as possible so that your specific and personal development and training needs can be identified. Please assess your knowledge and understanding of each aspect, by ticking the appropriate box against the following scale:

Tick Box	Knowledge	Experience
A	Detailed understanding	Fully competent in the subject to a high level of detail
B	Reasonable understanding	Reasonable level of knowledge / competence in the subject
C	Limited understanding	Some knowledge or exposure to the subject
D	Not sure	No / limited knowledge or exposure to the subject

Please complete the self-assessment. Should you have any queries in relation to any aspect of the self-assessment, please contact the Pension Fund Manager.

MEMBER KNOWLEDGE AND TRAINING NEEDS SELF-ASSESSMENT

Name:

I am a Member of (delete as required):

PCC Pensions & Investment Committee / Powys Pension Board

Section A: Legislation

Members are required to have a general (rather than in-depth) knowledge and understanding about the legislation relating to pensions in general.

1. **The law relating to pensions.**

This includes occupational pensions' legislation (in outline) and the key provisions of related legislation that affects the Powys Pension Fund and impacts on the roles and activities of the Members of either the Pensions & Investment Committee and/or the Powys Pension Board.

I have knowledge and understanding of:		A	B	C	D
1.1	**Occupational pensions legislation:** Including: key provisions of the Local Government Superannuation Act 1972, the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, Pensions Act 1995, Public Service Pensions Act 2013, Codes of practice and guidance issued by The Pensions Regulator.				
1.2	**The tax privileges and requirements for occupational pension schemes:** Including: the relevant provisions of the Finance Act 2004 e.g those that set the conditions to be met by a Registered Pension Scheme; allow personal pensions and occupational pensions to run concurrently; Fund obligations in respect of scheme payments (both authorised and unauthorised) and in relation to Lifetime and Annual Allowances.				
1.3	**Pensions related legislation:** Including: anti-discrimination; arrangements for giving advice on pensions; civil partnerships; local government compensation arrangements; data protection;				

	employment rights; money laundering; parental leave; divorce.				
1.4	The specific powers of the Secretary of State in the event of a disagreement between the Pension Fund and one of the participating employers.				
1.5	**Dispute resolution:** Including: the Internal Disputes Resolution Procedure of the LGPS; the role of the Pensions Advisory Service; the Pensions Ombudsman.				
1.6	**The law relating to internal controls and sound administration:** Including the obligation to administer the scheme in accordance with legal and regulatory requirements, such as those imposed by the Disclosure of Information Regulations.				
1.7	**The interface between occupational schemes and state pension provision:** Including the implications of contracting out and the relationship between pension scheme benefits and means tested state benefits.				
1.8	The obligation on employers to offer a qualifying scheme for all employees under Automatic Enrolment regulations				
1.9	An understanding of how the roles of the Pensions Regulator, Pensions Advisory Service and the Pensions Ombudsman relate to the working of the scheme.				

Section B: Funding and Investment

Members are required to have knowledge and understanding about the principles relating to the funding of occupational pension schemes and the investment of the scheme's assets.

2. **Investment.**

This includes the major asset classes and their risk profiles as well as information about other asset classes and the principles of risk and reward.

I have knowledge and understanding of:		A	B	C	D
2.1	**Capital markets:** Including: in broad terms, the effect of economic cycles.				
2.2	**The major asset classes and their characteristics:**				

	Equities, Bonds, Property, Cash				
2.3	**<u>The implications of overseas investment:</u>** Including foreign exchange risk and political risk				
2.4	**<u>The existence of other asset classes, instruments and techniques</u>**: Including: amounts used as an asset class; default funds and life-styling arrangements (DC); with profits arrangements.				
2.5	**<u>The balance between risk and reward:</u>** Including: the nature of risk; risk/reward profile of each major asset class; basic principles of matching assets to liabilities (DB); the basic principles of matching assets to pension expectations (DC); basic principles of managing risk by diversification of asset classes.				

3. Funding.

This includes the principles relating to the way in which funding is dependent upon the contributions and the value of the liabilities of the scheme.

I have knowledge and understanding of:		A	B	C	D
3.1	How the funding for occupational defined benefit arrangements works in general and specifically for the LGPS.				
3.2	**<u>How liabilities are valued for different purposes:</u>** Including: the significance of future cash flows; the importance of assumptions and their impact; the volatility of the value of liabilities.				
3.3	How the market value of assets is assessed.				
3.4	**<u>Funding measures:</u>** Including: the measurement of liabilities; the setting of contribution rates (e.g recovery plan in the event of a deficit).				
3.5	**<u>Potential risks to the ability of the scheme to pay benefits:</u>** Including: the financial instability of any scheme employer; transferring liabilities to a new employer; unusually high salary increases; the volatility of assets relative to liabilities.				

