

## CLWYD PENSION FUND COMMITTEE

<b>Date of Meeting</b>	Wednesday, 16 <sup>th</sup> March 2022
<b>Report Subject</b>	Business Plan 2022/23 to 2024/25
<b>Report Author</b>	Head of Clwyd Pension Fund

### EXECUTIVE SUMMARY

The Committee approves a three-year Business Plan in February or March of every year and receives updates each quarter on progress. The purpose of this report is to present the proposed Business Plan for 2022/23 to 2024/25. The Business Plan includes information on business as usual, other tasks or projects, risks and an estimate of the financial resources required.

Looking ahead, the next few years will continue to be challenging for those involved in the governance, management and operation of the Fund for a number of reasons including:

- the remedy for the McCloud court case,
- implementing changes to meet and monitor the Fund's new targets in relation to climate risk
- a new Code of Practice being launched by The Pensions Regulator and
- integration with the National Pensions Dashboard.

In addition, the geopolitical crisis due to the Russian invasion of Ukraine, which has arisen subsequent to the development of the Business Plan, may impact the Fund's activity over 2022/23 to 2024/25.

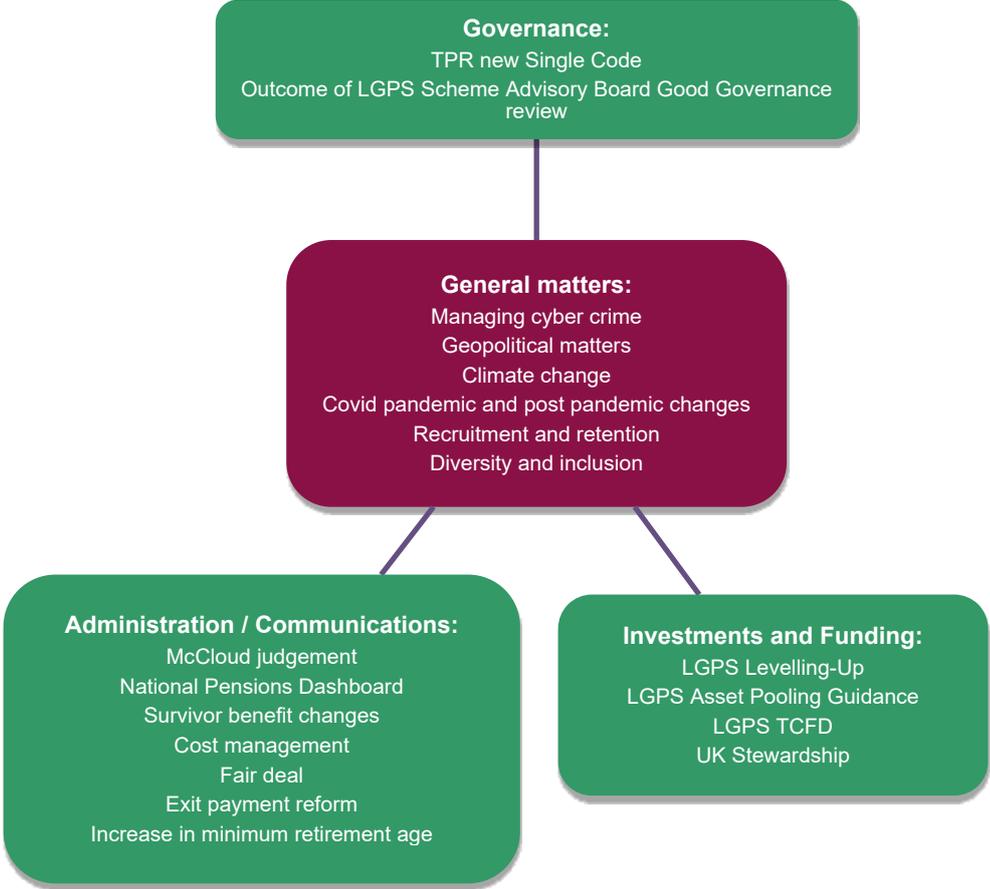
The Fund's Business Plan covering the period from 2022/23 to 2024/25, which the Committee is asked to approve, has been prepared with a view to ensuring that our legal responsibilities and strategic objectives are being met, and all our known risks are being managed and resourced appropriately.

