

**FLINTSHIRE COUNTY COUNCIL (As Lead Authority for the Clwyd Pension Fund)**

**CLWYD PENSION FUND BOARD**

Minutes of the meeting of the Clwyd Pension Fund Board of Flintshire County Council (as Administering Authority for the Clwyd Pension Fund), held virtually by WebEx, and on Wednesday 8th June at 1.00 pm.

**THE BOARD:**

**Present:**

Chair: Mrs Karen McWilliam (Independent Member)

Member Representatives: Mrs Elaine Williams, Mr Phil Pumford

Employer Representatives: Mr Steve Gadd, Mr Steve Jackson

**IN ATTENDANCE**

Mr Phil Latham (Head of Clwyd Pension Fund and Secretary to the Board)

Mrs Karen Williams (Pension Administration Manager)

Mrs Debbie Fielder (Deputy Head of Clwyd Pension Fund)

Mr Chris Emmerson (Aon)

**Actions**

**1. APOLOGIES/ WELCOME**

No apologies were received.

Mr Chris Emmerson was introduced and attended to record the minutes of the meeting.

**2. DECLARATIONS OF INTEREST**

No new declarations were made or recorded.

**3. MINUTES AND MATTERS ARISING**

The Chair asked for comments on the minutes of which there were none and the draft minutes of the meeting held on the 17<sup>th</sup> February 2022 were confirmed as a correct record by all Board members.

#### **4. ACTION TRACKER**

The contents of the Action Tracker were discussed. As previously agreed, completed actions are now removed from the Action Tracker once reported as completed to the Board.

The following comments were made on the Action Tracker:

- 70<sup>th</sup> action: Due to the complexity of the situation updates are being received periodically from WPP but it is expected that this action will continue for some time.
- 77<sup>th</sup> action: Due to the workload of the Deputy Head of Fund there has been a conscious decision to delay this action until after the production of the 2022 accounts.
- 107<sup>st</sup> action: This was picked up within the agenda item below (Item 13).
- 109<sup>th</sup> action: This was picked up within the agenda item below (Item 7).
- 110<sup>th</sup> action: This is ongoing due to recent illness of the Chair, and will be completed ahead of the next Board meeting.

#### **5. COMMITTEE AND BOARD MEMBERSHIP**

The Board Secretary discussed changes to the membership of the Committee and Board. The Board was delighted by the re-appointment of Phil Pumford following the recommendation by the joint trade unions. It was noted that continuity on the Board encourage good governance, so it was pleasing to retain Phil's knowledge. The Chair thanked Phil for his contribution to the Board and being willing to continue as a member of the Board for a further term.

Following local elections in Wales during May 2022, the Committee has lost 5 of the 7 elected members. The political split of the Committee in relation to Flintshire County Council elected members is now expected to be 2 Labour, 2 Independent and 1 Liberal Democrat. Councillors Ted Palmer and Dave Hughes are re-joining, with Ted remaining Chair. Councillors Antony Wren and Jason Shallcross have also been appointed to the Committee, but there is still some uncertainty about who the Flintshire County Council Liberal Democrat appointment will be. The appointments for Wrexham County Borough Council and Denbighshire County

Council are also still to be confirmed. The Board Secretary is hoping that everyone will be in place by the time of the Committee meeting on 14<sup>th</sup> June 2022.

Steve Gadd recommended that the Board Secretary speak to the monitoring officer at Denbighshire Council, to try and ensure that the Committee position was filled.

**Action - The Chair asked the Board Secretary to arrange this contact.**

**Board Secretary**

The intention is to make the first meeting of the PFC relatively straightforward given the new membership, with the officers and advisers providing more explanation on the content of the standard reports.

## **6. WORKFORCE UPDATE**

The Board Secretary provided an update on the pensions team. Flintshire County Council have not yet produced a new working policy, although it is expected that this will involve hybrid working with some time spent in the office. The team is now starting to slowly return to working in the office.

It was noted that the pensions team has now moved from the second floor to the fourth floor of the council offices. The new area is set up to accommodate 50% of the pensions team, and there has been improvements in the amount of space for people in the office. There is also a meeting room at the offices, and it is hoped that future meetings of the Board can be held in person using this room.

The Chair raised a question around the impact of covid on the pensions team. The team has had some sickness but no material levels of absence.

## **7. PENSION BOARD EFFECTIVENESS SURVEY**

Mr Emmerson gave an update on the survey, noting that Aon had received almost all of the responses. Aon are intending on doing the analysis of results shortly after they have received all the responses. It is intended that the results of this analysis will be presented at the next meeting of the Board.

