

Public Document Pack

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To: Councillor Dan Rose (Chair)

Councillors: Dave Hughes, Ted Palmer, Jason Shallcross and Antony Wren

Co-opted Members:

Steve Hibbert, Councillor Andrew Rutherford, Councillor Gwyneth Ellis and
Councillor Anthony Wedlake

13 June 2024

Dear Sir/Madam

NOTICE OF HYBRID MEETING
CLWYD PENSION FUND COMMITTEE
WEDNESDAY, 19TH JUNE, 2024 at 9.30 AM

Yours faithfully

Steven Goodrum
Democratic Services Manager

Please note: Attendance at this meeting is either in person in the Lord Barry Jones Council Chamber, Flintshire County Council, County Hall, Mold, Flintshire or on a virtual basis.

The meeting will be live streamed onto the Council's website. The live streaming will stop when any confidential items are considered. A recording of the meeting will also be available, shortly after the meeting at <https://flintshire.public-i.tv/core/portal/home>

If you have any queries regarding this, please contact a member of the Democratic Services Team on 01352 702345.

AGENDA

1 APOLOGIES

Purpose: To receive any apologies.

2 DECLARATIONS OF INTEREST (INCLUDING CONFLICTS OF INTEREST)

Purpose: To receive any Declarations and advise Members accordingly.

3 APPOINTMENT OF VICE CHAIR

Purpose: Appointment of Vice Chair and note that the Chair and Vice Chair are therefore appointed as Member and Deputy respectively of the Joint Governance Committee for the Wales Pension Partnership.

4 MINUTES OF 20 MARCH 2024 (Pages 5 - 12)

Purpose: To confirm as a correct record the minutes of the meetings held on 20 March 2024.

5 MINUTES OF 17 APRIL 2024 (Pages 13 - 14)

Purpose: To confirm as a correct record the minutes of the Special Meeting held on 17th April 2024.

6 AUDIT WALES EXTERNAL AUDIT PLAN (Pages 15 - 34)

Purpose: To receive a presentation from Audit Wales on the 2023-24 Audit Plan for comment.

7 GOVERNANCE UPDATE AND CONSULTATIONS (Pages 35 - 102)

Purpose: To provide Committee Members with an update on governance related matters including matters for approval on the Fund's 2024/25 Business Plan (adding an item relating to the Wales Pension Partnership), the updated Business Continuity Policy and delegation for the investment consultancy appointment.

8 ADMINISTRATION AND COMMUNICATIONS UPDATE (Pages 103 - 192)

Purpose: To provide Committee members with an update on administration and communications matters, including matters for approval and delegation on the updated Administration Strategy, the Administrating Authority's Discretionary Policies, and key decisions relating to the National Pensions Dashboard.

9 **FUNDING AND INVESTMENT PERFORMANCE UPDATE** (Pages 193 - 200)

Purpose: To provide Committee members with an update on funding and investment matters, and comment on the contents and format of the new summary report.

10 **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC**

The following item is considered to be exempt by virtue of Paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

The public interest in withholding the information outweighs the public interest in disclosing the information.

11 **CLWYD PENSION FUND MANAGEMENT STRUCTURE REVIEW** (Pages 201 - 208)

Purpose: To provide Committee Members with proposed changes to the management structure and governance support for approval.

The following item is considered to be exempt by virtue of Paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

The public interest in withholding the information outweighs the public interest in disclosing the information.

12 **WALES PENSION PARTNERSHIP ANNUAL UPDATE** (Pages 209 - 252)

Purpose: To receive a presentation from the Wales Pension Partnership Operator and Investment Management Solution Provider.

13 **FUTURE MEETINGS**

Purpose: Future meetings of the Clwyd Pension Fund Committee will take place at:

2.00 pm on Wednesday 11 September 2024

9.30 am on Wednesday 27 November 2024

9.30 am on Wednesday 19 February 2025

9.30 am on Wednesday 19 March 2025

9.30 am on Wednesday 18 June 2025

Please note that there may be a 10 minute adjournment of this meeting if it lasts longer than two hours

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CLWYD PENSION FUND COMMITTEE

20 March 2024

Minutes of the meeting of the Clwyd Pension Fund Committee of Flintshire County Council, held as a hybrid meeting at County Hall at 9.30am on Wednesday, 20 March 2024, with remote attendance available via Zoom.

PRESENT: Councillor Ted Palmer (Chairman), Councillor Dave Hughes (Vice-chair)

Councillors: Jason Shallcross, Antony Wren,

CO-OPTED MEMBERS: Councillor Anthony Wedlake (Wrexham County Borough Council), Councillor Andy Rutherford (Other Scheme Employer Representative), and Mr Steve Hibbert (Scheme Member Representative – Present from item 44)

ALSO PRESENT (AS OBSERVERS): Elaine Williams (PFB Scheme member representative).

APOLOGIES: Councillor Sam Swash, Councillor Gwyneth Ellis (Denbighshire County Council),

Advisory Panel comprising: Philip Latham (Head of Clwyd Pension Fund), Karen McWilliam (Independent Adviser – Aon), Paul Middleman (Fund Actuary – Mercer), Steve Turner (Fund Investment Consultant – Mercer).

Officers/Advisers comprising: Neal Cockerton (Chief Executive – Flintshire County Council) Debbie Fielder (Deputy Head of Clwyd Pension Fund), Karen Williams (Pensions Administration Manager), David Bateman (Fund Accountant), Matt Grundy (Graduate Accountant), Ieuan Hughes (Graduate Investment Trainee), Morgan Nancarrow (Governance Administration Assistant – taking minutes), Nick Page (Mercer – Strategic Risk Advisor), Chris Emmerson (Aon – Public Sector Consultant),

The Chairman commented on the Lifetime Achievement Award which Mrs Fielder received at the recent LGC conference at Carden Park, and congratulated her on the national recognition of her work for Clwyd Pension Fund as well as funds across Wales through WPP and across the wider LGPS.

The Chairman welcomed Chris Emmerson of Aon who will be presenting part of the Fund's business plan.

Mrs McWilliam of Aon informed the Committee that Mr Phil Pumford has stepped down from his role on the Pension Board, and the Committee thanked Mr Pumford for his contributions over the years.

41. DECLARATIONS OF INTEREST (including conflicts of interest)

The Chairman invited attendees to declare any potential conflicts of interest that they may have in relation to the Fund, other than those already recorded in the Fund's register.

There were no new declarations of interest.

42. MINUTES 28 February 2024

The minutes of the meeting of the Committee held on 28 February were agreed.

RESOLVED:

The minutes of 28 February 2024 were received, approved, and will be signed by the Chairman.

43. INVESTMENT STRATEGY REVIEW PHASE 1 AND UPDATE TO INVESTMENT STRATEGY STATEMENT

Mr Turner of Mercer took the Committee through this report. He explained the rationale and scope of the Phase 1 review, which focussed on formalising a plan to achieve the target allocation to the WPP sustainable active equities fund. There was also an objective to ensure that a clear and robust plan was in place to meet the Fund's liquidity needs for covering regular pension payments and meeting private markets' commitments, over the next two years. This was carried out with consideration for how potential strategy changes may assist the Fund in achieving its responsible investment objectives.

Mr Turner explained some of the potential strategy changes that were considered, and outlined the proposed changes to the strategic asset allocation and the Investment Strategy Statement (ISS) as a result of the review.

RESOLVED:

The Committee agreed the proposed strategic asset allocation for the Fund, and approved the updated ISS.

44. INVESTMENT STRATEGY REVIEW PHASE 2 - 110% FUNDING LEVEL TRIGGER FRAMEWORK

Mr Middleman of Mercer explained that since the papers were issued for this Committee, the Fund's 110% funding level trigger had been reached and the current funding level was estimated to be 112%. The funding level was being verified in line with the existing protocol, before any action could be taken but it was expected to still be comfortably over the 110% .

Mr Nick Page of Mercer took the Committee through this report. He explained that the review looked at what strategic refinements could be made in the event of reaching the 110% funding level trigger, and how the governance framework around implementing the trigger could be updated. The approach taken for this part of the review was to strike a balance between using surplus funding to reduce employer contributions at the next actuarial valuation, at the same time reducing some investment risk from the strategy in order to further stabilise the future funding position and therefore employer contributions.

The review also looked at the implementation of the suggested changes and proposed an update to the scheme of delegations to reduce the delay between hitting the trigger and taking action. The proposal was for the committee to define a default course of action to de-risk when the trigger is hit, which will be followed unless the Head of Clwyd

Fund, having received formal advice as part of the Funding and Risk Management Group, decides not to proceed with the default action. In this scenario, a special Pension Fund Committee meeting would be called where the issues will be considered and the Committee will be asked to decide whether to endorse the Head of Clwyd Pension Fund's intended way forward.

Mrs McWilliam noted that the news that the funding level trigger had been hit (subject to verification) should not influence the Committee's decision on this recommendation.

Cllr Shallcross asked if there was any sign of a downturn in market performance, and Mr Page said Mercer retained a positive view on equity markets. Cllr Shallcross asked why not maintain the current risk level until the performance changes and how quickly could employer contributions be changed, because given the current financial position of the Councils, this may be a good time to take advantage of surplus. Mr Page said that any changes to the contribution rates would not take effect until after the next formal valuation (effective as at 31 March 2025) with new rates starting from 1 April 2026, and that while the view of equities was currently favourable this can change quickly. Therefore if the decision was to retain the current level of risk, there is a possibility that a downturn before the next actuarial valuation would then impact on any possible reduction to contribution rates due to the higher surplus that the fund currently has.

Mr Turner added that the option to maintain the current risk level was considered as part of the review but noted that the intention of the trigger was to consider de-risking. He confirmed that the proposal would not reduce expected returns below the Fund's needs and there is still room for potential gain in the portfolio going forward. He said the two review phases together improve liquidity, accelerate decarbonisation, and reduce risk to improve stability in the funding and therefore also in the employer contribution position.

Cllr Shallcross asked whether there is an equivalent action to increase risk again if the funding level falls below a threshold. Mr Turner said that there is not currently a re-risking trigger being proposed, but this is on the agenda for discussion by the Funding and Risk Management Group and any recommendations on this would be brought back to the Committee for agreement.

Cllr Wedlake stated that he thought the proposal was a balanced strategy allowing the Fund to reduce risk and have the best prospect of maintaining acceptable return. He said that he recognises stakeholder pressures, but the recommendation supports employers and scheme members in the long term while reducing exposure to unnecessary risk.

RESOLVED:

- a) The Committee agreed the proposed default action to de-risk by reducing equity exposure by 10% upon attaining the 110% trigger.
- b) The Committee agreed the updates to the scheme of delegations framework for implementing the 110% trigger if attained.

45. DRAFT CLWYD PENSION FUND RISK MANAGEMENT POLICY

Mrs McWilliam took the Committee through this report, outlining the background of the review and connections to Flintshire County Council's Risk Management Framework. She explained the main changes to the Fund's Risk Management Policy (formerly Risk Policy) including a new section outlining the responsibilities of the Committee and senior officers, the monthly review of risk registers by officers, changes to the way risks are scored which mean red risks will be more serious than under the existing scoring mechanism, and the formal process for escalating red risks.

RESOLVED:

The Committee approved the changes to the Risk Management Policy.

46. DRAFT WALES PENSION PARTNERSHIP BUSINESS PLAN 2024-25 TO 2026-27

Mrs Fielder explained that WPP Business Plan was received by the Joint Governance Committee last week and no changes were requested, meaning the version provided in the background papers was the final version for approval. She took the Committee through the main points of the report, particularly the budget and annual costs. She noted the introduction of private markets allocators which attract higher fees based on committed amounts or invested capital, and that these costs are now included in the WPP budget,

Mr Hibbert commented that he had no complaints regarding the Business Plan, but noted his concerns regarding the governance of the WPP and the JGC in particular. He referred to page 11 which states:

"The Constituent Authorities are heavily involved in all aspects of the WPP's governance structure, while the WPP's Joint Governance Committee and Officers Working Group are comprised respectively of elected councillors, scheme member representative and officer representatives from the Constituent Authorities".

Mr Hibbert said this gives the impression that the Scheme Member Representative is on equal footing with other JGC members. Mr Hibbert explained his view is this is not accurate as the Scheme Member Representative is subject to satisfying a person specification, job description, interview, is subject to a two-year time limitation and is a non-voting role, unlike any other member of the JGC. He asked if there was any progress made on making the scheme member representative an equal member of the JGC.

The Chairman said he was not aware of any update on this and highlighted that all constituent authorities must agree to implement any change. He said that the current JGC Scheme Member Representative has changed the mind of the JGC on multiple occasions, and while he does not have a vote, he is influential. The Chairman said he will take this up with JGC but does not anticipate any changes being made.

RESOLVED:

The Committee noted the update and approved the draft WPP Business Plan 2024/25 to 2026/27, including the WPP objectives and budget.

47. DRAFT CLWYD PENSION FUND BUSINESS PLAN 2024-25 TO 2026-27

Mr Latham took the Committee page by page through the introduction to the draft Business Plan, highlighting key areas of work and risk.

Mr Emmerson of Aon took the Committee through the Governance Appendix of the draft Business Plan. He highlighted key tasks and risks including:

- Succession planning and proposed review of the management structure
- The Regulator's new General Code of Practice which is expected to impact on future policy reviews
- The Investment Consultant tender will begin early in the year in order to ensure the benefit of Mrs Fielder's knowledge in the area before her retirement. This will allow training of staff for the independent adviser contract when it is put out to tender later in the year.
- Upcoming reviews of the Pension Board Scheme Member Representatives.

Cllr Shallcross emphasised the importance of work shadowing by officers in order to retain knowledge.

Mr Hibbert asked whether the Committee's Scheme Member Representative would be reviewed at the same time as the Pension Board Scheme Member Representative. Mrs McWilliam said that she would not recommend this due to the difference in timescales.

Mr Middleman and Mr Turner presented the Finance, Funding and Investment Appendix of the Business Plan. Mr Middleman highlighted the Interim Valuation Review which takes place this year and will cover a number of themes discussed earlier regarding phase 2 of the strategy review. He explained that Committee will be provided with Funding Strategy and Actuarial Valuation training in preparation for next year's formal Actuarial Valuation. Mr Turner explained the key investment-related themes including the ISS review and Taskforce for Nature-Related Financial Disclosures (TNFD) reporting.

Mrs Karen Williams presented the Administration Appendix, highlighting changes to the list of business as usual activities to reflect growth of the administration team's day-to-day responsibilities. Several key tasks were carried forward from last year's business plan as discussed at the February Committee, and there were some new tasks including documenting procedures around the Fund's discretionary policy with respect to death grants, and developing an escalation policy to support employers who are not meeting their responsibilities relating to the Fund.

Mr Bateman presented the operating costs budget for 2024-25, explaining the main areas of change including:

- Employee costs are based on the current establishment, allowing for a 5% pay increase. The actual 2023-24 employee cost was lower than budgeted due to staff vacancies which have now been recruited to.
- Training costs are now being reported separately for Committee members, Pension Board members and Officers.
- All consultant costs include projects identified within the business plan and are based on the agreed inflation uplifts within the contracts. However, the Fund will be

tendering for the investment consultant contract during the year 2024-25 so these may be subject to change.

- The budget for investment management expenses has increased due to the Fund's increasing net asset value, based on the latest 2023-24 estimates.
- Administration costs in 2023-24 were underspent, because planned software changes were not implemented due to delays in national projects including the publication of McCloud regulations and implementation of the National Pensions Dashboard. This cost has been carried forward into the 2024-5 budget.

Mrs Fielder presented the cashflow, highlighting:

- Total benefit payments have continued to increase.
- Expenses are estimated in line with the agreed uplift for the year.
- Income and employer contributions are based on the last actuarial valuation, and contact is maintained with employers to determine how they will treat any surplus.
- Employee and employer contributions are based on estimated pensionable pay.
- Private market drawdowns and distributions are difficult to estimate, and income from these has been below expectation in 2023-24.

RESOLVED:

The Committee approved the Business Plan relating to the period 2024/25 to 2026/27, including the budget for 2024/25.

48. INVESTMENT AND POOLING UPDATE

The Chairman invited comments or questions on this report, of which there were none.

RESOLVED:

The Committee noted and commented on the update.

49. FUNDING AND INVESTMENT PERFORMANCE

The Chairman invited comments or questions on this report, of which there were none.

RESOLVED:

The Committee noted the report and the various actions taken in relation to the funding and risk management framework.

50. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 – TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded for the remainder of the meeting by virtue of exempt information under Paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

51. WALES PENSION PARTNERSHIP OPERATOR PROCUREMENT

This item of the agenda was presented and discussed.

RESOLVED:

The Committee noted receipt of the report, and agreed to:

- a) request further information from WPP to inform this decision, and
- b) reconvene at a remote Special Meeting in April to discuss and make a decision on this recommendation.

52. FUTURE MEETINGS

The Chairman asked the Committee to note the following future Committee meetings:

- Wednesday 19 June 2024
- A Special Meeting will be scheduled to take place in April (date to be determined)

Cllr Wedlake gave his apologies for the afternoon training session due to a clash with a County Council meeting. He asked for regard to be given to these meetings when planning future meeting dates.

Mr Latham noted that the proposed future Committee dates were included in the meeting pack, and asked members to inform officers if there are any issues with these dates including any clashes with dates of Denbighshire and Wrexham Council meetings.

RESOLVED:

The Committee noted the upcoming Committee dates.

The Chairman announced that Mrs McWilliam was now standing down from her position as the Fund's Independent Adviser, and Ms Alison Murray of Aon will take over this role. The Chairman thanked Mrs McWilliam for her advice while Independent Adviser for the Fund and highlighted she would be continuing in her role as Chair of the Pension Board.