### RECOMMENDATIONS

1	That the Committee approve the Business Plan in Appendix 1 relating to the period 2022/23 to 2024/25, including the budget for 2022/23 which includes some changes to the existing staffing structure as noted therein.
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## REPORT DETAILS

1.00	REVIEW OF THE FUND'S BUSINESS PLAN
1.01	<p>The updated Business Plan for the three years commencing 2022/23 is attached as Appendix 1. 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>The business plan for 2020/21 was approved at the 23 March 2021 Pension Fund Committee. Despite the ongoing challenges presented by the pandemic, much of the business plan was delivered with a number of key achievements being accomplished including:</p> <ul style="list-style-type: none"><li>• Updating of the Fund's Responsible Investment Policy to incorporate climate change targets, and continued work to implement this Policy.</li><li>• Completion of the Interim Funding Review and initial review of the funding strategy.</li><li>• Completion of an effectiveness survey for the committee.</li><li>• Ongoing development of cyber security and business continuity strategies and processes.</li><li>• Ensuring that the last employers are now providing data monthly using the i-Connect system.</li><li>• Continuing the Fund's McCloud programme including data collection and initial testing of the administration system.</li></ul> <p>Perhaps of more importance is that business as usual services provided by the Clwyd Pension Fund Team again continued largely as planned with no impact due to the pandemic continuing during 2021/22.</p>
1.03	<p>There continues to be an exceptional amount of change which is being driven at a national level or by circumstances out of the control of administering authority. These have a major impact on the delivery of the Fund's objectives and the resources required. The following illustrates the main areas we are currently aware of, many of which are explicit in the proposed 2022/23 to 2024/25 business plan:</p>

	
1.04	<p>Within the 2022/23 to 2024/25 business plan key tasks include:</p> <ul style="list-style-type: none"> <li>• reviewing the funding strategy and carrying out the Actuarial Valuation of the Fund as at 31 March 2022</li> <li>• reviewing the Fund’s investment strategy</li> <li>• implementing the remedy following the McCloud court case</li> <li>• implementing changes to meet and monitor the Fund's new targets in relation to climate risk</li> <li>• carrying out compliance checks against The Pension Regulator's New Code</li> <li>• implementing any governance changes as a result of the Scheme Advisory Board Good Governance review</li> <li>• integration with the National Pensions Dashboards</li> <li>• finalising the development of controls relating to cybercrime and business continuity.</li> <li>• developing and implementing a refreshed communications strategy.</li> </ul>
1.05	<p>Looking ahead, 2022/23 will no doubt continue to be challenging for those involved in the governance, management and operation of the Clwyd</p>

	Pension Fund. The Business Plan has been updated to ensure that all our known risks are being managed and resourced.
1.06	Unfortunately the proposed Business Plan from the Wales Pension Partnership (WPP) is not yet available for the Committee to consider. This is usually considered at the same meeting as the Clwyd Pension Fund Business Plan but due to the timing of the meetings it has not be possible to include it on the agenda for this meeting. It will instead be brought to the June Committee meeting, and information relating to costs and projects relating to WPP within the Clwyd Pension Fund Business Plan are based on the latest draft WPP Business Plan that has been seen by Fund officers.
1.07	The Committee are asked to consider and approved the proposed Clwyd Pension Fund Business Plan for 2022/23 to 2024/25, and the budget for 2022/23 included within it.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	The resources required for managing the Fund and delivering this Business Plan are included in the budget section of the Business Plan and assume no vacancies in the current staffing structure and provision for an increase of 2 FTE members of staff during 2022/23 relating to additional staff members within the Employer Liaison Team (ELT) if required. It should be noted that these appointments will only be made if additional resource is required within the ELT to meet the needs of new or existing employers in relation to current responsibilities or the McCloud Programme. Costs relating to these employers will be recharged via the employer contribution rate set at the actuarial valuation.

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

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The key risks are considered as part of the business planning process and articulated within the draft Business Plan.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Business Plan 2022/23 to 2024/25

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>Previous Business Plans including Clwyd Pension Fund Business Plan 2021/22 to 2023/24 (March 2021 PFC agenda pack).</p> <p><b>Contact Officer:</b> Phil Latham, Head of Clwyd Pension Fund  <b>Telephone:</b> 01352 702264  <b>E-mail:</b> philip.latham@flintshire.gov.uk</p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p>(a) <b>CPF – Clwyd Pension Fund</b> – 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) <b>Administering authority or scheme manager</b> – 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) <b>Committee or PFC – Clwyd Pension Fund Committee</b> - the Flintshire County Council committee responsible for the majority of decisions relating to the management of the Clwyd Pension Fund.</p> <p>(d) <b>Board, LPB or PB – Local Pension Board or Pension Board</b> – 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) <b>LGPS – Local Government Pension Scheme</b> – the national scheme, which Clwyd Pension Fund is part of.</p> <p>(f) <b>SAB – The national Scheme Advisory Board</b> – the national body responsible for providing direction and advice to LGPS administering authorities and to DLUHC.</p> <p>(g) <b>DLUHC – Department of Levelling Up, Housing and Communities</b> – the government department responsible for the LGPS legislation</p> <p>(h) <b>TPR – The Pensions Regulator</b> – TPR has responsibilities to protect UK's workplace pensions and make sure employers, scheme managers and pension specialists can fulfil their duties to scheme members. This includes oversight of public service pension schemes, including the LGPS. Specific areas of oversight are set out in legislation and also expanded on within TPR's Guidance and Codes of Practice.</p> <p>NB: Other terms used in the report and its appendix are explained within Appendix 1.</p>