**Action - The Chair asked for everyone on the Board to complete this by 19<sup>th</sup> June 2022 if possible.**

**Board members**

## **8. COMMUNICATIONS STRATEGY**

The Chair introduced this and noted that the Board had an opportunity to provide comments on this before it went to Committee. The Board provided positive feedback on the strategy, with Phil Pumford noting it was hard to see how it could be improved.

The Chair noted that best practice is ensuring there is a range of communication options available to fit the diverse needs of the Fund's stakeholders as well as segmenting them to avoid a one size fits all approach. Making more use of technology can aid understanding, for example, short videos are generally found to be easier to digest than page of written information.

Mrs K Williams noted that her team was monitoring the impact of cost of living on member options and discussing the need to tailor communications to ensure that the value of the scheme was clearer to members. Elaine Williams agreed that for many people the value of the scheme wasn't well understood, discussing that some younger members do not always realise that the employer contributed to the Fund.

## **9. 2022 ACTUARIAL VALUATION**

Mrs Fielder noted that the actuarial valuation was still on track with the finance and administration teams having key milestones coming up.

An initial meeting with the section 151 officers of the three Councils had included communication of the Fund Actuary's initial thoughts on the expected results, which was that the position had not worsened as much as expected given recent increases in inflation. The Fund will be holding further meetings with the three main councils in due course to discuss levels of employer contributions and there will be opportunities for discussions with higher and further education employers and other employers in due course.

Mrs Fielder also explained that whilst there may be welcome contribution reductions for some employers, this causes issues around cashflow for the Fund, which have to be proactively managed. There is a concern that the loss of the deficit contributions may change the Fund to be cashflow

negative. The Board asked for an update at a future Pension Board relating to how cashflow is managed.

There was a short discussion about how member pay awards which were retrospectively applied will increase the workload of the Administration team.

***Action - Mrs K Williams will be asking employers to provide an update if any pay scales will be retrospectively applied to 1<sup>st</sup> April 2022 so that her team can plan this into their workflow.***

Mrs K Williams

## 10. ADMINISTRATION UPDATE

The Chair invited Mrs K Williams to provide the administration update. Mrs K Williams highlighted that a considerable amount of work had been done over the last quarter due to the ongoing projects as well as pension increases and recalculating benefits due to backdated pay awards. However, despite this large amount of work, the team has managed to deal with the additional work as well as mostly maintaining their prior standards.

Mrs K Williams explained that on Member Self-Service (MSS) there had been a bulk communications exercise for pensioners who hadn't signed up for either paper or MSS communications. This exercise had seen around 4,000 new communications preferences being declared which was a positive outcome. 1,000 of these had now registered for MSS. The team next intends to reach out to the deferred members. Elaine Williams was pleased to see that members had the option between paper and MSS, noting that many pensioners still wanted paper information and that communications did need to be tailored to each group. The Chair asked whether there was a large proportion of deferred members with missing addresses but Mrs K Williams confirmed it was not significant and they now carry out regular tracing exercises.

Mrs K Williams covered the KPIs particularly noting that she had expected the KPIs to reduce this month due to the increased levels of work but was happy to see that the KPI's had not fallen as much as expected. The Fund is receiving more retirement requests, which is affecting the workload of the retirements team, in addition to the backdated pay award matter.

The Chair asked whether there were any specific areas of data quality which needed focus on. Mrs K Williams noted the

Fund needed to speak to employers about considering the number of casual records they are retaining on the system.

Mrs K Williams also provided updates on the resourcing requirements of the administration team; the employer performance reports – noting conversations with “issue” employers will commence soon. The backlog of deferred calculations has reduced significantly, and the team continues to work hard to reduce the overall number of outstanding cases. She also confirmed there had been no pension scams and shared new website analytics, noting the very small proportion of members using the Welsh language website and so this may need to be promoted further.

#### **11. MCCLOUD REMEDY PROJECT**

Mrs K Williams provided an update on the McCloud project. Generally, the project is on track, but there is a concern that if the Fund does not receive the employer data soon then the Fund will fall behind on the project. The Principal Officers of the Employer Liaison Team and McCloud project are speaking to employers to understand where the issues lie to try and get the data as soon as possible.

The Chair noted that the deadline for validating the data was the end of August which was fast approaching. Mrs K Williams agreed there was a risk that this would be missed.

#### **12. COMPLIMENTS AND COMPLAINTS (INCLUDING IDRP)**

Mrs K Williams noted there was a complaint and discussed how the issue had arisen. The complaint has now been resolved. It was considered a one off and feedback has been provided to the team members who were working on this. The Chair commented that this complaint was a surprise because the Fund receive so few complaints.

Mrs K Williams confirmed there had been compliments but a formatting issue had meant they were missed from the update.