The Chairman thanked everyone for their attendance and participation. The next formal Committee meeting is on 19 June. The meeting finished at 11:45am.

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Chairman

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CLWYD PENSION FUND COMMITTEE

17 April 2024

Minutes of the meeting of the Clwyd Pension Fund Committee of Flintshire County Council, held as a virtual meeting via Zoom at 4:00pm on Wednesday, 17 April 2024.

PRESENT: Councillor Ted Palmer (Chairman), Councillor Dave Hughes (Vice-chair)

Councillors: Jason Shallcross, Antony Wren, Sam Swash

CO-OPTED MEMBERS: Gwyneth Ellis (Denbighshire County Council), Councillor Anthony Wedlake (Wrexham County Borough Council), Councillor Andy Rutherford (Other Scheme Employer Representative), and Mr Steve Hibbert (Scheme Member Representative)

ALSO PRESENT (AS OBSERVERS): Elaine Williams (PFB Scheme member representative), Karen McWilliam (Independent Chair of Pension Board)

APOLOGIES: None

Advisory Panel comprising: Philip Latham (Head of Clwyd Pension Fund), Alison Murray (Independent Adviser – Aon), Gary Ferguson (Corporate Finance Manager)

Officers/Advisers comprising: Neal Cockerton (Chief Executive – Flintshire County Council), Gareth Owen (Monitoring Officer – Flintshire County Council), Debbie Fielder (Deputy Head of Clwyd Pension Fund), David Bateman (Fund Accountant), Ieuan Hughes (Graduate Investment Trainee), Morgan Nancarrow (Governance Administration Assistant – taking minutes), Chris Emmerson (Public Sector Consultant – Aon), Anthony Parnell (Carmarthenshire County Council), Andrew Johnston (WPP Oversight Adviser – Hymans Robertson), Kate Dickson (WPP Oversight Adviser – Hymans Robertson), Patrick Parkin (WPP Legal Adviser – Burges Salmon), Tom Dunn (WPP Legal Adviser – Burges Salmon).

The Chairman welcomed:

- Anthony Parnell from Carmarthenshire County Council, Host Authority for the Wales Pension Partnership (WPP);
- Andrew Johnston and Kate Dickson of Hymans Robertson, Oversight Advisers to WPP;
- Patrick Parkin and Tom Dunn of Burges Salmon, Legal Advisers to WPP.

41. DECLARATIONS OF INTEREST (including conflicts of interest)

The Chairman invited attendees to declare any potential conflicts of interest that they may have in relation to the Fund, other than those already recorded in the Fund's register.

There were no new declarations of interest.

42. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 – TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded for the remainder of the meeting by virtue of exempt information under Paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

43. WALES PENSION PARTNERSHIP OPERATOR PROCUREMENT

This item of the agenda was presented and discussed. It was agreed that feedback on the procurement process would be taken forward by WPP and discussed by the Committee in due course.

RESOLVED:

The Committee noted and discussed the additional information, and approved the appointment of Bidder 3 as the WPP Operator.

The next formal Committee meeting is on 19 June.
The Chairman closed the meeting at 4:45pm.



CLWYD PENSION FUND COMMITTEE

Date of Meeting	Wednesday 19 June 2024
Report Subject	Audit Wales Audit Plan 2024
Report Author	Clwyd Pension Fund Accountant

EXECUTIVE SUMMARY

Audit Wales is required to carry out an audit of Clwyd Pension Fund's Statement of Accounts to discharge its statutory duties as Auditor General. The Fund's Statement of Accounts is contained within the Fund's Annual Report. It is the responsibility of the Pension Fund Committee to approve the audited Annual Report including the Statement of Accounts by 30 November each year.

Audit Wales has prepared an audit plan for 2024 for the Fund (attached at Appendix 1 to this report) covering the work they will carry out and associated matters.

RECOMMENDATIONS

1	That the Committee note and comment on the Audit Wales plan.
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REPORT DETAILS

1.00	EXPLAINING THE AUDIT WALES AUDIT PLAN
1.01	The 2024 Audit Plan for the Fund is attached at Appendix 1 and Audit Wales will be in attendance at the meeting to present the plan.
1.02	<p>The Fund's Statement of Accounts is contained within the Fund's Annual Report. It is the responsibility of the Pension Fund Committee to approve the audited Annual Report including the Statement of Accounts by 30 November each year.</p> <p>It is intended that the draft Annual Report for 2023/24 will be approved for external audit by Flintshire County Council's Section 151 Officer and the audited Annual Report presented to the Pension Fund Committee at its meeting on 11 September 2024 for approval. This is earlier than previous years when approval of the Annual Report has been at the November Committee and this remains the fall back if there are any delays in the process.</p>
1.03	External auditors are required to carry out an annual audit of the Fund's Statement of Accounts to discharge their statutory duties as Auditor General and fulfil their obligations under the Public Audit (Wales) Act 2004, the Local Government (Wales) Measure 2009, Wellbeing of Future Generations (Wales) Act 2015, the Local Government Act 1999, and the Code of Audit Practice. The external auditor for the Clwyd Pension Fund is Audit Wales.
1.04	The attached Audit Plan explains the extent of the audit, key financial risks considered by the auditors, other audit functions carried out, the fee for the audit, the members of the audit team and the timetable for the audit.

2.00	RESOURCE IMPLICATIONS
2.01	Proposed fees for the audit work for Clwyd Pension Fund are included in the Audit Wales plan. The fees are within the approved budget.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.

4.00	RISK MANAGEMENT
4.01	All audit work is carried out on a risk-based approach which is covered in detail within Audit Wales's reports.

5.00	APPENDICES
5.01	Appendix 1 – Audit Wales 2024 Audit Plan Clwyd Pension Fund.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Contact Officer: David Bateman - Clwyd Pension Fund Accountant Telephone: 01352 704078 E-mail: David.Bateman@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
	<p>(a) Audit Wales: works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p>(b) Financial Audit: The annual external audit of the Fund’s Statement of Accounts.</p> <p>(c) Financial Year: the period of 12 months commencing on 1 April</p> <p>(d) Material: A concept used to inform judgements regarding the accuracy of the Fund’s Statement of Accounts. The basis could be quantitative with an assigned value or qualitative and affected by issues that are legal, regulatory, or politically sensitive.</p> <p>(e) Statement of Accounts / Final Accounts / Financial Accounts or Statements: The Fund’s annual finance report providing details of the Fund’s financial performance and position at the end of the financial year. The format is prescribed to enable external comparison with other public and private entities.</p>

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Clwyd Pension Fund – Detailed Audit Plan 2024

Audit year: 2023-24

Date issued: May 2024

Document reference: 4261A2024



This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, the Wales Audit Office and, where applicable, the appointed auditor are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

About Audit Wales

Our aims and ambitions

Assure



the people of Wales that public money is well managed

Explain



how public money is being used to meet people's needs

Inspire



and empower the Welsh public sector to improve



Fully exploit our unique perspective, expertise and depth of insight



Strengthen our position as an authoritative, trusted and independent voice



Increase our visibility, influence and relevance



Be a model organisation for the public sector in Wales and beyond

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Introduction

This Detailed Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

It sets out the work my team intends undertaking to address the audit risks identified and other key areas of focus during 2024.

It also sets out my estimated audit fee, details of my audit team and key dates for delivering my audit team's activities and planned outputs.



Adrian Crompton

Auditor General for
Wales

Audit of financial statements

I am required to issue a report on your financial statements which includes an opinion on their 'truth and fairness' and whether the statements have been 'properly prepared'. I will also report by exception on a number of matters which are set out in more detail in our Statement of Responsibilities.

I also have responsibility to receive questions and objections to the financial statements from local electors (additional fees will be charged for this work, if necessary).

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material is set out later in this plan.

There have been no limitations imposed on me in planning the scope of this audit.

Your audit at a glance



My financial statements audit will concentrate on your risks and other areas of focus

My audit planning has identified the following risks:

Significant financial statement risk

- Management override of controls

Other areas of audit focus

- Valuation of Investment Assets
- Key staff changes within the Clwyd Pension Fund finance team



Materiality

Materiality	£23.052m
Reporting threshold	£1.153m

Financial statements' materiality



Materiality £23.052 million

My aim is to identify and correct material misstatements, that is, those that might otherwise mislead the user of the accounts.

Materiality is calculated using:

- 2022-23 gross assets of £2,305.183 million
- Materiality percentage of 1%

I report to those charged with governance any misstatements above a trivial level (set at 5% of materiality).



Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts, and we have set a lower materiality level for these:

- Related party and Key Management Personnel disclosure £1,000

Significant financial statements' risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.

Exhibit 1: significant financial statement risks

Significant risk	Our planned response
The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team will: <ul style="list-style-type: none">• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;• review accounting estimates for bias; and• evaluate the rationale for any significant transactions outside the normal course of business.

The audit team is yet to conclude all areas of the risk assessment. Should any further significant financial risks arise on completion of this work we will update the S151 officer and the Pension Fund Committee via its chair and re-issue my Detailed Audit Plan if required.

Other areas of focus

I set out other identified risks of material misstatement which, whilst not determined to be significant risks as above, I would like to bring to your attention.

Exhibit 2: other areas of focus

Audit risk	Our planned response
<p>Investment Valuations</p> <p>The investments balance contains £2,199.900 million of investments (Pooled funds £1,562.141 million, pooled property investments £133.422 million, private equity £205.945 million and other investments £298.083 million) which are complex to value and there is subjectivity in their valuation.</p> <p>There is therefore a risk that the investment balances are materially misstated.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • agree the valuations to appropriate supporting documentation; • review 'control assurance' reports from the relevant fund managers; and • evaluate the risk of residual material misstatement and the need for additional audit procedures.
<p>Key staff changes with the Clwyd Pension Fund finance team</p> <p>Clwyd Pension Fund are experiencing changes to the key officers involved with the preparation of the financial statements.</p> <p>This could result in a potential risk of insufficient capacity and skills within the finance department that could impact on the timely preparation and quality of the financial statements.</p>	<p>My audit team will continue to liaise with officers to fully assess the impact of these changes and consider any resultant risks arising and tailor our approach as required.</p> <p>My team will also review closedown plans to assess that arrangements are in place to produce robust financial statement within the prescribed timetable.</p>

Financial statements' audit timetable

I set out below key dates for delivery of my accounts audit work and planned outputs.

Exhibit 3: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
2024 Detailed Audit Plan	April - May 2024	May 2024
Audit of financial statements work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on the Financial Statements	July – August 2024	November 2024

Statutory audit functions

Statutory audit functions

In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:

- Section 30 Inspection of documents and questions at audit; and
- Section 31 Right to make objections at audit.

As this work is reactive, I have made no allowance in the estimated audit fee. If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee and audit team

In January 2024, we published our [Fee Scheme](#) for the 2024-25 year as approved by the Senedd Finance Committee. My fee rates for 2024-25 have increased by an average of 6.4%, as a result of unavoidable inflationary pressures and the ongoing need to invest in audit quality.

I estimate your total audit fee will be £49,693 (2023 £46,704)

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Clwyd Pension Fund.

Our financial audit fee is based on the following assumptions:

- the agreed audit deliverable sets out the expected working paper requirements to support the financial statements and include timescales and responsibilities; and
- no matters of significance, other than as summarised in this plan, are identified during the audit.

The main members of my team, together with their contact details, are summarised in **Exhibit 4**.

Exhibit 4: my local audit team

Name	Role	Contact details
Matthew Edwards	Engagement Director	Matthew.edwards@audit.wales
Michelle Phoenix	Audit Manager	Michelle.phoenix@audit.wales
Jodie Williams	Audit Lead	Jodie.williams@audit.wales

There are two potential conflicts of interest that I need to bring to your attention. The audit lead and an audit trainee are both deferred members of the pension fund. Safeguards have been put in place to mitigate any independence risks arising.

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD* and our Chair, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).

Our People



The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

Arrangements for achieving audit quality



The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

Independent assurance



The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.






- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

* QAD is the quality monitoring arm of ICAEW.

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	our publications which cover our audit work completed at public bodies.
	information on our forward performance audit work programme 2023-2026 which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various data tools and infographics to help you better understand public spending trends including a range of other insights into the scrutiny of public service delivery.

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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



CLWYD PENSION FUND COMMITTEE

Date of Meeting	Wednesday, 19 June 2024
Report Subject	Governance Update
Report Author	Head of Clwyd Pension Fund

EXECUTIVE SUMMARY

An update on LGPS governance matters and the Fund's policies is provided for discussion at each Committee. This report includes developments since the previous report provided at the February 2024 Committee, including:

- progress against the governance section of the Fund's Business Plan, including a recommendation to add a new governance item relating to WPP
- governance-related developments at national and Fund level, including a recommendation to approve the updated Business Continuity Policy and a recommendation to delegate the appointment of the investment consultant
- updates to the governance risks on the Fund's risk register (which has itself been updated in line with the Risk Management Policy agreed at the March Committee) and the latest changes to our breaches of the law register
- forthcoming training and events, some of which are essential for Members.

RECOMMENDATIONS

1	That the Committee consider the update and provide any comments.
2	That the Committee approve the addition of a governance item, relating to the Wales Pension Partnership, to the Fund's 2024/25 Business Plan.
3	That the Committee approve the updated Business Continuity Policy.
4	That the Committee delegate the selection, appointment and dismissal (as required) of the Fund's investment consultants to the Deputy Head of Clwyd Pension Fund and the Corporate Finance Manager following the completion of the interviews and associated scoring.

REPORT DETAILS

1.00	GOVERNANCE RELATED MATTERS
1.01	<p data-bbox="319 277 660 309">Business Plan Update</p> <p data-bbox="319 344 1369 488">The business plan update in Appendix 1 shows the latest progress for the governance tasks in the 2024/25 Business Plan. Good progress is being made with all actions under the Fund’s control with the key points to note as follows:</p> <ul data-bbox="367 533 1385 1720" style="list-style-type: none"><li data-bbox="367 533 1385 712">• <i>G1 – Succession planning:</i> The senior management structure is being reviewed as part of the Fund’s succession planning, in particular the forthcoming retirement of the Deputy Head of the Fund. A proposed new Management Structure forms part of a separate agenda item for the Committee.<li data-bbox="367 721 1385 900">• <i>G2 – Governance arrangements:</i> New requirements are expected in relation to investments, pooling and governance. Whilst these may be delayed due to the General Election, the work is continuing in relation to the review of the sub-groups that support the Fund’s Advisory Panel.<li data-bbox="367 909 1385 1088">• <i>G3 – Review against TPR new General Code:</i> The Pension Regulator’s new General Code of Practice came into force on 28 March 2024. A detailed review of the Fund’s processes and practices against the new Code has been largely completed and a summary is included as Appendix 4.<li data-bbox="367 1097 1385 1303">• <i>G4 – Implement regulatory and guidance changes:</i> Due to the pre-election period, the expected consultation(s) on draft regulations and guidance has been delayed, and for business planning purposes, it has been assumed that any consultations will not be issued prior to the end of quarter 2. The business plan has been updated accordingly.<li data-bbox="367 1312 1385 1420">• <i>G5 – Review of governance related policies:</i> The Business continuity policy has been reviewed; further detail is provided later in this update.<li data-bbox="367 1429 1385 1572">• <i>G6 – Review/tender key supplier contracts and Procurement Act changes</i> A tender for the Investment consultancy services is underway and an update is provided later in this paper.<li data-bbox="367 1581 1385 1720">• <i>G7 – Appointments of Local Pension Board and Pension Fund Committee Members</i> The Trade Union representative has stepped down from the Board and the process for appointing a replacement is underway. <p data-bbox="319 1756 919 1787"><i>Additional item for 2024/25 Business Plan</i></p> <p data-bbox="319 1832 1385 1975">It has been a number of years since the Wales Pension Partnership was established so it would seem appropriate to review the effectiveness of the Fund’s relationship with the pool and consider if or how the governance arrangements might be enhanced.</p> <p data-bbox="319 2020 1385 2078">WPP’s Business Plan for 2024/25 has only recently been approved and it is considered very unlikely that any changes will be made to it, but we do</p>

have the opportunity to input into the Plan for 2025/26. It is therefore proposed that CPF officers and Committee members get together informally to discuss views on our relationship with WPP and what we might suggest is considered by way of governance enhancements for the future. As this activity was not envisaged in the Fund’s Business Plan for 2024/25, on the grounds of best practice governance and transparency, it is recommended that the Committee approve the addition of item G8 to the Business Plan as follows:

G8: WPP Governance arrangements

What is it?

The Fund is a “Constituent Authority” within WPP, alongside the other seven LGPS funds in Wales. WPP can be considered a collaboration across the Welsh LGPS funds and is governed, amongst other things, by an Inter-Authority Agreement (IAA). The IAA establishes the Joint Governance Committee and Officer Working Group in which Fund representatives and representatives from other LGPS funds in Wales participate. The IAA also sets out the decision-making structure and the matters which are reserved to the Constituent Authorities.

The IAA was signed in 2017 and since then there have been significant changes in the overall landscape in which LGPS funds operate, including governance-related changes as well as changes affecting the investment environment. We also now have experience of addressing a number of matters reserved to the Constituent Authorities. With that in mind, we plan to consider whether WPP’s governance arrangements could be enhanced and to liaise with WPP to discuss any suggestions we may have so that these can be considered as part of WPP’s 2025/26 business planning.

Timescales and Stages

CPF discussion(s) on WPP governance arrangements	2024/25 Q2
Liaise with WPP (in advance of 2025/26 business planning)	2024/25 Q3 to Q4

Resource and Budget Implications

To be led by the Head of Clwyd Pension Fund, with input from the Advisory Panel. It is hoped that the expected costs can be met from existing budgets.

