

### Purpose of the Report

In addition to the formal, more detailed minutes of the Board, elsewhere on this agenda, this report provides an executive summary of the meeting of the Powys Pension Board on 26 November 2019 to enable the Pensions and Investments Committee (the Committee) to learn of and consider any recommendations, assurances gained and concerns of the Powys Local Pension Board, and any other relevant information. This is consistent with the two primary roles of Local Pension Boards, namely:

- to assist the scheme manager to secure compliance with scheme regulations, other legislation and the requirements of the Pensions Regulator (TPR), and
- to ensure the effective and efficient governance and administration of the Scheme.

### Recommendation

The Pensions and Investments Committee is requested to accept the proposals from the Local Pension Board held on 26 November 2019.

### Outcomes from Powys Pension Board Meeting on 26 November 2019

#### 1. Recommendations

- 1.1 That the Committee give consideration to endorsing a fresh initiative aimed at filling the long-vacant role of (non-voting) scheme member at the Pensions and Investment Committee.
- 1.2 Following a review of compliance with specified elements of the Code of Practice 14, recommendations were made as follows:
  - a) that an additional meeting of the Board be held to consider the position of the Powys Pension Fund relative to the specific recommendations contained in the Pension Regulator's report of its Cohort Review, which followed the visits to ten LGPS Funds. This report extends beyond the Regulator's Code of Practice to include cyber security and data protection.
  - b) that the additional meeting will also incorporate some additional training referred to in the next paragraph, which will contribute to the agreed target on 10 hours per annum training taking place within the agenda of Board meetings
  - c) that in order to better comply with paragraphs 76 and 77 of the Code, all Board members complete an annual Declaration of Interests, which would supplement the requirement at each meeting to ensure that there were no actual conflicts of interest.
  - d) that the appropriate website is populated with additional details of Board meetings as set out in the Terms of Reference (being implemented).
- 1.3 Following a review of the Risk Register, the Board recommends that the Pension Fund Manager reviews the information provided by Link to the Pensions and Investment Committee on

4 October 2019, and that any further assurances gained are then reflected in the Risk Register (see also 3.1).

## **2. Assurances Gained by the Board**

- 2.1 Further to the recommendations made in paragraph 1.2 resulting from the review of Code of Practice 14, a number of assurances were gained, as follows:
- a) that work had commenced on the review of employer covenants
  - b) that a scheme member tracing exercise would be undertaken in early 2020.
- 2.2 The two breaches of the law examined by the Board were not considered “of material significance to the Regulator” and had been correctly assessed as recordable only.
- 2.3 Following conversations with the Fund Actuary, the Board gained the appropriate assurances that the accuracy and timeliness of data submitted in respect of the Triennial Valuation was of an acceptably high standard.
- 2.4 Regarding the Workflow and Document Imaging transition, the Board was assured that the following will be completed by 31 January 2020 deadline:
- complete set up of remaining workflow processes and test, prior to release.
  - test load of documents into Altair.
  - complete/transition of the outstanding or incomplete processes from existing workflow system.
  - extract any existing workflow information for reporting and retention purposes.
- 2.5 TPR guidance regarding avoiding pension scams had been adopted into the Scheme’s administrative processes, as applicable.

## **3. Update on Issues previously considered by the Board**

3.1 From Board meeting 11 Sept 2019:

“Regarding Risk PEN030 (insolvency of an investment manager investing pension fund assets), the Pension Fund Manager agreed that he would establish the procedure for appointment of asset managers at the Wales Pension Partnership level to ascertain whether there was evidence to justify reducing the inherent risk (red) to a residual risk of amber (medium), as currently shown.”

Update awaited, following presentation by Link to Committee on 4 October 2019 (see also 1.3).

3.2 From Board meeting 11 Sept 2019:

Recommendation “increasing the membership of the Board (currently at the minimum allowed of two scheme member representatives and two scheme employer representatives) by one from each cohort, to then consist of three scheme member representatives and three scheme employer representatives” .

To be further considered by Pensions and Investment Committee on either 13 February or 13 March 2020. Note that this issue now includes the scheduled overall review of the Terms of Reference on the Pension Board.

#### **4. Other Items for Information**

- 4.1 The imminent survey of Local Pension Boards by the Scheme Advisory Board is still awaited, and is now expected to be received later this month.
- 4.2 The Board noted that there was a fresh case being considered under the Internal Disputes Resolution Procedure (IDRP).
- 4.3 A personal training plan is being developed for each Board members for completion during 2020 to ensure the Board maintains the expected level of compliance with the requirements of Code of Practice 14.
- 4.4 The Board had liaised with the Board Secretary in completing a single and agreed response to the Pension Regulator's annual survey, which increasingly covers cyber security.
- 4.5 The Board noted that a Cyber Resilience Action Plan was under development and the draft would be considered by the Board in due course.
- 4.6 The Board Chair had the honour of being invited to speak at the Local Government Association LGPS Annual Governance Conference on 23 January 2020 on the subject of "Checking Compliance" and was able to incorporate a number of examples of good practice at Powys into that talk.
- 4.7 Should Members of the Committee require further information on any item, more detail is provided in the formal minutes of the Board, included elsewhere on this agenda.
- 4.8 The next meeting of the Board will take place on 13 February 2020.

**Gerard Moore**

**Independent Chair: Powys Pension Board**