#### **13. BUSINESS CONTINUITY & CYBER**

Mrs K Williams discussed the positive progress with Flintshire County Council to determine how the remaining questions for the cyber security review would be completed. A meeting is being scheduled to deal with the final questions and it is hoped that this review will have been completed by the next meeting of the Board.

Mrs K Williams comments that care is being taken when drafting the cyber security hygiene guidelines and Incident response plan to ensure that these fit both with the Fund's needs and with Flintshire County Council's policies. In particular, the officers want to ensure that they are not taking on responsibility where another person within the Council currently has responsibility.

It was noted that good progress is being made on the cyber security work.

#### **14. ASSET POOLING**

The Board Secretary discussed the Asset Pooling paper to be presented at the Committee meeting. They noted that the Wales Pension Partnership (WPP) business plan has been agreed and that both the Board Secretary and Mrs Fielder were happy with the content of this plan.

It was also pleasing to see that scheme member representatives have now been appointed to the JGC. It was noted that there was both a main representative and an alternate to ensure that a member could be in attendance at all JGC meetings.

Mrs Fielder updated the Board on the recent asset allocator appointments and the progress with the Private Equity allocator appointments; she has been involved with all of these procurement exercises. It has also been written into the tender for these allocators that the chosen organisation will have a remit for looking at local and impact investments for Wales.

There was also a discussion about the pooling guidance and how this might affect the Wales Pension Partnership, and the procurement of the Operator.

Mrs Fielder also noted that the budget for the Responsible Investment (RI) group has increased, as Hymans Robertson are providing a dedicated resource to help improve the quality of reporting and information relating to RI for the pool. The Board considered this a positive step.

## **15. RISK REGISTER**

The Chair provided a brief overview of the changes included in the latest risk register. Board had no further comments on this area.

## **16. BREACHES LOG**

As there was a large number of new breaches, Mrs Fielder provided an update on the breaches log. Most of the new breaches relate to delays in receiving remittances rather than delays in receiving payments. Many of these new breaches have now been resolved.

## **17. UPDATES FROM RECENT EVENTS ATTENDED BY BOARD MEMBERS**

The Chair provided an update on the WPP Pension Board Chairs' meeting. They noted that this was a positive meeting but, as expected, WPP were not able to provide any more detail on the Link sale or Woodford case.

The Chair also attended the CIPFA Pension Board annual conference. This was particularly investment and valuation focused this year, with technical details around these topics, which are not strictly within the remit of a Pension Board. However, there was a good presentation on cyber, which highlighted to the Chair how advanced the Fund was compared to many other LGPS funds.

## **18. CONSIDERATION OF 16<sup>th</sup> MARCH 2022 COMMITTEE PAPERS**

The Board had no comments on this area.

## **19. INPUT INTO ADVISORY PANEL AND CPF COMMITTEE**

It was agreed to feedback at the Committee that the Board are very supportive of the proposed Communications Strategy.

The Board also agreed that they are supportive of the changes made to the risk register reflecting the risks from the change in Committee membership and are keen to see how the training programme develops for these new members.

## 20. FUTURE WORK PLANS

The Board noted the items on the future work plan.

The Chair asked for an agenda item to be added to the next meeting of the Board to discuss the monitoring of cashflows.

**Action - Add management of Cashflows to future agendas**

Board Secretary

## 21. PENSION BOARD BUDGET

Mrs Fielder provided the final outturn on the Board's budget, which noted that the Board had slightly overspent against the budget. It was noted that the reason for the change related to the fees for external parties providing training which had originally been underestimated.

## 22. PENSION BOARD REPORT

The Board agreed that the Chair would draft the annual Pension Board Report, and

**Action: The Chair to draft the Annual Report and Mr Emmerson will provide this to the Board in early July for comment.**

Chair & Mr Emmerson

## 23. FUTURE DATES

The Board were asked to note the proposed dates relating to future meetings as follows.

- 30th September 2022
- 1st March 2023
- 27th June 2023.

The Board were further asked to note other meetings and training including the PFC's on 15 June and 31 August and essential training on 24 August and 5 October.

The Board were reminded to let Mrs Fielder know of events they have enrolled on and attended so that they can be recorded on Training Log.

**Action - Board members to share attendance at events with Mrs Fielder.**

Board members

**24. ANY OTHER BUSINESS**

The Board agreed that a single pack of papers was preferable to receiving all the papers separately.

***Action - Mr Emmerson to provide the pack as a single document in future.***

There was a discussion about the timing of Board meetings in relation to Committee meetings, and the general consensus by the Board was that the timing should be driven more by what worked best for the officers from a work management perspective.

**Mr Emmerson**

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