Current Developments and News

1.02

General Election

Members will be aware that, with a General Election having been called on 4 July, we are now in the ‘pre-election’ period which can be considered a

	<p>period of “heightened (political) sensitivity”. Pension Fund matters are not generally political but, as Members would expect, the agenda and papers for this meeting have been carefully considered to ensure that we abide by LGA guidance as well as advice provided by the Council’s Monitoring Officer. It is important that this is also reflected in discussions and comments made at the meeting itself.</p> <p>The pre-election period has also meant some items of expected pensions-related legislation are now on pause. Many of these will not directly affect the LGPS or the Fund, but the expected consultation from DLUHC on the good governance recommendations; follow up to the Next Steps on Investments consultation; and consultation on payment of pension commencement excess lump sums from the LGPS has been delayed, as have fixes to the lifetime allowance regulations (which apply to the LGPS as a “registered” scheme for tax purposes). In addition, the Economic Activity of Public Bodies (Overseas Matters) Bill did not make it through Parliament before it was dissolved.</p>
1.03	<p><i>Pension Board meetings</i></p> <p>The Clwyd Pension Board met on 16 May 2024. Full minutes are not yet available but key items discussed included:</p> <ul style="list-style-type: none"> • Changes to the Committee and the proposed changes to the organisational structure of the CPF Management Team. • the Fund’s Business Continuity Plan and Cyber Incident Response Plan. • The actions being taken following the Special Pension Fund Committee meeting in April. • Decision making relating to local investments. • Progress on checking the Fund’s compliance against the new TPR General Code of Practice. • Administration items including an update on Pensions Dashboards and the Fund’s progress with the McCloud project. • Other governance items, including the risk register and breaches log. <p>The next Board meeting is expected to be in September 2024.</p>
1.04	<p><i>Business continuity policy update</i></p> <p>The Business Continuity Policy was last reviewed in March 2021 and so has reached the three year review point as set out in the Policy. The Policy review was delayed slightly to allow the finalisation of the Business Continuity Plan and implementation of the new General Code of Practice.</p> <p>The Policy (attached in Appendix 2) has been updated to reflect the Pension Regulator’s expectations as set out in the General Code of Practice as well as to make it more readable in line with the Fund’s Communication Strategy.</p> <p>It is recommended that the Committee approve the revised Business Continuity Policy.</p>

1.05	<p><i>Investment consultant tender</i></p> <p>As agreed at the March Committee, and set out in the Business Plan, the investment consultancy contract (which is currently held by Mercer) is being re-tendered prior to its expiry on 31 March 2025 to enable the procurement process to be led by the Deputy Head of the Fund prior to her retirement given her expertise in this process. This requires notice to be served on the current advisers to terminate the existing contract before its scheduled expiry (regardless of the procurement outcome). As has been the case in the past, the tender is being run through the National LGPS Framework (currently the Investment Management Consultancy Services Framework 2022).</p> <p>It has taken longer than expected to launch the tender, principally due to changes in procurement regulations and guidance which have required additional time and advice from our procurement advisers. As a result, it has not been possible to bring a recommendation to Committee for approval of the preferred bidder to this meeting. The deadline for responses to the Invitation to Participate in Further Competition is 20 June and interviews are planned for 25 June. Scoring of the submissions and interviews, led by the Deputy Head of the Fund, is expected to be completed by 4 July 2024. However, given her retirement, she will not be available to present any recommendation to approve the appointment of the preferred bidder at the September Committee.</p> <p>To enable the Deputy Head of the Fund to see the procurement process through to its conclusion, including advising the bidders of the outcome of the process in a timely manner, it is recommended that the Committee delegate “the selection, appointment and dismissal” (as required) of the Fund’s investment consultants to the Deputy Head of Fund and the Corporate Finance Manager following the completion of the interviews and associated scoring. The outcome of the delegation will then be reported for noting at the September Committee.</p> <p>If the Committee does not agree the delegation then a recommendation for appointment will be brought to the September Committee. However, the lead officer will not be available to answer any questions the Committee may have as she will have retired before the Committee.</p>
1.06	<p><i>LGPS Scheme Advisory Board (SAB) updates</i></p> <p><i>SAB Meetings</i> The LGPS SAB met on 11 March 2024 and the meeting summary is attached at Appendix 3. Key items discussed at the meeting included the gender pensions gap, The Pensions Regulator’s General Code, the cost management results and Economic Activity of Public Bodies (Overseas Matters) Bill.</p> <p>The date of the next SAB meeting is 22 July 2024.</p> <p><i>Gender Pensions Gap</i></p> <p>Jo Donnelly, Head of Pensions at the LGA, published a blog detailing the SAB's efforts to address the Gender Pensions Gap in the LGPS. The blog</p>

also referenced the virtual event aimed at HR/Senior Managers at Councils and LGPS Administrators that was held by the LGA on 9 May 2024.

On 17 May the Scheme Advisory Board (SAB) wrote to the Chief Secretary to the Treasury, Laura Trott MP, suggesting the Government take a consistent and active approach to the gender pensions gap across public service pension schemes. An update on the Gender Pensions Gap Working Group will be provided at the next Cost Management, Benefit Design and Administration Committee meeting on 1 July.

Asset pooling

On 15 May the SAB reported that the Minister, Simon Hoare MP, had written to all Pension Committee Chairs and administering authority section 151 officers in England asking them to respond to a number of questions by 19 July. The questions related to the completion of pension asset pooling by the March 2025 deadline and how funds ensure that they are run efficiently, with appropriate governance structures in place. Funds were also asked whether they could achieve long-term savings and efficiencies if they were to become part of a larger fund through merger or creation of a larger pensions authority.

Whilst the letter was not sent to funds in Wales, we can also report that representatives from funds in Wales were invited to, and have attended, roundtables which were hosted by the Minister in the following weeks.

According to the May 2024 LGPC Bulletin, the Board assumes that the General Election on 4 July means that responses to the Minister's letter are no longer expected, but notes that some administering authorities may still wish to respond.

SAB Scheme cost assessment

On 19 April the SAB reported that the Government Actuary's Department had completed the valuation of the LGPS as at 31 March 2020 for cost management purposes. In accordance with the operation of the cost control mechanism, no changes to scheme benefits are proposed.

Appeal Decision - Fire Brigades Union and British Medical Association vs HM Treasury Cost Control Mechanism

On 17 April the SAB reported that the full judgment in the Fire Brigades Union and British Medical Association vs HM Treasury Cost Control Mechanism appeal had been published. The Court of Appeal upheld the High Court's March 2023 ruling in favour of HM Treasury on all grounds. The judgment can be read [here](#), and a summary is available on the Legal Opinions page of the SAB website.

The Fire Brigades Union has sought permission to appeal to the Supreme Court.

Updated Guidance for Annual Reports

	<p>On 28 March SAB published the updated guidance for preparing the fund annual report on its Board guidance page. The new guidance was reviewed and approved by the SAB's Compliance and Reporting Committee (CRC), CIPFA, and DLUHC and replaces the 2019 CIPFA guidance. It applies to the 2023/24 annual reports due by 1 December 2024, and subsequent years. Funds are encouraged to comply fully but can exercise judgement if changes require disproportionate effort or cost, which is the approach being taken by the Fund.</p> <p><i>Sharia Law</i></p> <p>Following a report received by SAB on the relationship between Sharia Law and the LGPS, Lydia Seymour (Counsel) was asked to update her 2022 advice on the subject. The key findings as reported by the SAB on 25 March indicate that the legal risk of a case being successfully brought against a scheme employer or administering authority relating to the LGPS and Sharia Law is extremely low. A summary of her advice is available on the SAB Legal Opinions and Summaries page here.</p>
1.07	<p><i>The Pension Regulator's General Code of Practice</i></p> <p>Our review of the Fund's compliance with the new General Code of Practice was undertaken during March 2024 and a summary of the results is attached in Appendix 4, which also shows the agreed actions from the review to improve compliance. We assessed the Fund's compliance with both the required elements of the Code and the elements which are listed as good practice, using Aon's TPR General Code of Practice Compliance Model which asks 275 questions to determine funds' compliance with the code.</p> <p>Overall the results are reasonably positive and this reflects the emphasis the Fund places on good governance. An action plan is being drawn up to prioritise the actions, and updates will be brought to Committee at future meetings. The Pension Board will also oversee the progress being made with this.</p>
1.08	<p><i>LGA survey on LGPS opt-outs</i></p> <p>On 28 May a brief survey was reported to have been issued by the LGA, to local government employers asking for data on experience of staff opting-out of the LGPS and the value placed on the scheme (which is a high quality defined-benefit scheme) from a recruitment and retention perspective within local authorities. The survey closed on 7 June and is part of a project aimed at understanding LGPS membership of local government staff.</p>
1.09	<p>Policy and Strategy Implementation and Monitoring</p> <p><i>Knowledge and Skills Policy and Training Plan</i></p> <p><u>Policy requirements</u></p> <p>The Fund's Knowledge and Skills Policy requires all Pension Fund Committee members, Pension Board members and Senior Officers to:</p> <ul style="list-style-type: none"> attend training on the key elements identified in the CIPFA

Knowledge and Skills Framework as part of their induction and on an ongoing refresher basis

- attend training sessions on “hot topic” areas, such as a high risk area or an area of change for the Fund and
- attend at least one day each year of general awareness training or events.

Training Needs Analysis – The Fund’s training plan forms part of the Fund’s business plan for 2024/25 which was approved by the Committee at the March 2024 meeting.

Appendix 5 sets out the Fund’s training plan and training undertaken since the last meeting.

Training undertaken.

A summary of attendance at the Fund's essential training sessions (other than induction training) over 2023/24 is included below for completeness:

	Date	Number of Committee attending (Proportion of total)	Number of Board attending (Proportion of total)	Number of Senior officers attending (Proportion of total)
Essential Training Sessions – Target attendance is 75%				
Governance of Pensions	April 23	7 (78%)	3 (60%)	4 (80%)
Tactical Asset Allocation and Responsible Investing	May 23	9 (100%)	3 (60%)	3 (60%)
Divestment Framework	Aug 23	8 (89%)	1 (25%)	3 (60%)
Investment Matters	Feb 24	8 (89%)	3 (75%)	3 (60%)
TPR General Code	Mar 24	7 (78%)	3 (100%)	3 (60%)
Total		(87%)	(62%)	(64%)

No essential training sessions have been held during 2024/25 to date.

Non-essential, general awareness training attended by Committee members since the last update includes the March LGC Investment Seminar in Chester and the PLSA Local Authority Conference on 11-13 June in the Cotswolds. Committee and Board members also attended the WPP Quarter 4 training on Market Understanding & Regulatory Requirements.

Future training and events

Officers will continue to provide information on further training sessions and events as this becomes available. New members of the Board and Committee will be expected to attend Induction Training. In addition, if any Committee or Board members wish to attend any of the following optional

	<p>events that count as general awareness training, please contact the Governance Administration Assistant:</p> <ul style="list-style-type: none"> • LGA LGPS Governance Fundamentals training series – running In York, London and Online through October to December <p>The following are the next essential training sessions, which should be attended by all Committee and Board members (both will be run in hybrid format). It is proposed to hold these sessions after the Committee meetings and so members should make themselves available for the full day. Lunch will be provided for those attending in person.</p> <ul style="list-style-type: none"> • CPF Impact Investing training on 19 June 2024 (pm) • CPF Governance training on 11 September 2024 (am) • CPF Funding strategy training on 27 November 2024 (pm)
1.10	<p><i>Recording and Reporting Breaches Procedure</i></p> <p>The Fund’s procedure requires that the Head of Clwyd Pension Fund maintains a record of all breaches of the law identified in relation to the management of the Fund. Appendix 6 details the current breaches that have been identified. There were no new breaches over the period since the last update.</p> <p>The ongoing case involving a community council (with 1 member), relates to ongoing late remittance advice and late payment of contributions, due to the absence of the Clerk. Discussions with the new Clerk are ongoing to resolve the situation.</p>
1.11	<p>Delegated Responsibilities</p> <p>The Pension Fund Committee have delegated a number of responsibilities to officers or individuals. There have been no uses of general delegated powers for governance matters since the last update report.</p>
1.12	<p>Calendar of Future Events</p> <p>Appendix 7 includes a summary of all future events for Committee and Pension Board members, including Pension Fund Committee meetings, Pension Board meetings, Training and Conference dates.</p> <p>The next Committee dates, confirmed at the May Annual General Meeting, are as follows (all morning meetings starting at 9:30am other than on 11 September):</p> <p>11 September 2024 – this will be an afternoon meeting 27 November 2024 19 February 2025 19 March 2025 18 June 2025</p>

2.00	RESOURCE IMPLICATIONS
2.01	No material resource or budgetary implications are expected from the items in this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None

4.00	RISK MANAGEMENT
4.01	Appendix 8 provides the risk dashboard showing current risks relating to the Fund as a whole, as well as the extract of governance risks. The risk register has been re-worked since it was last presented to the Committee in February to reflect the updated Risk Management Policy agreed at the March Committee.
4.02	Members may recall that the changes to the Policy incorporated a new approach to scoring the impact and likelihood of risks and the key to the updated scoring approach is included in Appendix 8. As this is the first version of the new risk register, there are no changes shown on the risk dashboard. The risk register is likely to evolve over time as the new approach is bedded in.
4.03	The majority of governance risks are on target and there are no red risks. All three risks which are not on target are only one away from their target impact or likelihood. These are: Risk number 3 - WPP delegated decision-making is inappropriate (particularly for CPF) Risk 9 - unable to adequately/ appropriately implement governance changes – external Risk 11 - no or restricted access to our systems .

5.00	APPENDICES
5.01	Appendix 1 - Business plan update for governance tasks Appendix 2 - Business Continuity Policy Appendix 3 - SAB Meetings – Summary of 11 March 2024 meeting Appendix 4 - TPR Compliance Report - Short Appendix 5 - Training plan Appendix 6 - Breaches log Appendix 7 - Calendar of future events Appendix 8 - Risk Register

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Report to Pension Fund Committee - 2024/25 Business Plan (March 2024)</p> <p>Full hyperlinks for referred to information:</p> <ul style="list-style-type: none"> • 1.06 – HM treasury ruling https://www.bailii.org/ew/cases/EWCA/Civ/2024/355.html • 1.06 – Sharia Law https://lgpsboard.org/index.php/board-publications/legal-opinions • 1.07 – TPR’s New General Code https://www.thepensionsregulator.gov.uk/en/document-library/consultations/new-code-of-practice <p>Contact Officer: Philip Latham, Head of Clwyd Pension Fund</p> <p>Telephone: 01352 702264</p> <p>E-mail: philip.latham@flintshire.gov.uk</p>





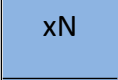
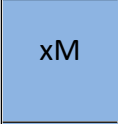

7.00	GLOSSARY OF TERMS
7.01	<p>(a) CPF – Clwyd Pension Fund – The Pension Fund managed by Flintshire County Council for local authority employees in the region and employees of other employers with links to local government in the region.</p> <p>(b) Administering authority, scheme manager or Governing Body – Flintshire County Council is the administering authority, scheme manager and Governing Body for the Clwyd Pension Fund, which means it is responsible for the management and stewardship of the Fund.</p> <p>(c) Committee or 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) Board, 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 of.</p>

- (f) **SAB – The national Scheme Advisory Board** – the national body responsible for providing direction and advice to LGPS administering authorities and to DLUHC.
- (g) **DLUHC – Department of Levelling Up, Housing and Communities** – the government department responsible for the LGPS legislation.
- (h) **JGC – Joint Governance Committee** – the joint committee established for the Wales Pension Partnership asset pooling arrangement.
- (i) **CIPFA – Chartered Institute of Public Finance and Accountancy** - a UK-based international accountancy membership and standard-setting body. They set the local government accounting standard and also provide a range of technical guidance and support, as well as advisory and consultancy services. They also provide education and learning in accountancy and financial management.
- (j) **TPR – The Pensions Regulator** – 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.
- (k) **PLSA - Pensions and Lifetime Savings Association** – PLSA aims to bring together the industry and other parties to raise standards, share best practice and support its members. It works collaboratively with members, government, parliament, regulators and other stakeholders to help build sustainable policies and regulation which deliver a better income in retirement.
- (l) **HMT – His Majesty's Treasury** – HMT has a responsibility to approve all LGPS legislation before it is made

Business Plan 2024/25 to 2026/27 – Q1 Update Governance

Key tasks

Key:

	Complete
	On target or ahead of schedule
	Commenced but behind schedule
	Not commenced
	Item added since original business plan
	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	2024/25 Period				Later Years	
		Q1	Q2	Q3	Q4	2025/ 2026	2026/ 2027
G1	Succession planning	x	x	x	x		
G2	Governance arrangements	x	x	x	x		
G3	Compliance with TPR General Code	x	x	x	x	x	
G4	Implement regulatory and guidance changes (including Good Governance review)	x	x	x	x	x	
G5	Review of governance related policies	x	x		x	x	x
G6	Review/tender key supplier contracts and Procurement Act changes	x	x	x	x	x	
G7	Appointments of Local Pension Board and Pension Fund Committee Members		xM	x	x	x	x

G1: Succession planning

What is it?

A number of our senior management team are approaching retirement age or have plans to retire over the period of this business plan, most significantly the Deputy Head of the Fund whose role currently includes:

- responsibility for the finance team and governance of the Fund
- participation in all of the sub-groups of the Advisory Panel
- attending all WPP officer groups, participating on behalf of the Fund

The expected requirement to accelerate pooling of investments will also impact on the Fund's resourcing needs, noting that the Deputy Head of the Fund also has a key role in relation to investments.

In order for us to continue to deliver excellent service and meet statutory requirements, suitable succession plans must be in place to ensure roles can be filled by individuals who

have the appropriate level of expertise and skills. As part of this we will also develop a Workforce Policy (which may become a requirement as part of the government’s response to the SAB Good Governance review).

