

# Business Plan 2018/19 to 2020/21 – Q1 Update

## Governance

### Key Tasks

Key:

	Complete
	On target or ahead of schedule
	Commenced but behind schedule
	Not commenced
xN	Item added since original business plan
xM	Period moved since original business plan due to change of plan /circumstances
*	Original item where the period has been moved or task deleted since original business plan

### Governance Tasks

Ref	Key Action –Task	2018/19 Period				Later Years	
		Q1	Q2	Q3	Q4	2019/20	2020/21
G1	Data protection changes	x					
G2	Review appointment of Pension Fund Committee Representatives and Local Board Members	x				x	x
G3	Review of Governance Related Policies	x	xM	x		x	x
G4	Cybercrime	x	x	x			
G5	Structure Review of Finance Team	x	x	x			
G6	Review/ Tender Actuarial Contract	x	x	x			

## Governance Task Descriptions

### G1 – Data Protection Changes

#### What is it?

The General Data Protection Regulation is an EU regulation which will come into force from 25th May 2018, building on the existing Data Protection Act. This new regulation introduces stricter compliance requirements and much higher fines for non-compliance.

The main areas affecting the LGPS include the need to keep records of processing activities; enhanced privacy notices for members; privacy impact assessments where there is a high risk to the rights and freedoms of individuals; and the need to redraft any service level agreements to take account of new mandatory provisions. Funds must also put in place a data breach handling procedure as the new rules will require reporting of a breach within 72 hours.

Further information is available from the [website](#) of the Information Commissioner's Office.

#### Timescales and Stages

Understand implications and update processes	2018/19 Q1
--	------------

#### Resource and Budget Implications

It is expected that all internal costs will be met from the existing budget.

### G2 - Review appointment of Pension Fund Committee Representatives and Local Board Members

#### What is it?

The employer and scheme member representatives on the Local Board are appointed for a period of three years. This period may be extended to up to five years. The currently appointments will be subject to review as follows:

- Two scheme employer representatives – July 2020 (five year point)
- Scheme member representative (trade union) – October 2020 (three year point)
- Scheme member representative (non-trade union) – July 2023 (assumed three year point but appointment still in progress)

The representative members (for other scheme employers and scheme members) on the Pension Fund Committee are appointed for a period of not more than six years. The existing representative members were appointed in July 2014 and may be reappointed for further terms. However their existing appointments will need reviewed by July 2020.

#### Timescales and Stages

Finalise appointment of new Pension Board scheme member representative (non-trade union)	2018/19 Q1
Review and recruit current Pension Board (2 x employer plus trade union scheme representative)	2019/20 Q4 & 2020/21 Q1/2
Review existing Pension Fund Committee representatives	2019/20 Q4 & 2020/21 Q1/2

## Resource and Budget Implications

It is expected this will mainly involve the Pension Fund Manager taking advice from the Independent Adviser. All costs are being met from the existing budget.

## G3– Review of Governance Related Policies

### What is it?

The CPF has a number of policies focussing on the good governance of the Fund, as follows:

- Conflicts of Interest Policy - March 2015
- Procedure for Recording and Reporting Breaches of the Law - November 2015
- Training Policy – November 2015
- Risk Policy – September 2017
- Governance Policy and Compliance Statement – March 2017

All of these policies are subject to a fundamental review at least every three years. In addition, the reviews will incorporate any changes as a result of the move to asset pooling with the Wales Pensions Partnership.

### Timescales and Stages

Conflicts of Interest Policy - March 2015	2018/19 Q1
Procedure for Recording and Reporting Breaches of the Law & Training Policy - November 2015	2018/19 Q3
Governance Policy and Compliance Statement – March 2017	2019/20 Q1
Risk Policy – September 2017	2020/21 Q2/3

## Resource and Budget Implications

It is expected this will mainly involve the Pension Fund Manager taking advice from the Independent Adviser. Estimated costs are included in the budget.

## G4 – Cybercrime

### What is it?

With large volumes of personal and financial data processed within a relatively less sophisticated security environment by comparison to other financial institutions, pension schemes are an increasingly attractive target for cybercriminals. LGPS funds predominantly rely on the processes and security of their parent local authorities due to the IT systems sitting on local authority infrastructure.

Flintshire County Council currently have a programme of work considering the risk of cybercrime. It is planned that the pension team will be part of this work but will then expand it as required to give appropriate assurances on the security of the pension systems, and a better understanding of any ongoing work required to ensure the appropriate level of security remains.

### Timescales and Stages

Ongoing work with FCC on council's cybercrime programme	2018/19 Q1 to Q2
Understand and develop any ongoing CPF specific cybercrime requirements	2018/19 Q1 to Q3

## **Resource and Budget Implications**

It is expected this will mainly involve the Pension Administration Manager working with Council staff. No additional budget has been assumed for external parties at this point.

## **G5 – Structure review of Finance Team**

### **What is it?**

As a result of the retirement of a Finance Manager, the impact of asset pooling, the increased work associated with Governance, and the need to reduce the risk associated with key persons within the structure, the Finance Team is being restructured.

### **Timescales and Stages**

Finalise structure and carry out recruitment	2018/19 Q1 to Q3
--	------------------

## **Resource and Budget Implications**

To be led by Pension Fund Manager with FCC Human Resources Team. All internal costs are being met from the existing budget albeit any necessary changes to staffing levels or numbers may impact on the budget and these are not yet included in the proposed budget. Additional costs that may arise as a result of greater use of consultants during the period of implementation and whilst posts remain vacant are estimated in the proposed budget.

## **G6 – Review/Tender Actuarial Contract**

### **What is it?**

The Council needs to review its current actuarial contract to ensure it is getting all the services it wants at the appropriate price and at what it considers to be value for money. This review should include Funding Risk Management and Benefit Consultancy Services. Following this review, and discussions with procurement, the Council needs to put the actuarial contract out to tender. Due to the triennial actuarial valuation of the Fund during 2016/17 and the ongoing need to prioritise work around asset pooling, this was deferred.

### **Timescales and Stages**

Review current actuarial contract and identify tender process	2018/19 Q1
Conduct tender for actuarial services	2018/19 Q2/3

## **Resource and Budget Implications**

To be led by Pension Finance Manager. All internal costs are being met from the existing budget.