

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE
HELD BY TEAMS ON WEDNESDAY, 25 NOVEMBER 2020**

PRESENT

County Councillor P E Lewis (Chair)

County Councillors E A Jones, JG Morris, T J Van-Rees and D H Williams

Mr G Moore, Chair Powys Pension Board

In attendance: Head of Finance, Pension Fund Manager and Financial Reporting & Policy Accountant

Aon representatives – Simon Mayne and Kenneth Ettles

1.	APOLOGIES
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Apologies were received from county Councillor A Davies and Mr Martin Weale co-opted member.

2.	DECLARATIONS OF INTEREST
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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
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The Chair was authorised to sign the minutes of the Pensions and Investment Committee meeting held on 9 October 2020 as a correct record.

In response to a question the Pension Fund Manager advised that guidance was still awaited from MHCLG as to what schemes should do if employers do not have the required data to enable them to fulfil their obligations to implement the McCloud decision.

4.	DATA IMPROVEMENT PLAN
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The Committee received the Data Improvement Plan and noted that it had been updated to reflect the changes in the data since 2018. The Pension Fund Manager highlighted the Action Plan and the high priority areas for correcting data. In response to questions the Pension Fund Manager advised that the document was revised at least once every two years or more frequently if required. He advised that the draft had been considered by the Pension Board and changes had been made as a result of its comments.

If the Committee approved the Plan it would be published on the Scheme's website.

It was moved and duly seconded to approve the Plan.

RESOLVED	Reason for decision
To approve the content of	Good governance and compliance

the updated Data Improvement Plan.

with The Pension Regulator Code of Practice.

5. COMMUNICATIONS STRATEGY STATEMENT

The Committee received the draft Communications Strategy Statement which had been updated from the previous version published in 2018. 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 Committee noted that the Strategy refers to communications with the Wales Pension Partnership.

If the Committee approved the Statement, it would be published on the Scheme's website.

It was moved and duly seconded to approve the Statement.

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

6. PENSION FUND ANNUAL REPORT 2019-20
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The Committee received the Pension Fund Annual report 2019-20.

The Committee noted that the Audit Committee had approved the accounts on 19 November 2020 and the Auditor General had signed the Accounts off on 23 November 2020.

It was noted that the Audit Committee was pleased with all aspects of the report and the equity protection put in place by the Committee. The Financial Reporting & Policy Accountant advised that approval of the Funds accounts was delegated to the Audit Committee. However, the Accounts and Audit Regulations (Wales) (Amendment) Regulations 2018 removed the requirement that the Pension Fund forms part of the Councils Statement of Accounts and so the delegation to the Audit Committee could be reviewed.

The officers were thanked for producing an understandable and readable document. The Pension Fund Manager advised that if approved by the Committee the report would be published by 1 December 2020.

It was moved and duly seconded to approve the report.

RESOLVED	Reason for decision
That Pensions and Investment Committee considers and approves the 2019-20 Pension Fund Annual Report.	To ensure compliance with the Statutory Requirements

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

The Chair took the Wales Pension Partnership item next.

8.	WALES PENSION PARTNERSHIP [WPP]
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Following a discussion at the previous meeting, The Pension Fund Manager raised an additional point on the Global Growth sub-fund that the Powys Fund is currently invested in. Committee discussed the matter, and it was noted that the Pension Fund Manager would contact the WPP to request further information.

RESOLVED	Reason for decision
To ask WPP for further information on the Global Growth sub fund.	To enable the Committee to consider the matter further .

9.	EQUITY PROTECTION
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The Chair welcomed Simon and Kenneth Ettles, Aon to the meeting.

The Committee received a presentation on the Equity Protection. The Committee noted the current protection and the market outlook. The impact of Covid 19, future spikes in cases and any vaccine, the US election and Brexit would all impact on markets. Although markets were seen as weak, they were not as volatile as in recent months. Two parts of equity protection strategy would mature in January and March 2021 and the Committee would need to consider whether it wished to continue protection and if so the options available.

The Committee considered the Decision Framework which was designed to assist in the consideration of what to do when protection was due to expire. In response to questions, the Committee was reminded that equity protection was utilised to protect the funding position prior to the valuation in 2019. However, it was also noted that protection has been rolled forward to March 2023 to provide some stability between the valuation in 2019 and the next in 2022/23 to offset any significant rises in demands on the fund and the affordability of contribution payments.

It was noted that the Committee may wish to consider protecting US equities within the strategy.

RESOLVED	Reason for decision
That the Committee reflect on the information received and feedback to the Pension Fund Manager and that Aon produces a report on the type of protection, the level and how to fund this and	To consider equity risk management structure and continued protection.

on the impact of not continuing with current protection.	
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County Councillor P E Lewis (Chair)