Timescales and Stages

Review the senior management structure and ensure succession planning is in place for senior management: already commenced	2024/2025 Q1 to Q2
Consider impact on the team beyond senior management	2024/2025 Q3 to Q4

Resource and Budget Implications

To be led by the Head of Clwyd Pension Fund, with input from the Independent Adviser. All expected costs are included within the existing budgets.

G2: Governance arrangements

What is it?

The Fund’s governance structure includes an Advisory Panel of officers and advisors to support the Head of the Fund in carrying out the functions delegated to them by the Pension Fund Committee. Given the specialist nature of some of this work, particularly in relation to investments, the Advisory Panel is in turn supported by a number of subgroups.

With Government expected to bring forward new requirements in relation to investments and pooling and governance, as well as expected changes to the Senior Management Team, we plan to review the subgroups supporting the Advisory Panel. This will include the number of scope of the groups, their membership and Terms of Reference.

Timescales and Stages

Review the sub-groups supporting the Advisory Panel	2024/2025 Q1 to Q2
Develop and implement proposed changes to governance arrangements	2024/2025 Q3 to Q4

Resource and Budget Implications

To be led by the Head of Clwyd Pension Fund, with input from the Independent Adviser, Investment Consultant and Fund Actuary. All expected costs are included within the existing budgets.

G3: Compliance with TPR General Code

What is it?

The Pensions Regulator (TPR)'s new General Code of Practice came into force on 27 March 2024. It replaces Code of Practice No.14 (the Code for Public Service Pension Schemes), merging 10 of the 15 codes previously in place, and incorporates previous guidance, e.g. on cyber. A very high level check has already been carried out, but we will carry out a more detailed review of the Fund's practices against the requirements of the new General Code and develop a plan to ensure we comply with those requirements. Whilst there is no explicit timeframe for achieving and demonstrating compliance, we understand TPR expects this to be completed as soon as possible and so we plan to ensure the Fund is fully compliant by the end of 2024/2025.

The Pension Board has a legal requirement to assist in ensuring we comply with TPR's requirements and will therefore oversee this review.

Timescales and Stages

Detailed review of the Fund's practices against the new TPR General Code and develop ongoing action plan in relation to non-compliant areas	2024/2025 Q1 to Q2
Implement the action plan following the review	2024/2025 Q3 to Q4

Resource and Budget Implications

This work will initially be led by the Head of Clwyd Pension Fund working with the Independent Adviser, Chair of the Board and Governance Administration Assistant, but will involve all of the management team. Estimated costs of the review are included within the budgets shown.

G4: Implement regulatory and guidance changes (including Good Governance review)

What is it?

It is expected that there will be new requirements placed on and guidance provided to LGPS funds including:

- requirements to have a training policy in place for Pension Fund Committee members and report regularly on the training completed by Committee members, as proposed by the Department for Levelling Up Housing and Communities¹ (DLUHC)'s response to their 2023 consultation, "Next steps on investments".
- recommendations from the national LGPS Scheme Advisory Board (SAB)'s review of the LGPS governance arrangements ("the Good Governance Review"), including ensuring appropriate conflicts of interest management, knowledge and skills and

¹ DHLUC is the Government Department responsible for the LGPS and issuing LGPS Regulations

having a designated LGPS lead officer in each administering authority. These recommendations were made to DLUHC in 2021 and it was expected that DLUHC would issue statutory guidance in some areas with SAB issuing guidance in other areas. Progress on implementing the Good Governance recommendations has been delayed due to other national priorities and it is currently expected that this will be issued during 2024/2025. DLUHC also announced that it intends to require funds to put in place a Workforce Policy as part of the requirements.

Timescales and Stages

Respond to any further consultations on regulations/guidance from DLUHC and SAB	2024/2025 Q1 to Q3 (estimated)
Review existing arrangements against new regulations and/or guidance	2024/2025 Q2 to Q4 and 2025/2026 (estimated)

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.

G5: Review of governance related policies

What is it?

We have several policies focussing on the governance of the Fund, all of which are subject to a fundamental review, usually at least every three years. The policies due for review in 2024/2025 are the Business Continuity Policy (carried over from 2023/2024), the Conflicts of Interest Policy, Knowledge and Skills Policy, Breaches Policy and the Cyber Strategy.

When reviewing these policies, we will need ensure that they are aligned to the new TPR General Code (see G3) and any Good Governance requirements (see G4). We also expect requirements on Pension Fund Committee knowledge and skills to be implemented as part of the LGPS investment/pooling changes which will be considered when reviewing the Knowledge and Skills Policy. Depending on the timing of any national changes, the timescales shown below may need to change.

Timescales and Stages

Policy	Last reviewed	Next review due	Timescales for review work
Business Continuity Policy	March 2021	June 2024	2024/2025 Q1
Conflicts of Interest Policy	September 2021	September 2024	2024/2025 Q2
Knowledge and Skills Policy	September 2021	September 2024	2024/2025 Q2
Procedure for Recording and Reporting Breaches of the Law	March 2022	March 2025	2024/2025 Q4
Cyber Strategy	March 2022	March 2025	2024/2025 Q4
Governance Policy and Compliance Statement	November 2022	November 2025	2025/2026
Anti-Fraud and Corruption Strategy	March 2023	March 2026	2025/2026
Risk Management Policy	March 2024	March 2027	2026/2027

Resource and Budget Implications

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

G6: Review/tender key supplier contracts and Procurement Act changes

What is it?

We have a number of key supplier contracts that require ongoing review and procurement as follows:

- 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 contract is due to expire on 31 March 2025. However due to the retirement of the Deputy Head of Clwyd Pension Fund in June 2024, the procurement of this contract will take place before her retirement, with the existing contract terminating and the new contract commencing during 2024/2025 (for example, prior to the expected date of 31 March 2025)
- The Fund's independent adviser reaches the end of its contract on 31 March 2025. The independent adviser can also be the Chair of the Pension Board and therefore that needs to be considered at the same point
- The suitability testing for the Fund's Administration Software is next due in February 2028, outside the period of this business plan

There is a new Procurement Act with secondary legislation expected to be made and come into force during 2024. We will ensure we understand the changes being implemented and consider the impact on future procurement we may undertake.

Timescales and Stages

Conduct tender for investment consultancy services	2024/2025 Q1 to Q2
Conduct tender for independent adviser	2024/2025 Q3 to Q4
Consider extension of actuarial and benefits consultancy contract	2024/2025 Q4
Conduct tender for actuarial and benefits consultancy services (assuming extension has been applied)	2025/2026
Consider and implement necessary changes due to Procurement Act 2023	2024/2025 Q2 to Q4

Resource and Budget Implications

The investment consultant tender will be led by the Deputy Head of Clwyd Pension Fund within existing budget. Other tenders will be led by the appropriate senior officer. There

may be additional costs associated with advice required to review the procurement process to ensure it adheres to new regulations expected under the Procurement Act 2023.

G7: Appointment of Local Pension Board and Pension Fund Committee members

What is it?

The Pension Board is made up of 5 members: 2 Employer representatives, 2 Member representatives and 1 independent member. Members are appointed by the Board Secretary after completion of a selection process.

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

- Scheme member representative (non-trade union) – February 2025 (five-year point)
- Scheme employer representative – July 2025 (five-year point)
- Scheme member representative (trade union) – October 2025 (three-year point)
- Scheme employer representative – December 2026 (three-year point)

In addition, the appointment of the Chair of the Pension Board ends on 31 March 2025 so a review exercise will be carried out.

The Pension Fund Committee is made up of nine members, five of these members are Flintshire County Council Councillors with the remainder being co-opted members. The co-opted members comprise one Councillor from Wrexham County Borough Council, one Councillor from Denbighshire County Council and two representative members, one for the other Scheme employers and one for Scheme members in the Fund.

The five Flintshire Councillors are appointed annually, and the Councillors from Wrexham and Denbighshire are appointed until the next ordinary local government election. Both groups can be reappointed for further terms.

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, but may be reappointed for further terms. The existing representative members were appointed in July 2020 so their appointments will need to be reviewed by July 2026.

Timescales and Stages

Review Pension Board scheme member (non-trade Union) representative	2024/25 Q3 to Q4
Review Chair of the Pension Board	2024/25 Q3 to Q4
Review Pension Board representatives (scheme member (trade union) and one scheme employer)	2025/26

Review Pension Board scheme employer representative	2026/27
Review Pension Fund Committee representative members (other scheme employers and scheme members)	2026/27

Resource and Budget Implications

It is expected this will mainly involve the Head of Clwyd Pension Fund taking advice from the Independent Adviser and Chair of the Pension Board, where appropriate. All costs will be met from the existing budget.

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FLINTSHIRE COUNTY COUNCIL

**Administering Authority for
Clwyd Pension Fund**

Business Continuity Policy

March 2021 June 2024

BUSINESS CONTINUITY POLICY

Introduction

This is the Business Continuity Policy (“the Policy”) of the Clwyd Pension Fund (“the Fund”), which is **which is part of the Local Government Pension Scheme (“LGPS”)** managed and administered by Flintshire County Council. The Policy details the Fund’s business continuity arrangements.

This Policy establishes the purpose, context, scope and governance of **our the Fund’s** approach to business continuity. The aim of the Policy is to reduce the effects of any incident or event that could disrupt **our** activities **of the Fund** and ensure either the continuation of or smooth return to business as usual.

Flintshire County Council, as Administering Authority for the Fund We recognise that effective business continuity management is an essential element of good governance and risk management **in the Local Government Pension Scheme (“the LGPS”). We** also believe that the business continuity management approach, and the various elements of it, as set out in this Policy are key internal controls us, and therefore in line with the expectations set out under section 249B of the Pensions Act 2004 which states:

“The scheme manager of a public service pension scheme must establish and operate internal controls which are adequate for the purpose of securing that the scheme is administered and managed—

- a) in accordance with the scheme rules, and**
- b) in accordance with the requirements of the law.”**

The Pensions Regulator also consider this good practice for Public Service Pension Schemes as set out in the Scheme Continuity Planning of the General Code of Practice¹.

Our business continuity management approach, as set out in this Policy, It aims to ensure **we the Fund** can continue to meet **its** legal and regulatory requirements and reduce operational (continuity-related) disruption risk to acceptable levels if **we the Fund** were to experience a business continuity incident.

We recognise that our approach to Business Continuity is reliant on assistance from Flintshire County Council and we seek to ensure that our Business Continuity approach is consistent with the Council’s overall approach.

This Policy sets out the various aspects of business continuity management including how **we the Fund**:

- integrates business continuity management (i.e. through this Policy and the overall governance and framework in place to embed the approach)

¹ <https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice/the-governing-body/risk-management/scheme-continuity-planning>

- assesses key business processes, what are the Fund's our priorities and what are the recovery times, and the associated risks in place
- aligns business continuity management with existing risk management processes
- identifies appropriate recovery strategies in the event of an incident
- documents a our plan to support recovery of critical business processes and
- undertakes appropriate and regular testing to identify issues and validate assumptions made.

Aims and Objectives

We recognise the significance of our role as Administering Authority to the Fund on behalf of its stakeholders which include:

- around 50,000/48,800 current and former members of the Fund, and their dependants
- around 5048 employers within the Flintshire, Denbighshire and Wrexham Council areas
- the local taxpayers within those areas.

Our Fund's Mission Statement is:

- We will be known as forward thinking, responsive, proactive and professional providing excellent customer focused, reputable and credible service to all our customers.
- We will have instilled a corporate culture of risk awareness, financial governance, and will be providing the highest quality, distinctive services within our resources.
- We will work effectively with partners, being solution focused with a 'can do' approach.

This Policy is integral to ensuring that our the Fund's mission statement and our the Fund's key strategic objectives continue to be achieved. In relation to business continuity, our objectives are to:

- Maintain and adapt recovery strategies and testing to be able to deliver business continuity solutions to agreed levels within agreed timescales as set out in the Business Continuity Plan
- Ensure our the Fund's business continuity approach encompasses key processes and addresses any continuity issues that may arise allowing us the Fund to maintain key services and minimise any negative impact
- Ensure normal operations can be restored as efficiently and effectively as possible following an incident
- Ensure all our Pension Fund staff, the our Pension Fund Committee, Pension Board, Pension Fund Advisory Panel and other relevant stakeholders (such as advisers and suppliers) understand our the Fund's business continuity management approach and their responsibilities in relation to it
- Integrate business continuity management into our business as usual activities and the culture of the Fund and regularly review its effectiveness.

Business Continuity Management Approach

In addition to the governance of business continuity as set out in this Business Continuity Policy, ~~our the Fund's~~ Business Continuity Management approach is made up of a further four key elements as follows:

Strategic Business Impact Assessment

~~Our The Fund's~~ Strategic Business Impact Analysis (SBIA) and risk assessment identify how continuity-related risks are controlled. The SBIA identifies ~~our the Fund's~~ critical business processes (i.e. services), dependencies and associated recovery timeframes, leading to the development of appropriate business continuity management solutions.

~~We will review our~~ The SBIA ~~will be reviewed~~ every three years, or on the change of any key dependency (including suppliers) ~~of the Fund~~ or key delivery timescales in line with recovery time objectives, to ensure all relevant continuity-based risks are captured.

Recovery strategies

~~We use r~~ Recovery strategies ~~are used~~ to identify and select appropriate solutions to determine how ~~we can achieve~~ continuity ~~can be achieved~~ in the event of an incident. Details of ~~our the Fund's~~ agreed recovery strategies will be included in ~~the our~~ Business Continuity Plan.

Business Continuity Plan

The aim of ~~the our~~ Business Continuity Plan is to identify and document ~~our the~~ recovery priorities, procedures, responsibilities, and resources that ~~we~~ will implement and ~~will~~ support ~~our the Fund's~~ management of an incident. ~~This will include a specific Crisis Management Team to help respond, recover, resume, and restore operational and supporting activities following an incident.~~

The business continuity plan is a separate document which ~~we~~ will ~~be~~ formally reviewed and updated ~~at least annually or whenever there is a significant change in our Fund resources or practices.~~ ~~This can be found within the administration and finance shared drive, as well as a hard copy located in the Pensions office.~~

Testing

Testing is an important aspect of business continuity planning. ~~We The Fund~~ will undertake realistic testing exercises in order to ensure ~~our the Fund's~~ business continuity objectives can be met, and that ~~the our~~ plans and procedures in place for business continuity are appropriate and effective. Testing should help ~~us~~ identify issues and validate assumptions made as part of ~~our the Fund's~~ business continuity plan. It will also assist ~~us~~ in ensuring there is continual improvement in the overall level of resilience. The outcomes from testing should feed into the other elements of ~~our the~~ business continuity management system, such as the business continuity plan. ~~In addition following any testing or live incident there will be a debrief exercise to allow lessons to be learnt from our response to an incident.~~

~~We are~~ ~~The Fund is~~ committed to the continual, systematic review and improvement of ~~our its~~ Business Continuity Management approach.

Responsibility for Business Continuity Management

The Head of Clwyd Pension Fund is the designated individual for ensuring the business continuity management approach outlined in this Policy is carried out subject to the oversight by our of the Pension Fund Committee and Pension Board. The Deputy Head of Clwyd Pension Fund and the Pensions Administration Manager is are responsible for updating this Policy and relevant business continuity documentation. The Crisis Management Team Lead (as defined in the Business Continuity Plan) is responsible for enacting and following the Business Continuity Plan in the case of an incident.

However, it is the responsibility of all our Fund's staff to comply with this Policy and our the business continuity management approach of the Fund. Our Fund advisers and third-party providers will be made aware of this Policy and will are expected to be integral in the delivery of our the Fund's business continuity management systems, as well as having their own business continuity arrangements in place.

Monitoring of this Policy

To assist in identifying whether we are meeting the objectives of this Policy, we will ensure regular updates on business continuity matters are considered at will be provided to the our Pension Fund Committee. In addition, our the Pension Board will consider reports (as required) on the results of our testing results and high level findings from exercises we undertaken. We will incorporate any lessons learned from any debriefing exercise following either a test or a live incident into the Business Continuity Plan.

We will also ensure that there is a requirement for suitable business continuity arrangements to be in place when contracting with our advisers and third-party service providers. We will also monitor the suitability of their business continuity arrangements periodically.

Key risks to the effective delivery of this Policy

The key risks to the delivery of this Policy are outlined below. Our The Pension Fund Committee members and Pension Board members, with the assistance of the Clwyd Pension Fund Advisory Panel, will monitor these and other key risks and consider how to respond to them.

- Changes in any or all of our the Pension Fund Committee, Pension Fund Advisory Panel, Pension Board membership, or senior officers mean we do not identify areas of business continuity management are not identified due to lack of knowledge
- We have insufficient resources being available to satisfactorily assess or take appropriate action in relation to business continuity management
- Lack of engagement or awareness of external factors means we do not identify, or address in a timely manner, the key risks relating to business continuity are not identified or addressed in a timely manner.

Costs

All costs related to the operation and implementation this Business Continuity Policy are met directly by Clwyd Pension Fund, except where otherwise covered by an agreement **we have** with the host authority or one or more external stakeholders.

Approval, Review and Consultation

This Business Continuity Policy was **initially reviewed and** approved at **the our** Clwyd Pension Fund Committee meeting on **23 March 2021** **19 June 2024**. **We** It will be formally reviewed **and updated it** at least every three years or sooner if **the our** business continuity management arrangements or other matters included within it merit reconsideration.

Further Information

If you require further information about anything in or related to this Business Continuity Policy, please contact:

Philip Latham, Head of Clwyd Pension Fund, Flintshire County Council
E-mail - Philip.latham@flintshire.gov.uk
Telephone - 01352 702264

LGPS Scheme Advisory Board Summary note of (hybrid) meeting held on 11th March 2024

Full details of the meeting and agenda papers can be found on the [board meetings page](#).

