

Appendix - BUSINESS PLAN 2022/23 - 2024/25 – Key Tasks

Governance

Ref	Key Action –Task	2022/23 Period				Later Years	
		Q1	Q2	Q3	Q4	2023/ 24	2024/ 25
G1	Induction training (if required)	x	x				
G2	Develop business continuity arrangements including managing cyber risk	x	x	x			
G3	Review against TPR new Single Code	x	x	x	x		
G4	Review appointment of Local Pension Board and Pension Fund Committee Members		x	x	x		
G5	Outcome of Scheme Advisory Board good governance review			x	x	x	
G6	Review/Tender Fund Actuary, Investment Consultancy and Independent Adviser Contracts			x	x		x
G7	Review of governance related policies				x	x	x

G1 – Induction training (if required)

What is it?

The Pension Fund Committee includes a number of elected members from Flintshire County Council, Denbighshire County Borough Council and Wrexham County Council. The Welsh local authority elections are taking place in May 2022. After those elections each Council will decide which elected members will be put forward as members of the Clwyd Pension Fund Committee.

Given the complexity of managing the Clwyd Pension Fund, it is always preferred that changes to the Committee are kept to as a minimum, but where this is unavoidable, it is important that any new members are given a full programme of induction training as soon as possible. Accordingly, if required, officers and advisers will put in place an induction programme which is likely to commence in June 2022.

Timescales and Stages

Develop and deliver induction training	2022/23 Q1 to Q2
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Resource and Budget Implications

The estimated costs for delivering induction training is included within this year's budget. It is expected this will be led by the Head of Clwyd Pension Fund and the Independent Adviser, albeit other officers and advisers will be involved in the delivery of the training.

G2 – Develop business continuity arrangements including managing cyber risk

What is it?

The Fund has been carrying out a fundamental review of their business continuity arrangements, and this has included developing their cyber resilience given cybercrime is a key risk to the Fund. Although much of this will result in new or enhanced ongoing internal controls which will be part of the Fund’s business as usual activities, there are some key areas that are still being developed including:

- finalising the Fund’s new business continuity plan.
- developing a cyber specific incident response plan.
- creating a testing schedule (covering both general business incidents as well as cyber-attacks)
- documenting processes where gaps were identified as part of the Business Impact Analysis and developing a plan for further staff training.

Timescales and Stages

Developing Business Continuity Plan	2022/23 Q1 to Q2
Develop cyber incident response plan	2022/23 Q1 to Q2
Document processes relating to gaps & identify ongoing training needs	2022/23 Q1 to Q3
Develop Testing Schedule	2022/23 Q2 to Q3

Resource and Budget Implications

To be led by the Deputy Head of Clwyd Pension Fund and the Pensions Administration Manager with input from the Head of Clwyd Pension Fund and guidance from the Independent Adviser. All expected costs are included within the existing budgets.

G3 – Review against TPR new Single Code

What is it?

The Pensions Regulator (TPR) is expected to introduce a new Single Code during 2022; it is unlikely to be laid in Parliament before spring 2022 and therefore unlikely to be effective before summer 2022. This new Code will merge the existing 15 codes the Regulator has in place. The first iteration of the new Code will include Code of Practice No.14 (the relevant Code for Public Service Pension Schemes) as part of the merger of 10 of the 15 codes currently in place. This could result in changes to the requirements placed on Public Service Pension Schemes, including the LGPS. Work will be undertaken to review whether the Fund complies

with the requirements within the new Code. After the initial review, ongoing compliance checks will be carried out on a regular basis.

Timescales and Stages

Consider implications of the new Single Code once it is laid in Parliament and start working towards compliance	2022/23 Q1 to 2 (estimated)
Start reporting the CPF's compliance and activity against the new Single Code from TPR	2022/23 Q3 to 4 (estimated)

Resource and Budget Implications

This work will be performed by the Deputy Head of Clwyd Pension Fund and Pensions Administration Manager working with the Independent Adviser. Estimated costs of the review are included within the budgets shown.

