

## POWYS PENSIONS BOARD

Held at County Hall, Llandrindod Wells

on 11<sup>th</sup> November 2016

PRESENT:

Gerard Moore (Chair)

John Byrne and Mick Hutchison (Member Representatives)

Geoff Petty (Employers Representative)

Joe Rollin (Secretary to the Board)

Chris Hurst, Pension Administration Manager and Dan Paley Financial Reporting and Policy Accountant

|    |   | Action |
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| 1. | <b>Apologies</b><br><br>None.   |        |
| 2. | <b>Declarations of Interest</b><br><br>None.  |        |
| 3. | <b>Minutes</b><br><br>The minutes of the last meeting held on 15 <sup>th</sup> July 2016 were agreed as a correct record.   |        |
| 4. | <b>Matters Arising</b><br><br><b>Investment Manager Fees – Total Expense Ratio</b><br>The Board was pleased to note that the Pensions and Investment Committee had accepted the Board's recommendation that details of managers' total expense ratio fees should be reported to every meeting. These had been reported to the last meeting of the Committee. Fees remained largely unchanged from meeting to meeting and the Committee had agreed that to keep costs down they should only be updated annually. |        |

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|                  | <p><b>Annual Benefits Statement</b></p> <p>The Board congratulated the Council staff involved in the production of Annual Benefits Statement by the due date. The Pensions Administration Manager confirmed that statements had been sent to councillors who were members of the Pension Fund as well as staff. He advised that the statements had been produced in-house but that this would be the last year printed statements would be produced as members would be encouraged to sign up for and use the on-line system My Powys Pension. He confirmed that a reminder would be sent to staff in the New Year to encourage them to sign up. Currently 38% of fund members had registered to use the My Powys Pension webpage. The trade union representatives were asked to persuade their members to register for the on-line system. The Board noted that HR needed to do more to persuade new starters to join the pension scheme and to promote pensions as part of the overall salary package to job applicants.</p> |   |
| <p><b>5.</b></p> | <p><b>Board Work Programme</b></p> <p>Details of the work programme were received.</p> <p>The Board was briefed on a Pension Fund transaction that had resulted in a cost to the Fund. The Fund had been reimbursed by the Council and action was being taken to review processes to ensure that it didn't happen again. The Chair advised that he had been informed at an early stage.</p> <p>The Board asked to see details of the Fund's cash flow so it could be assured that payments could be made. The Financial Reporting and Policy Accountant agreed to provide this information for the next meeting on 6<sup>th</sup> January.</p> <p>The Secretary advised that details of the Pension Fund triennial valuation would be reported to the Committee on 16<sup>th</sup> December and then to the Employers' meeting on 19<sup>th</sup> December. It was agreed to agenda this for the next Board meeting on 6<sup>th</sup> January.</p>   | <p><b>Financial Reporting and Policy Accountant</b></p> |
| <p><b>6.</b></p> | <p><b>Minutes of Pensions and Investment Committee held 11<sup>th</sup> July 2016</b></p> <p>Received.</p>   |   |

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| 7.  | <p><b>Minutes of Pensions and Investment Committee held 30<sup>th</sup> September 2016</b></p> <p>The issue of insurance cover for Board members remained unresolved. The Chair noted that as a scrutiny rather than a decision making body the Board was more vulnerable to acts of omission rather than actions it took. The Board urged the Council to consider the arrangements for insurance for Board members in respect of</p> <ol style="list-style-type: none"> <li>1. Indemnity in case of a fine from the Regulator.</li> <li>2. If the Board was found negligent by act of omission.</li> </ol> |  |
| 8.  | <p><b>Risk Register</b></p> <p>The Board reviewed the prospectuses of two recent appointed fund managers and noted that the Council did not have access to its own specialist legal advice before entering into these contracts. The Board asked for clarification on the due diligence undertaken by the Fund's investment advisors and whether they would be legally accountable if found to have acted negligently. This may become less of an issue after the creation of a pooled fund which would have access to greater resources.</p>   | <b>Secretary</b>                                 |
| 9.  | <p><b>Pension Fund Annual Report and Accounts 2015/16</b></p> <p>The Board received the Pension Fund annual report for 2015/16. The Chair felt that the compliance statement should go into greater detail in future specifying whether the Fund was fully or partly compliant with the list of CIPFA principles.</p> <p><b>RECOMMENDED that when reviewing the Investment Strategy Statement consideration is given to greater analysis of the compliance statements.</b></p> <p>The Board noted that the table on page 45 needed to be completed.</p>   | <b>Financial Reporting and Policy Accountant</b> |
| 10. | <p><b>Wales Pool – Investment Pooling Update</b></p> <p>The first meeting of the Shadow Joint Chairs was taking place in Cardiff. The Welsh pension funds were expected to enter into an inter authority agreement in the New Year and the procurement of a pool operator was underway. Oversight by Pension Boards had been raised and it was suggested that the Pension Board Chairs could meet to consider.</p>  |  |

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| 11. | <p><b>Audit Reports</b></p> <p>None.</p>  |  |
| 12. | <p><b>Cessation of Contracting Out</b></p> <p>The Pension Administration Manager gave an update and advised that stage 1, data comparison, had been completed with 18,000 queries identified. Stage 2 was underway with 8,000 queries reconciled, 4,900 needing more information from either HMRC or the Council and a further 4,900 unreconciled. Stage 2 was likely to be completed by the end of February 2017. Stage 3, the correcting of records, was due to be completed by the end of December 2018. The Chair thanked Chris Hurst for his assurances that the reconciliation was proceeding in line with the timetable.</p> |  |
| 13. | <p><b>Board Member Training</b></p> <p>A training event had been organised for 30 November.</p>   |  |
| 14. | <p><b>Next Meeting</b></p> <p>6 January 2017. Items for inclusion on the agenda:</p> <ul style="list-style-type: none"> <li>• Details of the Fund's cash flow</li> <li>• Triennial Valuation.</li> </ul>  |  |

Gerard Moore  
Chair