The minutes of the meeting on 4th December were approved and the main points arising from the meeting are shown below.

Cllr Phillips confirmed that he and the Board Secretary Jo Donnelly had **met with the new Local Government Minister**, Simon Hoare MP in person on 16th January 2024. Topics discussed included McCloud; the government's response to the [next steps on investments](#) consultation; as well as government progress on the Good Governance recommendations and on the climate risk reporting consultation response.

The **BDS Bill**, had its second reading in the House of Lords on 20th February 2024. It was expected that the Bill would be entering committee stage on 20th March 2024. The amendments that had been supported or proposed by the LGA to date have not yet been incorporated. The Government are keen for the Bill to receive Royal Assent as soon as possible.

The Board received a **Spring Budget and Investment policy reforms update** from DLUHC. Officials confirmed that Ministers wanted to move at pace on the pooling agenda and this greater certainty of direction was welcomed by the Board. However, the Board expressed concern about a number of recent announcements which seemed to view the LGPS as an alternative source of funding of local government services. DLUHC would work closely with the SAB to discuss its proposals and support funds in meeting the requirements of any new guidance.

The results of 2020 **SAB Scheme Cost Assessment** were received, the assumptions were agreed at the last meeting. The Board was also briefed in confidence on HMT's Cost Control Mechanism Results. These are embargoed until publication by HMT (which is expected in the coming weeks).

The Pensions Regulator's new General Code was laid in Parliament on 10 January 2024 and was expected to come into force on 27 March 2024. The Secretariat had held a workshop with funds and was still working through the Code to provide advice to funds on what they may need to do in response. They are also working with DLUHC to identify areas of overlap with other proposals, such as DLUHC's response to the Board's Good Governance recommendations.

The Board was given an update on actions to address the **Gender Pensions Gap (GPG)**. [A virtual event on closing the equality gap on pay and pensions](#) will be held on 9th May 2024 at 14:00 in conjunction with the LGA Workforce Team.

A revised **budget and workplan** for 2024/25 was approved by the Minister. The budget was broadly the same as the previous year but would allow for additional capacity in the Secretariat team and improvements to the SAB website.

Date of Next Meeting – 22nd July 2024



TPR General code of practice

Clwyd Pension Fund - Scheme Assessment

Prepared for: Flintshire County Council
Clwyd Pension Fund Committee
Clwyd Pension Board

Prepared by: Aon
Date: 31 May 2024

Introduction






TPR Code Compliance model

This report sets out how Clwyd Pension Fund complies with the Pension Regulator's (TPR) General code of practice (the Code) in relation to the management of the Clwyd Pension Fund which is part of the Local Government Pension Scheme (LGPS).

Note that the Code applies to governing bodies of all occupational, personal and Public Service Pension Schemes and therefore it is generic in nature. This document highlights all the key elements of the Code relevant to Public Service Pension Schemes and sets out whether Flintshire County Council is compliant in each of the Code's modules. There may be a number of requirements relating to these elements that are specifically stipulated within LGPS legislation and it is not the purpose of this compliance model to consider that level of detail.

Key

-  Compliant
-  Compliant in some but not all areas
-  Not currently compliant

PFC Pension Fund Committee

PB Local Pension Board

TPR The Pensions Regulator

LGPS Local Government Pension Scheme

Code TPR's General code of practice

The governing body



The governing body – at a glance



Board Structure and activities

Fully compliant in 0 out of 5 modules



6 questions are red and 5 questions are amber out of 30 questions.

Knowledge and understanding requirements

Fully compliant in 0 out of 2 modules



No questions are red and 5 questions are amber out of 20 questions.

Advisers and service providers

Fully compliant in 0 out of 1 module



1 question is red and 2 questions are amber out of 19 questions.

Risk Management

Fully compliant in 2 out of 6 modules



6 questions are red and 4 questions are amber out of 50 questions. 7 questions are unanswered.

Scheme governance

Fully compliant in 0 out of 1 module



No questions are red and no questions are amber out of 24 questions. 24 questions are unanswered.

Essential actions

- Confirm that Induction training includes all required items, particularly for PB and Co-opted member induction.
- Review appointments section of the Governance Policy and ensure it includes all required elements
- Document where the Fund is not in full control of the recruitment process for the governing body particularly where this might impact on having an inclusive process.
- Document where the Fund is not in full control of the review process for the governing body particularly where this might impact on having a diverse membership.
- Complete the succession planning work set out in the 2024/25 Business Plan
- Incorporate resignation and removal processes into the Governance Policy based on FCC's policies.
- Confirm what processes relating to the appointment of the PFC and PB chairs are set out in the Constitution and PB Protocol
- Consider what training should be offered to PFC and PB Chairs

Comments

ORA not considered a priority at this time.

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.



The governing body

Modules

Board structure and activities

- Role of the governing body (1)
- Recruiting and appointment to the governing body (2,6)
- *Arrangements for member-nominated trustee appointments (7)*
- Appointment and role of the chair (5)
- Meetings and decision-making (1)
- Remuneration and fee policy (4)

Knowledge & understanding requirements

- Knowledge and understanding (3,6)
- Governance of knowledge and understanding (3,6)

Value for scheme members (DC only)

- *Value for members (7)*

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply

Advisers and service providers

- Managing advisors and service providers (4)

Risk management

- Identifying, evaluating and recording risks (1)
- Internal controls (1)
- Assurance reports on internal controls (1)
- Scheme continuity planning (4)
- Conflicts of interest (3,6)
- Own risk assessment (4)
- *Risk management function (7)*

Scheme governance

- Systems of governance (4)





Funding and investment

Funding and investment – at a glance



Investment

Fully compliant in 2 out of 4 modules



No questions are red and 6 questions are amber out of 37 questions.

Essential actions

- Consider whether investment performance reporting is done on both a gross and a net basis (of fees)
- Consider monitoring the investment risks at a manager level as well as a portfolio level
- Consider the operational risks of climate change
- Consider the short, medium and long term effects of climate change on the Fund's operations
- Document the review of operational risks of climate change
- Document the process to manage and assess the operational risks of climate change

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Funding and investment



Modules

Investment

- Investment governance (4)
- *Investment decision making* (7)
- Investment monitoring (4)
- Stewardship (6)
- Climate change (3,6)
- *Statement of investment principles* (6)*
- *Default arrangements and charge restrictions* (7)

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply

* Note that for the Statement of investment principles module the Code references good practice for PSPSs. However, due to the overriding legal requirement to have an Investment Strategy Statement (ISS) in place we have not included any questions on this module but have referred to the ISS within the Investment governance module.



Administration



Administration – at a glance



Scheme administration

Fully compliant in 0 out of 1 module



1 question is red and 4 questions are amber out of 16 questions.

Information handling

Fully compliant in 1 out of 4 modules



No questions are red and 8 questions are amber out of 42 questions.

Essential actions

- Ensure the person responsibility for each administration process is documented
- Ensure a regular review process is put in place as part of documenting the administration processes
- Ensure all administration processes are documented
- Finalise business continuity plan
- Ensure all administration processes are documented and a review process is put in place
- Document all financial transactions processes and ensure ongoing review cycle is implemented
- Ensure financial transaction approvals processes are documented
- Ensure regular discussions take place with employer issuing payments via cheque
- Implement a process to check reports from Accounts Payable show payment timeframes are being met, and regular reports are being received and are acted on
- Ensure all processes relating to record keeping for administration transactions are documented,

IT

Fully compliant in 0 out of 2 modules



No questions are red and 5 questions are amber out of 17 questions.

Contributions

Fully compliant in 0 out of 3 modules



2 questions are red and 6 questions are amber out of 13 questions.

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Administration



Modules

Scheme administration

- Planning and maintaining administration (1)

Information handling

- Financial transactions (1)
- Transfers out (2)
- Record-keeping (3,6)
- Data monitoring and improvement (1)

IT

- Maintenance of IT systems (1)
- Cyber controls (2,6)

Contributions

- Receiving contributions (3)
- Monitoring contributions (1)
- Resolving overdue contributions (1)

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply



Communications and disclosure



Communications and disclosure – at a glance



Information to members

Fully compliant in 2 out of 5 modules



4 questions are red and 2 questions are amber out of 22 questions.

Public information

Fully compliant in 1 out of 2 modules



1 question is red and 1 question is amber out of 14 questions.

Essential actions

- Review member letters, forms and factsheets to confirm they apply the principles of plain language
- Consider more targeted communications and roadmaps in line with Communications Strategy and Business plan
- Confirm with Prudential that their benefit statements are sent on time
- Confirm with Prudential and Utmost that the benefit statements content meets the legal requirements around information provided
- Confirm that information about Pension Wise is included with applications for members taking their AVCs
- Review the Pension Board website page to ensure the information provided meets the requirements of the code
- Document the review process for Pension Board information on website

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Communication and disclosure



Modules

Information to members

- General principles for member communications (1)
- *Annual pension benefit statements (DC)* (7)
- *Summary funding and pension benefit statements (DB)* (7)
- Benefit information statements (PSPS) (1)
- Retirement risk warnings and guidance (1)
- Notification of right to cash transfer sum or contribution refund (2)
- *Chair's statement* (7)
- Scams (1)
- *Audit requirements* (7)

Public information

- Publishing scheme information (PSPS) (2,6)
- Dispute resolution procedures (2,6)

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply



Reporting to TPR



Reporting to TPR – at a glance



Regular reports

Fully compliant in 1 out of 1 module



No questions are red and no questions are amber out of 3 questions.

Whistleblowing- Reporting breaches of the law

Fully compliant in 2 out of 4 modules



No questions are red and 3 questions are amber out of 11 questions.

Essential actions

- Communicate the requirements under the breaches procedure to employers as part of update to Administration strategy and annual employer update
- Highlight the availability of training in relation to breaches requirements (in addition to other training) when communicating with employers
- Consider how to ensure employers are aware of the duty to report contribution breaches and put in place a CPF escalation process
- Improve recording of contribution payment failures to expand information being captured

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Reporting to TPR



Modules

Regular reports

- Registrable information and scheme returns (1)

Whistleblowing - reporting breaches of the law

- Who must report (1)
- Decision to report (1)
- How to report (1)
- Reporting payment failures (1)

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply



The information set out in this report is based on the expectations set out in the Code, compared to your current practice and it is not a regulatory and compliance audit. The information is based on the responses by the Administering Authority to questions set by Aon based on information contained in the Code.

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Training Plan as at 24 May 2024

External or CPF event?	Essential or Desirable	Title of session	Training Content	Timescale	Training Length (Hours)	Essential For	Comments / Timescales
External	Desirable	WPP - Q1 - Product Knowledge and Cyber Security	Product Knowledge and Cyber Security	18 Jun 2024	TBC		
External	Desirable	PLSA Local Authority Conference	PLSA Annual Conference	18 Jun 2024	TBC		11-13 June - De Vere Cotswold Waterpark, Gloucestershire
Internal	Essential	CPF Essential Training - Impact Investing	The Fund's approach on impact investing.	19 Jun 2024	TBC	Committee members, Board members, Senior Officers	
Internal	Essential	CPF Essential Training - Governance	Including Good Governance and an update on the Fund's position against TPR's General Code	11 Sep 2024	TBC	Committee members, Board members	
External	Desirable	LGA Fundamentals 2024 - Day 1	LGA LGPS Fundamentals - Agenda TBC	10 Oct 2024	TBC		October 10th (York), 15th (London) or 25th & 30th (Online)
External	Desirable	LGA Fundamentals 2024 - Day 2	LGA LGPS Fundamentals - Agenda TBC	05 Nov 2024	TBC		November 5th (York), 13th (London) or 21st & 28th (Online)
Internal	Essential	CPF Essential Training - Funding Strategy	Actuarial matters around the interim valuation and the potential changes to Funding Strategy ahead of the 2025 Actuarial Valuation	27 Nov 2024	TBC	Committee members, Board members	
External	Desirable	LGA Fundamentals 2024 - Day 3	LGA LGPS Fundamentals - Agenda TBC	04 Dec 2024	TBC		December 4th (York), 10th (London) or 12th & 17th (Online)
Internal	Essential	CPF Essential Training - TNFD	Including the requirements of TNFD and how the Fund intends to implement these.	19 Feb 2025	TBC	Committee members, Board members	
Internal	Essential	CPF Essential Training TBC	TBC	18 Jun 2025	TBC	Committee members, Board members	

Previous Events

Training Plan as at 24 May 2024

External or CPF event?	Essential or Desirable	Title of session	Training Content	Timescale	Training Length (Hours)	Essential For	Comments / Timescales
External	Desirable	CIPFA Annual LPB Conference for Board Members	CIPFA Annual Conference for Pension Board members	15 May 2024	?		London
External	Desirable	Aon Webinar - Cyber and TPR Requirements	Aon Webinar	14 May 2024	?		
Internal	Essential	TPR General Code	Includes the role and powers of The Pensions Regulator, as well as the Code requirements	20 Mar 2024	4	Committee members, Board members	Afternoon
External	Desirable	LGC Investment Seminar 2024	LGC Investment Seminar, Carden Park (Chester)	14 Mar 2024	12		14-15th March
External	Desirable	WPP - Q4 - Market Understanding & Regulatory Requirements	Progress of other LGPS pools & Collaboration Opportunities; Pooling Guidance	05 Mar 2024	4		Q4
Internal	Essential	Investment Matters and Training Plan	CPF Investment Matters and Training Plan	28 Feb 2024	4	Committee members, Board members	Afternoon

Ref	A1	Date entered in register	19/09/2017
Status	Open	Date breached closed (if relevant)	
Title of Breach	Late notification of joining	Owner	SB/AR
Party which caused the breach	CPF + various employers		
Description and cause of breach	<p>Requirement to send a Notification of Joining the LGPS to a scheme member within 2 months from date of joining (assuming notification received from the employer), or within 1 month of receiving jobholder information where the individual is being automatically enrolled / re-enrolled.</p> <p>Due to a combination of late notification from employers and untimely action by CPF the legal requirement was not met. 20/11/18 - (Q2) Staff turnover in August/September reduced number actioned. 29/1/19 The introduction of I-connect is also producing large backlogs at the point of implementation for each employer. I-connect submission timescales can also leave only a few days for CPF to meet the legal timescale. 14/8/19 General data cleansing including year-end is affecting whether legal timescale is met. Individual on long-term sick impacting this. 14/2/22 Previous issues no longer relevant. Current situation is purely due to magnitude of cases being received and potentially employer delays. 31/10/2022 Staff member doing this process had internal secondment, so vacancy now needs to be filled, and then trained. 10/3/2023 New staff member is now being trained so will continue to have impact until fully up to speed. 20/02/2024 Additional positions within this area approved at August Committee. Recruitment drive completed and new staff members started early February. Breach expected to continue until new staff are fully up to speed.</p>		
Category affected	Active members		
Numbers affected	<p>2017/18: 2676 cases completed / 76% (2046) were in breach. 2018/19: 3855 cases completed / 66% (2551) were in breach. 2019/20: 3363 cases completed / 50% (1697) were in breach. 2020/21: 3940 cases completed / 39% (1544) were in breach 2021/22; 4072 cases completed / 15 % (626) were in breach 2022/23 -Q1 - 947 cases completed / 5% (50) were in breach -Q2 - 968 cases completed / 12% (112) were in breach -Q3 - 1437 cases completed / 20% (286) were in breach -Q4 - 947 cases completed / 15% (140) were in breach 2023/24 -Q1 - 713 cases completed / 12% (86) were in breach -Q2 - 794 cases completed / 7% (61) were in breach -Q3 - 1234 cases completed / 8% (99) were in breach -Q4 - 695 cases completed / 7% (50) were in breach</p>		
Possible effect and wider implications	<ul style="list-style-type: none"> - Late scheme information sent to members which may result in lack of understanding. - Potential complaints from members. - Potential for there to be an impact on CPF reputation. 		