G4 – Review appointment of Local Pension Board and Pension Fund Committee 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 current appointments will be subject to review as follows:

- Scheme member representative (trade union) – October 2022 (five-year point)
- Scheme member representative (non-trade union) – February 2023 (three-year point)
- Two scheme employer representatives – July 2023 (three-year point)

For information, 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 2020 and may be reappointed for further terms. Therefore, their existing appointments will need to be reviewed by July 2026 (which is outside the period of his business plan).

When considering Committee and Board appointments, the aspiration for diversity will be considered, albeit it is recognised that for elected members, this is largely out of the Fund’s control as (a) the Councils decide who are to be on the Committee and (b) pool of elected members is subject to local elections.

Timescales and Stages

Appoint Pension Board representative (trade union scheme representative)	2022/23 Q2 to Q3
Review Pension Board scheme member representative (non-trade union)	2022/23 Q3 to Q4

Resource and Budget Implications

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

G5 – Outcome of Scheme Advisory Board good governance review

What is it?

The national LGPS Scheme Advisory Board (SAB) carried out a project to help and assist with the successful management of potential conflict of interests arising between a pension fund and its parent local authority. It was originally investigating options for change regarding the separation of LGPS pension funds and their host authorities.

The review has now evolved to focus on the elements of good governance, rather than the structure of the organisation. A number of recommendations have been made including ensuring appropriate conflicts of interest management, knowledge and skills and having a designated LGPS lead officer in each administering authority. The SAB has now made a number of formal recommendations to DLUHC, including the request for DLUHC to issue statutory guidance relating to the areas of best practice identified by the project. SAB will also be undertaking a number of surveys to take forward some of the work and is expected to issue guidance in due course. The actual timescales are estimated and may be delayed due to other national priorities.

Timescales and Stages

Expected period to review existing arrangements against new statutory guidance and/or guidance	2022/23 Q3 to 2023/24 (estimated)
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Resource and Budget Implications

Estimated costs for this work are included within this year's budget although costs are uncertain at this time and may vary depending on the final guidance and requirements. It is expected this will mainly involve the Head of Clwyd Pension Fund taking advice from the Independent Adviser.

G6 – Review/Tender Fund Actuary, Investment Consultancy and Independent Adviser Contracts

What is it?

The Fund's actuary and benefits consultant contract reaches its initial break point on 31 March 2025 albeit, it can be extended by the Committee for 1 year.

The Fund's investment consultancy and independent adviser contracts reach their initial break point on 31 March 2023 albeit, they can be extended by the Committee for 2 years. The independent adviser can also be the Chair of the Pension Board and therefore that needs to be considered at the same point.

Timescales and Stages

Consider extension of investment consultancy and independent adviser contracts	2022/23 Q3 & Q4
Conduct tenders for investment consultancy services and independent adviser (assuming extensions have been applied)	2024/25
Consider extension of actuarial and benefits consultancy contract	2024/25
Conduct tender for actuarial and benefits consultancy services (assuming extension has been applied)	2025/26

Resource and Budget Implications

To be led by the Deputy Head of Clwyd Pension Fund within existing budget.

G7 – Review of Governance Related Policies

What is it?

The Fund has several policies focussing on the good governance of the Fund, all of which are subject to a fundamental review, usually at least every three years. The only policy that is due for review in 2022/23 is the Governance Policy. Although it is not due for review until quarter 4, it may be done earlier due to changes that are expected to be made to the FCC Constitution as a result of the recent departure of Colin Everett as Chief Executive.

Timescales and Stages

Policy	Last reviewed	Next review due	Timescales for review work
Governance Policy and Compliance Statement	February 2020	February 2023	2022/23 Q4
Risk Policy	October 2020	October 2023	2023/24
Business Continuity Policy	March 2021	March 2024	2023/24
Conflicts of Interest Policy	September 2021	September 2024	2024/25
Knowledge and skills policy	September 2021	September 2024	2024/25
Procedure for Recording and Reporting Breaches of the Law	March 2022 (expected)	March 2025	2024/25
Cyber Strategy	March 2022 (expected)	March 2025	2024/25

Resource and Budget Implications

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