3.6	**<u>The importance of complete, accurate and up-to-date member data:</u>** Including the need for robust processes and systems; the need for employers to be aware of and accept their obligations.				
3.7	**<u>The impact of discretionary powers:</u>** Including the impact of employer decisions e.g. augmentation.				
3.8	**The nature and status of professional advice.**				
3.9	**<u>Transfers and bulk transfers in and out of the scheme:</u>** Including: the responsibility of the Fund to decide upon the calculation of transfer values.				
3.10	A broad understanding of the implications of accepting new employers into the Fund and of the cessation of existing employers.				
3.11	An awareness of the importance of monitoring early and ill-health retirement strain costs.				

4. Contributions.

This includes the principles relating to the funding of schemes and the way in which contribution levels are dependent upon the funding of the scheme.

I have knowledge and understanding of:		A	B	C	D
4.1	The nature of the employer/trustee and the effect of the scheme's funding level on scheme employers.				
4.2	The way in which an employer's admission agreement reflects their ability to fund the scheme.				
4.3	The calculation of regular contributions to fund liabilities for future accruals.				
4.4	The setting of special contributions for past service, including agreement on a recovery plan.				
4.5	**<u>Member contributions including:</u>** regular and additional contributions (e.g. AVCs and APCs); other concurrent member pension arrangements (e.g. FSAVCs, personal pensions and stakeholder pensions); the timelines of payments to the scheme; the importance				

	of complete, accurate and up-to-date member records; the importance of robust systems and processes.				
4.6	The role of the scheme employer in the calculation and collection of member contributions.				

5. Strategic Asset Allocation.

This includes the principles relating to the suitability of different asset classes to meet the liabilities of the scheme.

I have knowledge and understanding of:		A	B	C	D
5.1	**<u>The process of strategic asset allocation including:</u>** the importance of selecting an appropriate mix of asset classes and taking account of the correlation between them and the Pension Fund's investment objectives.				
5.2	The characteristics of alternative asset classes and financial instruments.				
5.3	The use of specialised investment techniques including liability driven investment arrangements.				
5.4	Reviewing asset allocation decisions including regular review and the response to any change in the maturity or the status of the scheme.				

6. AVC Investment Choices.

This includes the principles relating to the choice of investments.

I have knowledge and understanding of:		A	B	C	D
6.1	**<u>The implications for scheme members of the investment strategies adopted by the Fund's chosen AVC providers including:</u>** whether or not the providers offer investment choices to members; the range of investment choices where they are offered; the suitability of investment choices offered; the implications of a default investment choice; the implications of life styling as a default investment choice.				
6.2	The importance of member understanding of investment risk.				

7. Fund Management.

This includes the principles of fund management and how performance can be measured.

I have knowledge and understanding of:		A	B	C	D
7.1	**<u>The structure of investment portfolios including:</u>** active vs. passive management; pooled funds v. segregated portfolios; re-balancing portfolios; and, investment styles.				
7.2	The selection of fund managers.				
7.3	**<u>Investment mandates including:</u>** an understanding of the nature of the contractual relationship between Pensions & Investment Committee and the Fund's asset managers; and, the fee structure and charges.				
7.4	Measurement of performance including the use of indices, benchmarks and targets.				
7.5	The mechanisms for monitoring investment arrangements and investment managers, including reports from investment managers; implications of changes within investment managers' organizations; compliance with the investment strategy statement (ISS); the completeness and accuracy of records; the calculation and the impact of charges and fees; transitional asset management; robust processes and systems.				
7.6	The importance of sound custody arrangements including adequate monitoring and accurate record keeping.				
7.7	The importance of responsible ownership of assets including the extent to which social, environmental and ethical considerations are taken into account when making investment decisions; the corporate governance of the companies in which the Fund invests; the extent to which (if at all) the Fund will exercise its voting rights; and the Fund's membership of the Local Authority Pension Fund Forum (LAPFF).				
7.8	The Myners principles for the governance of the investment decision making process including associated CIPFA and SOLACE guidance; the need to set targets				

	for the Pensions & Investment Committee and to report against them.				
7.9	An awareness of the limits placed by regulation on the investment activities of the Fund.				