Actions taken to rectify breach	<ul style="list-style-type: none"> - Roll out of iConnect where possible to scheme employers including new admitted bodies to ensure monthly notification of new joiners (ongoing). - Set up of Employer Liaison Team (ELT) to monitor and provide joiner details more timelessly. - Training of new team members to raise awareness of importance of time restraint. - Prioritising of task allocation. KPIs shared with team members to further raise awareness of importance of timely completion of task. <p>Actions prior to 2022 not shown, but recorded on the breaches log.</p> <p>14/02/2022 - Appointed to vacant positions and Modern Apprentices trained in this area.</p> <p>22/05/2022 - Training now complete. Expecting further reductions in next quarter results as staff members become more efficient. 12/08/2022 - Number of breaches fallen as expected due to completion of training. Recent staff vacancies will impact on this measure going forward as vacancies are filled and training starts again.</p> <p>31/10/2022 - Number of breaches has increased this quarter. Staff vacancies have been advertised, shortlisting and interviews planned in the coming weeks. Prioritising workloads will be key so the number of cases in breach do not continue to rise. 03/03/2023 - Vacant positions filled and training underway. 24/05/2023 - Training continues and staff members attained a KPI presentation to fully understand implications if timescales not met. 16/08/2023 - Internal staff movement has had a short term impact on this KPI. Expecting reductions in next quarter results as staff members become more efficient. 10/11/2023 Additional resource approved at last Committee. Expecting further reduction of breaches once appointed.</p> <p>6/02/2024 Appointments made in December with start dates early February. Improvements expected once training complete. 24/5/2024 New staff members now in post and training nearing completion. Improvements expected in next quarter.</p>
Outstanding actions (if any)	22/05/22 - Analyse new employer reports and escalate to individual employers if required.
Assessment of breach and brief summary of rationale	24/5/2024 - Number in breach has reduced slightly but so has the number requiring completion. Assessment of breach to remain Amber until improvements are made.
Reported to tPR	No

Ref	A2	Date entered in register	19/09/2017
Status	Open	Date breached closed (if relevant)	
Title of Breach	Late transfer in estimate	Owner	AR
Party which caused the breach	CPF + various previous schemes		
Description and cause of breach	<p>Requirement to obtain transfer details for transfer in, and calculate and provide quotation to member 2 months from the date of request.</p> <p>Breach due to late receipt of transfer information from previous scheme and late completion of calculation and notification by CPF. Only 2 members of team fully trained to carry out transfer cases due to new team structure and additional training requirements. 29/1/19 National changes to transfer factors meant cases were put on hold / stockpiled end of 2018 / early 2019.</p> <p>31/10/2022 New regulatory requirements have resulted in additional steps having to be taken, which makes process longer and more complex.</p> <p>10/11/2023 Due to awaiting new GAD guidance, there was a pause in processing for a few months to November 2023.</p> <p>6/02/2024 Following on from receipt of GAD guidance, further software updates are required to facilitate completion of certain transfers (club transfers).</p>		
Category affected	Active members		
Numbers affected	<p>2017/18: 235 cases completed / 36% (85) were in breach.</p> <p>2018/19: 213 cases completed / 45% (95) were in breach.</p> <p>2019/20: 224 cases completed / 32% (71) were in breach</p> <p>2020/21: 224 cases completed / 25% (57) were in breach</p> <p>2021/22: 309 cases completed / 28% (87) were in breach</p> <p>2022/23</p> <ul style="list-style-type: none"> -Q1 - 98 cases completed / 9% (9) were in breach -Q2 - 104 cases completed / 19% (20) were in breach -Q3 - 66 cases completed / 12% (8) were in breach -Q4 - 118 cases completed / 17% (20) were in breach <p>2023/24</p> <ul style="list-style-type: none"> -Q1 - 31 cases completed / 55% (17) were in breach -Q2 - 111 cases completed / 59% (66) were in breach -Q3 - 52 cases completed / 54% (28) were in breach -Q4 - 95 cases completed / 77% (73) were in breach 		

Possible effect and wider implications	- Potential financial implications on some scheme members. - Potential complaints from members/previous schemes. - Potential for impact on CPF reputation.
Actions taken to rectify breach	17/11/2020 - Continued training of team members to increase knowledge and expertise to ensure that transfers are dealt with in a more timely manner. 02/02/2021 - Training to continue. Complex area of work so training taking longer to complete. Training will continue through Q4. 21/05/2021 - Staff members attended external training course. 08/03/2022 - Have investigated how much of the delay is due to external schemes. 22/05/2022 - Additional checks required in transfer process. Schemes taking longer to process therefore knock on effect. Expect this to reduce as industry adjusts to new processes. 12/8/2022 - Ensure team is up to date with legislative and procedural changes. Some of this requirements are out of the Funds control so need to ensure required timescales are communicated effectively. 31/10/2022 - A review of this process is being undertaken as additional steps are now required. 03/03/2023 - Process has been reviewed and improvements expected in the next quarter results. 24/05/2023 - Completed training for required staff members 16/08/2023 - Transfers have been on hold whilst awaiting GAD guidance and relevant factors for calculation. Guidance has now been received and staff are working through backlog. 10/11/2023 - Staff continuing to work through backlog following the pause in processing whilst awaiting GAD guidance. 6/02/2024 - Some transfers still on hold whilst awaiting software update following release of guidance. Staff working through backlog of transfers that can be processed. Breach likely to remain until all information received from outgoing pension providers. 24/05/2024 - Some transfers continue to be on hold whilst awaiting further guidance. Staff continue to work through backlog of transfers that can now be processed. Breach likely to remain until all transfers can be processed and all information received from outgoing pension provider.
Outstanding actions (if any)	07/06/2024 - implement new software updates when they are received
Assessment of breach and brief summary of rationale	24/5/2024 - More cases have been completed due to guidance and information from outgoing funds being received for a number of transfer types that were previously on hold. As the breaches relate to historical cases and due to the temporary nature of the backlog, the assessment of the breach will remain Amber.
Reported to tPR	No

Ref	A4	Date entered in register	19/09/2017
Status	Open	Date breached closed (if relevant)	
Title of Breach	Late notification of retirement benefits	Owner	SB
Party which caused the breach	CPF + various employers + AVC providers		
Description and cause of breach	<p>Requirement to provide notification of amount of retirement benefits within 1 month from date of retirement if on or after Normal Pension Age or 2 months from date of retirement if before Normal Pension Age.</p> <p>Due to a combination of:</p> <ul style="list-style-type: none"> - late notification by employer of leaver information - late completion of calculation by CPF - for members who have AVC funds, delays in receipt of AVC fund values from AVC provider. - temporary large increases in work due to retrospective pay award recalculations <p>31/10/2022 Also seeing general increase in number of retirements.</p> <p>20/02/2024 Previous vacancies within this area now filled. Breach expected to continue until new staff are fully up to speed.</p>		
Category affected	Active members mainly but potentially some deferred members		

Numbers affected	<p>2017/18: 960 cases completed / 39% (375) were in breach. 2018/19: 1343 cases completed / 30% (400) were in breach 2019/20: 1330 cases completed / 25% (326) were in breach 2020/21: 1127 cases completed / 24% (269) were in breach 2021/22; 1534 cases completed / 14% (222) were in breach 2022/23 -Q1 - 413 cases completed / 19% (81) were in breach -Q2 - 442 cases completed / 18% (81) were in breach -Q3 - 419 cases completed / 14% (58) were in breach -Q4 - 358 cases completed / 18% (66) were in breach 2023/24 -Q1- 370 cases completed / 12% (43) were in breach -Q2 - 478 cases completed / 13% (62) were in breach -Q3 - 434 cases completed / 18% (80) were in breach -Q4 - 456 cases completed / 15% (68) were in breach</p>
Possible effect and wider implications	<ul style="list-style-type: none"> - Late payment of benefits which may miss payroll deadlines and result in interest due on lump sums/pensions (additional cost to CPF). - Potential complaints from members/employers. - Potential for there to be an impact on CPF reputation.
Actions taken to rectify breach	<ul style="list-style-type: none"> - Roll out of iConnect where possible to scheme employers including new admitted bodies to ensure monthly notification of retirees (ongoing). - Set up of ELT to monitor and provide leaver details in a more timely manner. - Prioritising of task allocation. - Set up of new process with one AVC provider to access AVC fund information. - Increased staff resources. <p>Actions prior to 2023 not shown, but recorded on the breaches log. 03/03/2023 - New staff have been appointed but will not be fully trained for a number of months. 24/05/2023- Training of new staff continues. New project team is being established to remove non KPI/ad hoc pressures from Operations which impacts on workload. Improvements will be made over a period of months. 16/08/2023 - Recruitment campaign underway to fill vacant positions within operations team following internal promotion. Further improvements expected once positions filled and new staff members trained. Workload reviewed and new structure being proposed at August Pension Committee for approval. If approved, additional resource will assist with reducing number of cases in breach. 10/11/2023 - New structure approved and vacant positions within the retirement team have been filled. Further reductions expected once new recruits are fully trained. 6/02/2024 - Training of new recruits is progressing well. Time taken to train and annual leave due to holiday season has impacted on the number of cases in breach this quarter. Improvements expected as training nears completion. 24/5/2024 - Number of cases completed has increased and the number in breach has reduced. Continued improvement expected in this area.</p>
Outstanding actions (if any)	<p>22/05/22 - Analyse new employer reports and escalate to individual employers if required. Complete all recalculations so all appropriate staff can focus on retirements. 10/3/2023 - Training of new staff to be able to carry out retirements. 24/05/2023 - Transfer non KPI/ad hoc cases of work to project team.</p>
Assessment of breach and brief summary of rationale	24/05/2024 - Training continues and improvement is as expected but the number in breach still too high to reduce assessment.
Reported to tPR	No

Ref	A6	Date entered in register	20/09/2017
Status	Open	Date breached closed (if relevant)	
Title of Breach	Late notification of death benefits	Owner	SB
Party which caused the breach	CPF		

Description and cause of breach	<p>Requirement to calculate and notify dependant(s) of amount of death benefits as soon as possible but in any event no more than 2 months from date of becoming aware of death, or from date of request by a third party (e.g. personal representative).</p> <p>Due to late completion by CPF the legal requirements are not being met. Due to complexity of calculations, only 2 members of team are fully trained and experienced to complete the task.</p> <p>31/10/2022 More staff now trained on deaths but they are impacted due to increases in other workloads.</p> <p>20/02/2024 Training taking longer than expected due to complexity of cases and staff members are also training other members of staff in different areas.</p>
Category affected	Dependant members + other contacts of deceased (which could be active, deferred, pensioner or dependant).
Numbers affected	<p>2017/18: 153 cases completed / 58% (88) were in breach.</p> <p>2018/19: 184 cases completed / 30% (56) were in breach</p> <p>2019/20: 165 cases completed / 28% (53) were in breach</p> <p>2020/21: 195 cases completed / 27% (53) were in breach</p> <p>2021/22: 207 cases completed / 13% (26) were in breach</p> <p>2022/23</p> <p>-Q1- 59 cases completed / 17% (10) were in breach</p> <p>-Q2 - 37 cases completed / 22% (8) were in breach</p> <p>-Q3 - 51 cases completed / 39% (20) were in breach</p> <p>-Q4 - 43 cases completed / 28% (12) were in breach</p> <p>2023/24</p> <p>-Q1- 43 cases completed / 28% (12) were in breach</p> <p>-Q2 - 33 cases completed / 36% (12) were in breach</p> <p>-Q3 - 53 cases completed / 26% (14) were in breach</p> <p>-Q4 - 42 cases completed / 29% (12) were in breach</p>
Possible effect and wider implications	<ul style="list-style-type: none"> - Late payment of benefits which may miss payroll deadlines and result in interest due on lump sums/pensions (additional cost to CPF). - Potential complaints from beneficiaries, particular given sensitivity of cases. - Potential for there to be an impact on CPF reputation.
Actions taken to rectify breach	<ul style="list-style-type: none"> - Further training of team - Review of process to improve outcome - Recruitment of additional, more experienced staff. <p>3/6/19 - Review of staff resources now complete and new posts filled.</p> <p>3/2/20 - Training of additional staff now complete.</p> <p>18/8/21 - Further work completed identifying where the delay fell e.g. request or receipt of information to facilitate the calculation of benefits, and action taken to improve these issues.</p> <p>31/10/2022 - Due to pressures of other processes and vacancies within the team, key staff responsible for this process are stretched. Vacancies advertised, shortlisting and interviews planned within coming weeks.</p> <p>03/03/2023 - Vacant positions have now been filled and training is underway.</p> <p>16/08/2023 - Training nearing completion, improvements expected in coming months.</p> <p>10/11/2023 - Training still ongoing as also training new staff members on retirement process. A number of these breaches incurred due to being notified of death quite late into the 2 month legal timeframe.</p> <p>24/5/2024 - Improvement are still expected due to the training of additional staff in this area. Breaches will continue to occur if the Fund is notified late within the 2 month period. Internal processing times suggest this to be the case.</p>
Outstanding actions (if any)	10/3/23 Ensure all training continues as quickly as possible to free up people to refocus on death cases.
Assessment of breach and brief summary of rationale	24/05/2024 Further reduction in number of breaches required. Assessment of breach to remain Amber.
Reported to tPR	No

Ref	A26	Date entered in register	10/11/2023
Status	Open	Date breached closed (if relevant)	
Title of Breach	Late transfer out estimate	Owner	AR
Party which caused the breach	CPF		

Description and cause of breach	Requirement to provide details of transfer value for transfer out on request within 3 months from date of request (CETV estimate). Note this is the same as breach A3 which was closed previously. Late completion of calculation and notification by CPF due awaiting new GAD guidance (which resulted in a pause in processing for a few months to November 2023).
Category affected	Active and deferred members
Numbers affected	2023/24 -Q2 - 103 cases completed / 32% (33) were in breach -Q3 - 72 cases completed / 19% (14) were in breach -Q4 - 88 cases completed / 51% (45) were in breach
Possible effect and wider implications	- Potential financial implications on some scheme members. - Potential complaints from members/new schemes. - Potential for impact on CPF reputation.
Actions taken to rectify breach	10/11/2023 - Transfers have been on hold whilst awaiting GAD guidance and relevant factors for calculation. Guidance has now been received and staff are working through backlog. 24/05/2024 - Staff continue to work through backlog of cases following transfers being on hold. As more transfers are able to be completed the number in breach will continue to increase until all backlog cases have been completed. Staff members within relevant team are prioritising what can be done to reduce number of future backlogs.
Outstanding actions (if any)	None
Assessment of breach and brief summary of rationale	24/05/2024 - Not all transfer types can be completed but work continues to process as many transfer cases as possible. As this is temporary and given the number in breach is impacted by the increase of numbers being completed that were previously on hold the breach will remain Amber until the backlog of cases on hold is completed.
Reported to tPR	No

Ref	F110	Date entered in register	01 Jun 2023
Status	Open	Date breached closed (if relevant)	
Title of Breach	No submission of contribution remittance advice	Owner	DF
Party which caused the breach	Marchwiell Community Council		
Description and cause of breach	A remittance advice detailing information in relation to contribution payments should be submitted to CPF at the same point as the payment is made. The remittance advice relating to April 2023 was not received within the deadline. Multiple previous breaches, however only one within the last two years, F73.		
Category affected	Active members and employer		
Numbers affected	1 active member		
Possible effect and wider	Unable to verify information being paid or reconcile with member year end information.		
Actions taken to rectify breach	21/06/2023 - Emailed to request outstanding remittances. No response received. See subsequent actions F112-F117,F119,F124		
Outstanding actions (if any)	See F124		
Assessment of breach and brief summary of rationale	Amber - Multiple unresolved missing remittances with risk of recurrence, however effect is limited to a single employer and single active member. Fund is aware of circumstances and wider implications are unlikely.		
Reported to tPR	No		

Ref	F112	Date entered in register	23 Jun 2023
Status	Open	Date breached closed (if relevant)	
Title of Breach	No submission of contribution remittance advice	Owner	DF
Party which caused the breach	Marchwiell Community Council		
Description and cause of breach	A remittance advice detailing information in relation to contribution payments should be submitted to CPF at the same point as the payment is made. The remittance advice relating to May 2023 was not received within the deadline. Previous breach in 2023/24 is F110.		
Category affected	Active members and employer		
Numbers affected	1 active member		
Possible effect and wider	Unable to verify information being paid or reconcile with member year end information.		

Actions taken to rectify breach	21/07/2023 - Escalated to Deputy Head of Fund, emailed Chair of Marchwiell CC. Chair confirmed the Clerk had been contacted. See subsequent actions F113-F117,F119,F124
Outstanding actions (if any)	See F124
Assessment of breach and brief summary of rationale	Amber - Multiple unresolved missing remittances with risk of recurrence, however effect is limited to a single employer and single active member. Fund is aware of circumstances and wider implications are unlikely.
Reported to tPR	No

Ref	F113	Date entered in register	01 Aug 2023
Status	Open	Date breached closed (if relevant)	
Title of Breach	No submission of contribution remittance advice	Owner	DF
Party which caused the breach	Marchwiell Community Council		
Description and cause of breach	A remittance advice detailing information in relation to contribution payments should be submitted to CPF at the same point as the payment is made. The remittance advice relating to June 2023 was not received within the deadline. Previous breaches in 2023/24 are F110, F112		
Category affected	Active members and employer		
Numbers affected	1 active member		
Possible effect and wider	Unable to verify information being paid or reconcile with member year end information.		
Actions taken to rectify breach	See subsequent actions F114-F117,F119,F124		
Outstanding actions (if any)	See F124		
Assessment of breach and brief summary of rationale	Amber - Multiple unresolved missing remittances with risk of recurrence, however effect is limited to a single employer and single active member. Fund is aware of circumstances and wider implications are unlikely.		
Reported to tPR	No		

Ref	F114	Date entered in register	23 Aug 2023
Status	Open	Date breached closed (if relevant)	
Title of Breach	No submission of contribution remittance advice	Owner	DF
Party which caused the breach	Marchwiell Community Council		
Description and cause of breach	A remittance advice detailing information in relation to contribution payments should be submitted to CPF at the same point as the payment is made. The remittance advice relating to July 2023 was not received within the deadline. Previous breaches in 2023/24 are F110, F112, F113		
Category affected	Active members and employer		
Numbers affected	1 active member		
Possible effect and wider	Unable to verify information being paid or reconcile with member year end information.		
Actions taken to rectify breach	06/09/2023 - Email received from clerk explaining absence. 07/09/2023 - Emailed clerk to request outstanding remittances. Response received. 08/09/2023 - Emailed clerk. Response received. See subsequent actions F115-F117,F119,F124		
Outstanding actions (if any)	See F124		
Assessment of breach and brief summary of rationale	Amber - Multiple unresolved missing remittances with risk of recurrence, however effect is limited to a single employer and single active member. Fund is aware of circumstances and wider implications are unlikely.		
Reported to tPR	No		

Ref	F115	Date entered in register	26 Sep 2023
Status	Open	Date breached closed (if relevant)	
Title of Breach	No submission of contribution remittance advice	Owner	DF
Party which caused the breach	Marchwiell Community Council		

Description and cause of breach	A remittance advice detailing information in relation to contribution payments should be submitted to CPF at the same point as the payment is made. The remittance advice relating to August 2023 was not received within the deadline. Previous breaches in 2023/24 are F110, F112, F113, F114
Category affected	Active members and employer
Numbers affected	1 active member
Possible effect and wider	Unable to verify information being paid or reconcile with member year end information.
Actions taken to rectify breach	25/09/2023 - Emailed clerk. Response received 28/09/2023. 03/10/2023 - Emailed clerk to request outstanding remittances. No Response received. See subsequent actions F116-F117,F119,F124
Outstanding actions (if any)	See F124
Assessment of breach and brief summary of rationale	Amber - Multiple unresolved missing remittances with risk of recurrence, however effect is limited to a single employer and single active member. Fund is aware of circumstances and wider implications are unlikely.
Reported to tPR	No

