

CLWYD PENSION FUND COMMITTEE

Date of Meeting	21 March 2017
Report Subject	Business Plan 2017/2018 to 2019/20
Report Author	Clwyd Pension Fund Manager

EXECUTIVE SUMMARY

The Committee approved a three year Business Plan in March 2016 and has received updates each quarter on progress. The purpose of this report is to summarise progress during 2016/17 and update the Plan for 2017/18.

The Business Plan includes business as usual, tasks, risks and an estimate of the financial resources required.

In summary, the majority of the tasks for 2016/17 have been completed, or are work in progress, which is illustrated in Appendix 1.

Looking ahead, the next few years will be challenging for those involved in the governance, management and operation of the Fund. The Fund's Business Plan covering the period from 2017/18 to 2019/20, which the Committee is asked to approve, has been updated (Appendix 2) to ensure that all our known risks are being managed and resourced.

RECOMMENDATIONS

1	That Committee members note progress made towards the Fund's Business Plan during 2016/17.
2	That the Committee approve the Business Plan 2 relating to the period 017/18 to 2019/20.

REPORT DETAILS

1.00	REVIEW OF THE FUND'S BUSINESS PLAN
1.01	<p>Progress of the Fund's Business Plan key tasks across the three main activities (governance, funding and investment, administration and communication) is shown in Appendix 1.</p> <p>The updated Plan for the three years commencing 2017/18 is attached as Appendix 2. It includes business as usual, main tasks or projects with descriptions, a current risk assessment and an estimate of the financial resources required.</p>
1.02	<p>In terms of a summary on Governance for 2016/17:</p> <ul style="list-style-type: none">• Business as usual has been completed.• Tasks have been completed, including establishing the new investment pooling governance arrangements. The exception being 'Key Person Risk' which has been delayed until the impact of 'pooling' on officers is better understood. <p>Looking ahead for 2017/18 new tasks include:</p> <ul style="list-style-type: none">• The local elections may result in changes to the Committee and hence additional training requirements.• The new Wales Pool governance structure will need to be resourced, which will include Joint Governance Committee and Officer Working Group meetings.• The Tender of the Actuarial and Benefits Services.
1.03	<p>In terms of a summary on Funding and Investment for 2016/17:</p> <ul style="list-style-type: none">• The investment strategy and funding 'flight-path', both of which have been reviewed during the year, have struck an appropriate balance between long term returns and funding objectives which has seen a significant improvement in the funding level. Cash flow management has ensured outgoings have been met.• The Actuarial Valuation was completed and employers agreed contribution payments for the next three years, along with improved covenant monitoring.• Business as usual, which also includes accounting, has been completed, albeit resources have been stretched, in the main, due to the investment pooling project, which has resulted in some additional consultancy costs. <p>Looking ahead for 2017/18 new tasks include:</p> <ul style="list-style-type: none">• Working through the potential implications of MiFID II.• In terms of asset pooling the initial focus will be on the Fund's contribution to the appointment of the operator, initial discussions with the appointed operator and potentially some transition of assets, but this is more likely to move into 2018/19.

1.04	<p>In terms of a summary on Administration and Communication for 2016/17:</p> <ul style="list-style-type: none"> • A number of tasks have either been completed or are in progress to be enable a high quality service provision in the future as desired in the Administration and Communication Strategies. These include performance measurement, clearing older tasks, and the better use of technology e.g. website, I-Connect and Member Self Service. • Although, not included in the original Business Plan, work commenced on an Employer Liaison Team, to undertake the role of certain employers with the provision of data to the Fund. This should assist the Fund to maintain more accurate records, improve the turnaround time for member events and help employers better understand their role. • Business as usual across administration, payroll, communication and technical has been completed whilst implementing the tasks outlined above and despite increased workloads in general. • There are pockets of knowledge gaps for more complex work within the team which are being filled over time. <p>Looking ahead for 2017/18 new tasks include:</p> <ul style="list-style-type: none"> • Planning the move towards electronic annual benefits statements. • Work for the new data protection requirements and the national pension dashboard. • Developing a workforce plan to recognise the profile of officers and changes to service delivery.
1.05	<p>In summary, the majority of the tasks on the 2016/17 Business Plan have been completed or are work in progress. Business as usual has also been completed.</p> <p>Looking ahead, the next few years will be challenging for those involved in the governance, management and operation of the Fund. The Fund's Business Plan has been updated to ensure that all our known risks are being managed and resourced.</p>

2.00	RESOURCE IMPLICATIONS
2.01	The resources required for managing the Fund are estimated in the Business Plan.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None directly as a result of this report.

4.00	RISK MANAGEMENT
4.01	Risks are considered as part of the business planning process.

5.00	APPENDICES
5.01	Appendix 1 – Business Plan 2016/17 Key Tasks Appendix 2 – Business Plan 2017/18 to 2019/20

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Clwyd Pension Fund Business Plan 2016/17 to 2018/19. Contact Officer: Philip Latham, Clwyd Pension Fund Manager Telephone: 01352 702264 E-mail: philip.latham@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	<p>(a) CPF – Clwyd Pension Fund – The Pension Fund managed by Flintshire County Council for local authority employees in the region and employees of other employers with links to local government in the region</p> <p>(b) Administering authority or scheme manager – Flintshire County Council is the administering authority and scheme manager for the Clwyd Pension Fund, which means it is responsible for the management and stewardship of the Fund.</p> <p>(c) PFC – Clwyd Pension Fund Committee - the Flintshire County Council committee responsible for the majority of decisions relating to the management of the Clwyd Pension Fund</p> <p>(d) LPB or PB – Local Pension Board or Pension Board – each LGPS Fund has an LPB. Their purpose is to assist the administering authority in ensuring compliance with the scheme regulations, TPR requirements and efficient and effective governance and administration of the Fund.</p> <p>(e) LGPS – Local Government Pension Scheme – the national scheme, which Clwyd Pension Fund is part</p> <p>NB: The terms used in the report are explained within Appendix 2.</p>