Section C: Scheme Documentation

Members need to be familiar with the documents that are specific to their own scheme so that they are able to make use of these documents in carrying out their functions.

8. The Local Government Pension Scheme Regulations.

This includes any subsequent amending regulations.

I have knowledge and understanding of:		A	B	C	D
8.1	The duties, powers and discretions of the Pension Fund.				
8.2	The balance of power between the Fund Employers and the Pension Fund including when it is appropriate to exercise various Pension Fund powers.				
8.3	Classes of members in the scheme including membership eligibility criteria.				
8.4	Benefits under the scheme including the circumstances, both current and historic, under which benefits are payable; how they are calculated and how payments are made.				

9. Investment Strategy Statement (ISS).

I have knowledge and understanding of:		A	B	C	D
9.1	Roles and responsibilities for preparing the ISS				
9.2	The Fund's investment objectives and asset allocation strategy.				
9.3	The contents of the ISS including legal and regulatory requirements covering the contents of the ISS.				
9.4	Monitoring and updating the ISS as appropriate.				

10. Funding Strategy Statement (FSS).

I have knowledge and understanding of:		A	B	C	D
10.1	Responsibilities for preparing the Funding Strategy Statement.				
10.2	The Fund's statutory and strategic funding objectives.				
10.3	Contents of the Funding Strategy Statement.				
10.4	Monitoring the Funding Strategy Statement including regular monitoring and special review in the event of change.				

11. Other scheme documentation.

This includes the Fund's Annual Report & Accounts as well as scheme guides and leaflets issued to scheme members on all aspects of the Local Government Pension Scheme.

I have knowledge and understanding of:		A	B	C	D
11.1	Scheme guides, leaflets and other member communications.				
11.2	Principle results contained within the most recent Actuarial Valuation Report and subsequent actuarial advice including the deficit recovery plan; and, the importance of inter-valuation monitoring.				
11.3	Minutes of Fund related meetings and the importance of policies and issues contained within them.				
11.4	Stewardship reports including compliance issues.				
11.5	Internal and external audit reports, including checks on the adequacy and robustness of systems and procedures used in member communications.				
11.6	The Fund's Annual Report & Accounts.				
11.7	Agreements and contracts including those with professional advisers and service providers.				
11.8	Committee or Council approved policies and				

	procedures, including the internal disputes resolution procedure (IDRP), managing conflicts of interest, the Risk Register.				
11.9	Statement of compliance with the Myners' Principles.				
11.10	Terms of reference of both the Pensions & Investment Committee and the Pensions Board.				
11.11	Pensions & Investment Committee and Board member skills audit, training needs analysis and training log.				

12. Comments.

Please use this space to record any comments or to add any further training or knowledge needs for which you think training would be appropriate.

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

Powys Pension Fund Breaches **2018_19_20**

Breach No	YEAR	Breach Type	Nature of Breach	Breach Description	Action	Material Significance (Y/N)	P & I Committee Notified	Pension Board Notified	TPR Notified	RAG Status
1	2018/19	Administration	Late Notifcation of deferred Benefits	Disclosure Regulations state that any deferred leaver should be notified of their deferred benefit options within two months of the fund receiving complete leaver information from the employer. Due to the backlog of casework in the fund these deadlines have not been met for a number of historic deferred members. **Cause:** The backlog has occured through the introduction of the new LGPS and the increased complexity around administration (aggregations, final salary links etc). An increase in the numbers of deferred pensioners who have left employment through reorganisations in recent months has also had an impact. **Effect:** although a breach, it is not considered material, as the information is not critical when making future decisions. Where a deferred member reaches retirement age their calculation will be completed at that point.This is a national issue for most funds across the LGPS.	New letter produced and issued to leavers upon notification of leaving, stating their entitlements upon leaving membership of the LGPS (i.e. under 2 years = refund, over 2 years = Deferred)	N	N	Y	N	
2	2018/19	Administration	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. 46 members to 31.12.20	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.	N	Y	Y	N	

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

CYNGOR SIR *POWYS* COUNTY COUNCIL

Pension Board
5th March 2021

REPORT BY:	**Board Secretary**
SUBJECT:	**Powys Pension Board Communications Log**
REPORT FOR:	**Information**

1. Introduction

1.1 This report lists the communications issued to the Board in between the official meetings, for information and discussion as required.

2. Communications Log

2.1

Communication	Date Sent
TPR Email Update	06.11.20
TPR Email Update	27.01.21
TPR Administration & Governance Survey	24.02.21

3. Recommendation

Note communications issued.

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