Ref	F116	Date entered in register	22 Oct 2023
Status	Open	Date breached closed (if relevant)	
Title of Breach	No submission of contribution remittance advice	Owner	DF
Party which caused the breach	Marchwiell Community Council		
Description and cause of breach	A remittance advice detailing information in relation to contribution payments should be submitted to CPF at the same point as the payment is made. The remittance advice relating to September 2023 was not received within the deadline. Previous breaches in 2023/24 are F110, F112, F113, F114, F115		
Category affected	Active members and employer		
Numbers affected	1 active member		
Possible effect and wider	Unable to verify information being paid or reconcile with member year end information.		
Actions taken to rectify breach	06/11/2023 - Escalated to Debbie Fielder as Deputy Head of Fund. Emailed to request outstanding remittances. Response received 09/11/2023. 09/11/2023 - DF replied, requesting outstanding remittances. See subsequent actions F117,F119,F124		
Outstanding actions (if any)	See F124		
Assessment of breach and brief summary of rationale	Amber - Multiple unresolved missing remittances with risk of recurrence, however effect is limited to a single employer and single active member. Fund is aware of circumstances and wider implications are unlikely.		
Reported to tPR	No		

Ref	F117	Date entered in register	23 Nov 2023
Status	Open	Date breached closed (if relevant)	
Title of Breach	No submission of contribution remittance advice	Owner	DF
Party which caused the breach	Marchwiell Community Council		
Description and cause of breach	A remittance advice detailing information in relation to contribution payments should be submitted to CPF at the same point as the payment is made. The remittance advice relating to October 2023 was not received within the deadline. Previous breaches in 2023/24 are F110, F112, F113, F114, F115, F116		
Category affected	Active members and employer		
Numbers affected	1 active member		
Possible effect and wider	Unable to verify information being paid or reconcile with member year end information.		
Actions taken to rectify breach	See F119,F124		
Outstanding actions (if any)	See F124		
Assessment of breach and brief summary of rationale	See F124.		
Reported to tPR	No		

Ref	F118	Date entered in register	04 Jan 2024
Status	Closed	Date breached closed (if relevant)	08 Feb 2024

Title of Breach	No submission of contribution remittance advice	Owner	DF
Party which caused the breach	Home Farm Trust (HFT)		
Description and cause of breach	<p>A remittance advice detailing information in relation to contribution payments should be submitted to CPF at the same point as the payment is made.</p> <p>The remittance advice relating to November 2023 was not received within the deadline. There are no previous breaches in 2023/24.</p>		
Category affected	Active members and employer		
Numbers affected	19 active members		
Possible effect and wider	Unable to verify information being paid or reconcile with member year end information.		
Actions taken to rectify breach	<p>Emailed to request outstanding remittance. Response received, delay due to staffing changes.</p> <p>See F121.</p>		
Outstanding actions (if any)			
Assessment of breach and brief	Remittance received 08/02/2024		
Reported to tPR	No		

Ref	F119	Date entered in register	04 Jan 2024
Status	Open	Date breached closed (if relevant)	
Title of Breach	No submission of contribution remittance advice	Owner	DF
Party which caused the breach	Marchwiell Community Council		
Description and cause of breach	<p>A remittance advice detailing information in relation to contribution payments should be submitted to CPF at the same point as the payment is made.</p> <p>The remittance advice relating to November 2023 was not received within the deadline. Previous breaches in 2023/24 are F110, F112, F113, F114, F115, F116, F117</p>		
Category affected	Active members and employer		
Numbers affected	1 active member		
Possible effect and wider	Unable to verify information being paid or reconcile with member year end information.		
Actions taken to rectify breach	See F124		
Outstanding actions (if any)	See F124		
Assessment of breach and brief	See F124.		
Reported to tPR	No		

Ref	F120	Date entered in register	04 Jan 2024
Status	Open	Date breached closed (if relevant)	
Title of Breach	Late payment of contributions	Owner	DF
Party which caused the breach	Marchwiell Community Council		
Description and cause of breach	<p>Contributions must be paid by the 22nd (if BACs) or 19th (if cheque) of the month following the deductions.</p> <p>Contributions in relation to November 2023 were not received within the deadline. No previous breaches of this type, but outstanding remittances ongoing (see F119).</p>		
Category affected	Active members and employer		
Numbers affected	1 active member		
Possible effect and wider implications	<ul style="list-style-type: none"> - Could expose employers to late payment interest charge. - Assumptions regarding funding assume regular monthly payment; not adhering to this regulatory requirement could result in changed actuarial assumptions for the employer. 		
Actions taken to rectify breach	See F125		
Outstanding actions (if any)	See F125		
Assessment of breach and brief summary of rationale	Amber - No previous late payments, however several breaches outstanding relate to missed remittances. Effect is limited to a single employer and single active member. Fund is aware of circumstances and wider implications are unlikely. Evidence of action being taken to rectify.		
Reported to tPR	No		

Ref	F121	Date entered in register	23 Jan 2024
Status	Closed	Date breached closed (if relevant)	08 Feb 2024
Title of Breach	No submission of contribution remittance advice	Owner	DF
Party which caused the breach	Home Farm Trust (HFT)		

Description and cause of breach	A remittance advice detailing information in relation to contribution payments should be submitted to CPF at the same point as the payment is made. The remittance advice relating to December 2023 was not received within the deadline. Previous breach in 2023/4 is F118.
Category affected	Active members and employer
Numbers affected	19 active members
Possible effect and wider	Unable to verify information being paid or reconcile with member year end information.
Actions taken to rectify breach	22/01/24 - Emailed to request outstanding remittance. 07/02/24 - Emailed reminder. Response received advising that both outstanding remittances will be sent today.
Outstanding actions (if any)	
Assessment of breach and brief	Remittance received 08/02/2024
Reported to tPR	No

Ref	F122	Date entered in register	23 Jan 2024
Status	Closed	Date breached closed (if relevant)	30 Jan 2024
Title of Breach	No submission of contribution remittance advice	Owner	DF
Party which caused the breach	Offa Community Council		
Description and cause of breach	A remittance advice detailing information in relation to contribution payments should be submitted to CPF at the same point as the payment is made. The remittance advice relating to December 2023 was not received within the deadline. No previous breaches.		
Category affected	Active members and employer		
Numbers affected	3 active members		
Possible effect and wider	Unable to verify information being paid or reconcile with member year end information.		
Actions taken to rectify breach	Emailed to request outstanding remittance. Response received, explaining clerk has left employment. 30/01/2024 - Remittance received.		
Outstanding actions (if any)			
Assessment of breach and brief	Remittance received 30/01/24		
Reported to tPR	No		

Ref	F123	Date entered in register	23 Jan 2024
Status	Closed	Date breached closed (if relevant)	07 Feb 2024
Title of Breach	Late payment of contributions	Owner	DF
Party which caused the breach	Offa Community Council		
Description and cause of breach	Contributions must be paid by the 22nd (if BACs) or 19th (if cheque) of the month following the deductions. Contributions in relation to December 2023 were not received within the deadline. No previous breaches.		
Category affected	Active members and employer		
Numbers affected	3 active members		
Possible effect and wider implications	- Could expose employers to late payment interest charge. - Assumptions regarding funding assume regular monthly payment; not adhering to this regulatory requirement could result in changed actuarial assumptions for the employer.		
Actions taken to rectify breach	Emailed to request outstanding remittance. Response received, explaining clerk has left employment. Locum confirmed will raise a cheque ASAP. 07/02/2024 - Payment received.		
Outstanding actions (if any)			
Assessment of breach and brief	Payment received 07/02/24		
Reported to tPR	No		

Ref	F124	Date entered in register	23 Jan 2024
Status	Open	Date breached closed (if relevant)	

Title of Breach	No submission of contribution remittance advice	Owner	DF
Party which caused the breach	Marchwiell Community Council		
Description and cause of breach	<p>A remittance advice detailing information in relation to contribution payments should be submitted to CPF at the same point as the payment is made.</p> <p>The remittance advice relating to December 2023 was not received within the deadline. Previous breaches in 2023/24 are F110, F112, F113, F114, F115, F116, F117, F119</p>		
Category affected	Active members and employer		
Numbers affected	1 active member		
Possible effect and wider	Unable to verify information being paid or reconcile with member year end information.		
Actions taken to rectify breach	<p>05/02/2024 - Received email from outgoing clerk to incoming clerk, passing on details of outstanding payments and remittances. Advised to expect remittances this week. Not received.</p> <p>08/0202024 - Operations team contacted locum clerk and confrimed he is looking to resolve the backlog of outstanding issues.</p> <p>27/03/2024 - Emailed outgoing clerk to chase outstanding figures. No response received.</p> <p>15/05/2024 - Locum contacted Technical team confirming outgoing clerk's leaving date and there are now no active members as the locum himself has not enrolled. Admin teams await final information.</p> <p>29/05/2024 - As there are no active members, contributions/remittances expected up to December 2023 only. Therefore, there are no further additional breaches beyond this point.</p>		
Outstanding actions (if any)	<p>29/05/2024 - Email locum by 31/05/24. If no response, escalate to Deputy Head CPF.</p> <p>07/06/2024 - Agree a delivery deadline for all remaining information with the Locum Clerk.</p>		
Assessment of breach and brief summary of rationale	Amber - Multiple unresolved missing remittances with risk of recurrence, however effect is limited to a single employer and single active member. Fund is aware of circumstances and wider implications are unlikely. Evidence of action being taken to rectify.		
Reported to tPR	No		

Ref	F125	Date entered in register	23 Jan 2024
Status	Open	Date breached closed (if relevant)	
Title of Breach	Late payment of contributions	Owner	DF
Party which caused the breach	Marchwiell Community Council		
Description and cause of breach	<p>Contributions must be paid by the 22nd (if BACs) or 19th (if cheque) of the month following the deductions.</p> <p>Contributions in relation to December 2023 were not received within the deadline. One previous breach of this type (F120).</p>		
Category affected	Active members and employer		
Numbers affected	1 active member		
Possible effect and wider implications	<ul style="list-style-type: none"> - Could expose employers to late payment interest charge. - Assumptions regarding funding assume regular monthly payment; not adhering to this regulatory requirement could result in changed actuarial assumptions for the employer. 		
Actions taken to rectify breach	<p>05/02/2024 - Received email from outgoing clerk to incoming clerk, passing on details of outstanding payments and remittances.</p> <p>08/0202024 - Operations team contacted locum clerk and confirmed he is looking sto resolve the backlog of outstanding issues.</p> <p>27/03/2024 - Emailed outgoing clerk to chase outstanding figures. No response received.</p> <p>15/05/2024 - Locum contacted Technical team confirming outgoing clerk's leaving date and there are now no active members as the locum himself has not enrolled. Admin teams await final information.</p> <p>29/05/2024 - As there are no active members, contributions/ remittances are expected up to December 2023 only. Therefore, there are no further additional breaches beyond this point.</p>		
Outstanding actions (if any)	<p>29/05/2024 - Email locum by 31/05/24. If no response, escalate to Deputy Head CPF.</p> <p>07/06/2024 - Agree a delivery deadline for all remaining information with the Locum Clerk.</p>		
Assessment of breach and brief summary of rationale	Amber - One previous unresolved late payment, however several breaches outstanding relate to missed remittances. Effect is limited to a single employer and single active member. Fund is aware of circumstances and wider implications are unlikely. Evidence of action being taken to rectify.		
Reported to tPR	No		

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Calendar 2024-25 May-24

Month	Date	Day	Committee	Pension Board	Training	Other Events	Location
2024							
2024/5							
May							
	16-May	Thurs		PB 9.30am-2.00pm			County Hall (Hybrid)
June							
	19-Jun	Wed	PFC 9.30am - 12.00pm		12:00pm - 3.30pm		County Hall (Hybrid)
July							
Aug							
Sept							
	11-Sep	Wed	PFC 2.00pm - 5.00pm		11.30am - 2.00pm		County Hall (Hybrid)
	19-Sep	Thurs		PB 9.30am - 2.00pm			County Hall (Hybrid)
Oct							
Nov							
	27-Nov	Wed	PFC 9.30am - 12.00pm		12:00pm - 3.30pm		County Hall (Hybrid)
Dec							
	03-Dec	Tues		PB 10.30am - 3.00pm			County Hall (Hybrid)
Jan							
Feb							
	19-Feb	Wed	PFC 9.30am - 12.00pm		12:00pm - 3.30pm		County Hall (Hybrid)
Mar							
	19-Mar	Wed	PFC 9.30am - 12.00pm		12:00pm - 3.30pm		County Hall (Hybrid)
2025/6							
	01-Apr	Tues		X			
	18-Jun	Wed	PFC 9.30am - 12.00pm		12:00pm - 3.30pm		

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Clywd Pension Fund Risk Register - Objectives for governance risks

Policy/Strategy	Reference (e.g. I1, I2, F1, F2)	Objective
Mission Statement	M1	to be known as forward thinking, responsive, proactive and professional providing excellent customer focused, reputable and credible service to all customers
	M2	to have instilled a corporate culture of risk awareness, financial governance, and to provide the highest quality, distinctive services within the resource budget
	M3	to work effectively with partners, being solution focused with a 'can' - do approach
Governance Policy	G1	Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies.
	G2	Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise
	G3	Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based
	G4	Understand and monitor risk
	G5	Strive to ensure compliance with the appropriate legislation and statutory guidance and to act in the spirit of other relevant guidelines and best practice guidance
	G6	Clearly articulate our objectives and how we intend to achieve those objectives through business planning, and continually measure and monitor success
	G7	Ensure the confidentiality, integrity and accessibility of the Fund's data, systems and services is protected and preserved.
Knowledge and Skills Policy	K1	Ensure that the Clwyd Pension Fund is appropriately managed and that its services are delivered by people who have the requisite knowledge and skills, and that this knowledge and expertise is maintained within the continually changing Local Government Pension Scheme and wider pensions landscape.
	K2	Those persons responsible for governing the Clwyd Pension Fund have sufficient knowledge and skills to be able to evaluate and challenge the advice they receive, ensure their decisions are robust and well based, and manage any potential conflicts of interest.
	K3	Those persons responsible for the management and governance of the Clwyd Pension Fund are expected to be committed to attending and engaging with suggested training in accordance with the Knowledge and Skills Policy.
Breaches Procedure	B1	Ensure individuals responsible are able to meet their legal obligations and avoid placing any reliance on others to report. The procedure will also assist in providing an early warning of possible malpractice and reduce risk.
Risk Policy	R1	Understand and monitor risk, aiming to: -integrate risk management into the culture and day-to-day activities of the Fund - raise awareness of the need for risk management by all those connected with the management of the Fund (including advisers, employers and other partners) - anticipate and respond positively to change - minimise the probability of negative outcomes for the Fund and its stakeholders - establish and maintain a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice - ensure consistent application of the risk management methodology across all Pension Fund activities, including projects and partnerships.
Cyber Policy	C1	- cyber risk management and cyber governance are integrated into the overall risk management approach of the Fund to reduce any potential loss, disruption or damage to scheme members, scheme employers or the Fund's data or assets. - all those involved in the management of the Fund understand cyber risks and their responsibilities in helping to manage it. - all data and asset flows relating to the Fund are identified and evaluated on a regular basis to identify the potential magnitude of cyber risk. - we maintain an incident response plan, which is regularly tested, to ensure any incidents are dealt with promptly and appropriately with the necessary resources and expertise available.
Business Continuity Policy	BC1	- Maintain and adapt recovery strategies and testing to be able to deliver business continuity solutions to agreed levels within agreed timescales as set out in the Business Continuity Plan - Ensure the Fund's business continuity approach encompasses key processes and addresses any continuity issues that may arise allowing the Fund to maintain key services and minimise any negative impact - Ensure normal operations can be restored as efficiently and effectively as possible following an incident - Ensure all Pension Fund staff, the Pension Fund Committee, Pension Board, Pension Fund Advisory Panel and other relevant stakeholders (such as advisers and suppliers) understand the Fund's business continuity management approach and their responsibilities in relation to it - Integrate business continuity management into business as usual activities and the culture of the Fund and regularly review its effectiveness.
EDI Policy	E1	In relation to EDI, we aim to ensure that where possible, those involved in managing the Fund, including the Pension Board and Pension Fund Committee, comprise individuals with a broad range of characteristics, life experiences, expertise, and skills.

Clwyd Pension Fund - Control Risk Register

Governance Risks

Objectives can be found within a separate summary

Risk no:	Risk Event (this [event] could happen)	Risk cause (...due to [cause]...)	Risk Impact (...which may result in the following [impact] to our objectives)	Strategic objectives at risk (see key)	Current Impact (see key)	Current Likelihood (see key)	Current Risk Status	Internal controls in place	Target Impact (see key)	Target Likelihood (see key)	Target Risk Status	Meets target?	Date Not Met Target From	Expected Back on Target	Further Action and Owner	Risk Manager	Next review date	Last Updated	Previous Impact	Previous Likelihood	Previous Risk Status	Risk removed (date)		
1	Committee decision-making is inappropriate	<ul style="list-style-type: none"> - Lack of knowledge and/or failure to take appropriate advice - Poor engagement / preparation for Committee meetings - Irrelevant factors influence decisions and/or relevant factors are ignored - Conflicts of interest (including relating to non-PFC roles/responsibilities) are not appropriately managed - Excessive turnover in PFC membership - Failure to delegate - Lack of diversity in PFC membership 	<ul style="list-style-type: none"> - The Fund's legal or fiduciary responsibilities are not met - The Fund is not (seen as) professional providing excellent customer focused, reputable and credible service - Additional costs are incurred beyond the agreed budget - Service delivery to stakeholders is adversely affected, risk levels are inappropriate, strategic aims are not met - Fund stakeholders (members and/or employers) lose faith in the Fund's governance/risk management 	M1, G1, G2, G3, G4, G5, G6, G7, K1, K2, K3, E1	Moderate	Unlikely	Yellow	<ol style="list-style-type: none"> 1 - Independent and other professional advisers provide advice to PFC (with the former focused on governance) 2 - Oversight by Local Pension Board 3 - PFC Terms of Reference and Board Protocol in Constitution support continuity of membership through terms of appointment and are reviewed triennially to ensure they remain fit for purpose 4 - PFC and PB effectiveness surveys provide opportunity to review effectiveness of decision-making process 5 - Schedule of delegations allows urgent matters to be agreed outside of formal Committee 6 - Knowledge and Skills policy covers PFC and implementation is monitored to ensure objectives are met 7 - Conflicts of Interest policy, including interest declarations and register, applies to PFC 8 - Annual compliance check against TPR Code 9 - EDI Policy in place 	Moderate	Unlikely	Yellow	😊			<ol style="list-style-type: none"> 1 - Ensure new PFC members receive induction training including on COI (PL) 2 - Periodic review of Col and K&S policies - Sept 24 (PL) 3 - Agree and implement EDI action list (PL) 	PL	01/07/2024							
2	Officer/delegated decision-making is inappropriate	<ul style="list-style-type: none"> - Lack of knowledge and/or failure to take appropriate advice - Poor engagement / preparation for Committee/Board/AP/officer meetings - Irrelevant factors influence decisions and/or relevant factors are ignored - Conflicts of interest (including relating to FCC roles/responsibilities) are not appropriately managed - Loss of knowledge through officers leaving - Insufficient resource - Inappropriate use of delegations - Lack of diversity / inclusion in senior management team 	<ul style="list-style-type: none"> - The Fund's legal or fiduciary responsibilities are not met - The Fund is not (seen as) professional providing excellent customer focused, reputable and credible service - Additional costs are incurred beyond the agreed budget - Service delivery to stakeholders is adversely affected, risk levels are inappropriate, strategic aims are not met - Fund stakeholders (members and/or employers) lose faith in the Fund's governance/risk management 	M1, G1, G2, G3, G4, G5, G6, G7, K1, K2, K3, E1	Moderate	Unlikely	Yellow	<ol style="list-style-type: none"> 1 - Independent and other professional advisers provide advice to officers and are part of AP 2 - Oversight by Local Pension Board 3 - All delegated decisions reported to PFC 4 - Documented process requirements for delegated decision making, with specific requirements relating to investment related decisions, including "local" investments 5 - Schedule of delegations reviewed triennially to ensure it remains fit for purpose 6 - Senior officers included in Knowledge and Skills Policy 7 - Conflicts of Interest policy, including interest declarations and register, applies to senior officers 8 - Annual compliance check against TPR Code 9 - EDI Policy in place 	Moderate	Unlikely	Yellow	😊			<ol style="list-style-type: none"> 1 - Finalise work on succession planning (PL) 2 - Review and implement sub-groups on AP (PL) 3 - Periodic review of Col and K&S policies - Sept 24 (PL) 4 - Agree and implement EDI action list (PL) 	PL	01/07/2024							
3	WPP delegated decision-making is inappropriate (particularly for CPF)	<ul style="list-style-type: none"> - Lack of knowledge and/or failure to take appropriate advice - Poor engagement / preparation for JCG/OWG meetings - CPF requirements not adequately explained/understood by other funds in WPP or WPP advisers/suppliers - Irrelevant factors influence decisions and/or relevant factors are ignored - Conflicts of interest are not appropriately managed - The Inter-Authority Agreement is not correctly followed - Lack of diversity / inclusion within WPP decision makers 	<ul style="list-style-type: none"> - The Fund's legal or fiduciary responsibilities are not met - The Fund is not (seen as) professional providing excellent customer focused, reputable and credible service - Additional costs are incurred beyond the agreed WPP and/or Fund budget - WPP services/deliverables Service delivery to stakeholders is adversely affected, Fund risk levels are inappropriate, strategic aims are not met/cannot be achieved, including investment objectives - Fund stakeholders (members and/or employers) lose faith in the Fund's governance/risk management 	M1, G1, G2, G3, G4, G5, G6, G7, K1, K2, K3, E1	Moderate	Possible	Orange	<ol style="list-style-type: none"> 1 - Independent oversight and legal advisers provide advice to WPP on governance and related matters 2 - CPF PFC Chair involvement as member of WPP JGC 3 - CPF officers involvement including as part of WPP OWG and risk sub-group 4 - CPF K&S induction and training plan includes relationship with WPP 5 - Oversight/awareness via biannual Board Chairs' Engagement meetings 6 - WPP monitors against its Training Policy which covers the Host Authority, JGC and OWG 7 - WPP Col Policy and Procedures in place Including process for decision making for "local" investments 	Moderate	Unlikely	Yellow	😊	Current likelihood 1 too high			<ol style="list-style-type: none"> 1 - Finalise CPF structure and review AP sub-groups (for Deputy retirement/investment risk) (PL) 2 - Feedback to/engage with WPP relating to recent PFC concerns (PL) 3 - CPF request that the Inter Authority Agreement is reviewed regularly to ensure it remains fit for purpose (PL) 	PL	01/07/2024						
4	Decisions not implemented - resourcing issues	<ul style="list-style-type: none"> - Poor Business Planning and Fund management leading to insufficient resource - Difficulty in recruiting and/or retaining staff (including due to low pay grades) - Lack of, or poor quality, training - External events impacting resource (e.g. climate change/pandemics) - Failure to take appropriate advice 	<ul style="list-style-type: none"> - Poor quality organisation/papers etc for PFC, PB and AP meetings - Risk management not being adequately carried out - Increased pressure/expectations on staff - Additional costs (overtime / external support) - The Fund's legal or fiduciary responsibilities are not met 	M1, M2, G2, G4, G5, K1, B1	Moderate	Unlikely	Yellow	<ol style="list-style-type: none"> 1. Comprehensive and robust business planning annually, including budget/resourcing 2. Advisers support with business planning, including horizon scanning to ensure appropriate budget/resourcing 3. Ongoing discussions with FCC senior officers via AP on different roles and skills required for CPF to support recruitment/retention 4. Staff development plans/ongoing training and development of Fund staff 	Moderate	Unlikely	Yellow	😊			<ol style="list-style-type: none"> 1 - Finalise CPF structure review (including consideration of impact of pay grades) (PL) 2 - Finalise work on succession planning (PL) 3 - Periodic review of K&S policies - Sept 24 (PL) 	PL	01/07/2024							
5	Decisions not implemented - FCC barriers	<ul style="list-style-type: none"> - Uncompetitive pay/ inappropriate grading of roles - Insufficient separation of FCC role as local authority and administering authority of CPF - Lack of understanding of CPF specific issues within FCC - FCC conflicts of interest not appropriately managed 	<ul style="list-style-type: none"> - Resourcing issues - Risk management not being adequately carried out - Inadequate support for CPF relating to its IT, accommodation, legal requirements - Additional costs (overtime / external support) and time for officers - The Fund's legal or fiduciary responsibilities are not met 	M1, M2, G4, G5, B1, R1	Moderate	Unlikely	Yellow	<ol style="list-style-type: none"> 1. Business planning includes budget/resourcing and reinforces separation of FCC and CPF budgets 2. Inclusion of FCC senior officers on AP assists in regular reinforcing of differences between FCC and CPF via AP 3. FCC constitution and schedule of delegations reviewed annually to protect status of CPF within FCC 4. CPF Conflicts of Interest Policy regularly reviewed and extends to senior officers on AP 	Moderate	Unlikely	Yellow	😊			<ol style="list-style-type: none"> 1 - Finalise CPF structure review (including consideration of impact of pay grades) (PL) 	PL	01/07/2024							
6	Decisions not implemented - provider failure	<ul style="list-style-type: none"> - Inappropriate contractual terms (particularly where contracts are extended or rolling contracts) - Lack of effective contract management - Providers or advisers have an unmanaged conflict of interest - Providers/advisers have insufficient experienced resource to meet the Fund's needs - Cyber attack or other business continuity incident at the provider not appropriately managed 	<ul style="list-style-type: none"> - Additional costs (overtime / external support) and time for officers - Increased pressure/expectations on staff - Service delivery to stakeholders is adversely affected, risk levels are inappropriate, strategic aims are not met - The Fund's legal or fiduciary responsibilities are not met 	M1, M2, G4, G5, K2, B1, R1, C1, BC1	Negligible	Rare	Green	<ol style="list-style-type: none"> 1. Regular procurement exercises undertaken, with support from procurement advisers, including questions on cyber and business continuity plans 2. Conflict of interest policy extends to key Fund advisers 3. Adviser budgets included in business plan and monitored 4. Regular informal review of adviser performance 5. Application of CMA requirements to investment consultants (and other advisers where appropriate) 6. Regular assessment of providers as part of CPF cyber security strategy 	Negligible	Rare	Green	😊			<ol style="list-style-type: none"> 1 - Conduct tender for investment consultancy services (DF) 2 - Conduct tender for independent adviser (PL) 3 - Consider extension of actuarial/benefits consultancy contract (PL) 	PL	10/07/2024							
7	Ineffective oversight - PB	<ul style="list-style-type: none"> - Lack of knowledge and/or failure to take appropriate advice - Poor engagement / preparation for Board meetings, including agendas not being appropriate - Poor engagement / attendance at Board meetings - Conflicts of interest (including relating to non-PB roles/responsibilities) are not identified or not appropriately managed - Excessive turnover in PB membership - Lack of diversity on PB membership 	<ul style="list-style-type: none"> - Issues not identified, impacting on service delivery or other Fund objectives - TPR or other external regulator involvement - The Fund does not have / is not seen as having, a culture of risk awareness, financial governance or providing the highest quality, distinctive services 	M2, G1, G2, G4, G5, B1, R1, E1	Negligible	Rare	Green	<ol style="list-style-type: none"> 1 - Independent chair and professional advisers provide advice to PB 2 - Board Protocol supports continuity of membership through terms of appointment and is reviewed triennially to ensure it remains fit for purpose 3 - PB effectiveness surveys provide opportunity to review effectiveness of PB oversight 4 - Standard agenda items to ensure key matters are presented and considered 5 - Knowledge and Skills policy covers PB and implementation is monitored to ensure objectives are met 6 - Annual compliance check against TPR Code 7 - EDI Policy in place 	Negligible	Rare	Green	😊			<ol style="list-style-type: none"> 1 - Appoint replacement PB scheme member (trade union) representative (PL) 2 - Review PB scheme member (non-trade union) representative (PL) 3 - Review Chair of the PB (PL) 4 - Agree and implement EDI action list (PL) 	PL	10/07/2024							

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Risk no:	Risk Event (this [event] could happen)	Risk cause (...due to [cause]...)	Risk Impact (...which may result in the following [impact] to our objectives)	Strategic objectives at risk (see key)	Current Impact (see key)	Current Likelihood (see key)	Current Risk Status	Internal controls in place	Target Impact (see key)	Target Likelihood (see key)	Target Risk Status	Meets target?	Date Not Met Target From	Expected Back on Target	Further Action and Owner	Risk Manager	Next review date	Last Updated	Previous Impact	Previous Likelihood	Previous Risk Status	Risk removed (date)	
8	Ineffective oversight - internal and external audit	<ul style="list-style-type: none"> - Lack of knowledge/understanding of the LGPS - Insufficient resources to adequately carry out audit responsibilities - Conflicts of interest - Excessive turnover in audit personnel 	<ul style="list-style-type: none"> - Issues not identified, adversely impacting service delivery or other Fund objectives - Annual report and accounts not approved on time - Inefficiencies for CPF staff answering unnecessary questions - Inappropriate audit opinion and recommendations - TPR or other external regulator involvement - The Fund does not have/ is not seen as having, a culture of risk awareness, financial governance or providing the highest quality, distinctive services 	M2, G5, B1, R1	Negligible	Rare		<ol style="list-style-type: none"> 1 - Internal Audit Strategic Plan agreed annually by FCC Governance and Audit Committee includes resource requirements and CPF-specific audit activities 2 - Fund officers (and advisers if required) liaise with internal audit as required to explain LGPS context 3 - Detailed Audit Plan provided to the PFC by Audit Wales, specific to the Fund (i.e. separate to the FCC Audit) 4 - Annual engagement between Head of CPF, PB Chair and internal audit to identify areas of focus 	Negligible	Rare		😊				PL	10/07/2024						
9	Unable to adequately/ appropriately implement governance changes - external	<ul style="list-style-type: none"> - Number and/or extent of national governance-related changes is unmanageable within CPF resource constraints - Government requirements for pooling/fund merger incompatible with CPF-specific strategies 	<ul style="list-style-type: none"> - The Fund's objectives / legal responsibilities are not met or are compromised - Fund stakeholders (members and/or employers) lose faith in the Fund's governance/risk management 	G1, G5	Moderate	Possible		<ol style="list-style-type: none"> 1. Comprehensive and robust business planning anticipates future developments 2. Advisers able to provide additional support where needed 3. Fund officers, PFC and PB members provide PFC perspective at national conferences, discussions and working groups 4. Fund responds to all relevant consultations, calls for evidence etc 	Moderate	Unlikely		😊	Current likelihood 1 too high		<ol style="list-style-type: none"> 1 - Continue to monitor national announcements and initiatives (PL) 2 - Continue to participate in national groups and respond to consultations (PL) 	PL	10/07/2024						
10	Fund adversely affected by Acts of fraud including corruption, bribery and money laundering	<ul style="list-style-type: none"> - Inadequate existence checking - Lack of, or poor quality, training - Loss of knowledge through officers leaving - Insufficient resource - Inadequate checking / sign off - Inadequate security checks (IT and otherwise) when dealing with members/employers/third parties 	<ul style="list-style-type: none"> - Loss of benefits to scheme members, or payments made to incorrect person - Loss of or inappropriate use of Fund assets - Criminal activity / not meeting legal requirements - Complaints / IDRs, rectification costs & reputational damage - Higher employer contributions (if assets lost) 	M2, G2, G4, G5, G7, R1, C1, BC1	Negligible	Rare		<ol style="list-style-type: none"> 1. Internal controls in place as listed in CPF Fraud Policy which is reviewed triennially, including appropriate verification of all payments to/from the Fund and requests to update member details 2. CPF follows requirements of FCC policies including Anti-Fraud and Corruption Strategy, Anti-Money Laundering Policy, Whistleblowing Policy, Information Security Policy 3. Fund training plan includes fraud prevention measures 4. Internal and external audit check for fraud 5. Consideration given to any national fraud-prevention initiatives 	Negligible	Rare		😊				PL	10/07/2024						
11	No or restricted access to our systems	<ul style="list-style-type: none"> - Business Continuity incident - Cyber attack - FCC system failure - Natural event (including impact of climate change) 	<ul style="list-style-type: none"> - Service provision interrupted - Errors due to manual workarounds - Services not being delivered, or delays in delivery - Data security breaches - Loss of assets and potentially higher employer contributions - Increased costs - Complaints / IDRs, rectification costs & reputational damage - Fund stakeholders (members and/or employers) lose faith in the Fund's governance/risk management 	M1, G4, G5, G7, B1, R1, C1, BC1	Significant	Rare		<ol style="list-style-type: none"> 1 - Business Continuity Policy and Plan in place, regularly reviewed and with regular testing including for lack of systems 2 - Cyber Security Policy, cyber incident response plan (CIRP) and other cyber security controls in place (including training), regularly reviewed and with regular testing including third party-providers 3 - Specialist support from FCC and regular engagement around FCC involvement in business continuity/cyber incident response 4 - Specialist support from consultants 5 - Hosting of Altair implemented, and lump sum payments processed via pensioner payroll facility 	Moderate	Rare		😊	Current impact 1 too high		<ol style="list-style-type: none"> 1 - Review cyber security controls against latest TPR Guidance (KW) 2 - Finalise and implement testing schedules for BCP and CIFP (KW/DB/IIH/PL) 3 - Periodic review of BC Policy - Jun 24 / Cyber Strategy - Mar 25 (KW) 	KW	10/07/2024						

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CLWYD PENSION FUND COMMITTEE

Date of Meeting	Wednesday, 19 June 2024
Report Subject	Administration and Communications Update
Report Author	Pensions Administration Manager

EXECUTIVE SUMMARY

This update report includes matters arising relating to administration and communications since the previous update report provided at the February Committee meeting. These are mainly for noting, albeit comments are clearly welcome. The two areas for approval relate to:

- minor changes to the Fund's Administration Strategy and Statement of Administering Authority Discretionary Policies.
- delegation of decisions relating to the introduction of National Pensions Dashboard project.

The report includes updates on:

- Progress against the administration and communications related matters in the Fund's 2024/25 Business Plan
- Current developments and news – including updates on the Fund's McCloud programme and the 2024 Pension Increase award
- Monitoring against the Administration Strategy in relation to day-to-day tasks and key performance indicators, showing the position for completed and outstanding tasks to 31 May 2024 and KPI measures to the end of April 2024
- Administration and communication risks on the Fund's risk register (which has itself been updated in line with the Risk Management Policy agreed at the March Committee)

RECOMMENDATIONS

1	That the Committee consider the update and provide any comments.
2	That the Committee consider and approve the proposed amendments to the updated Administration Strategy and Statement of Administering Authority's Discretionary Policies and delegate any final minor changes.
3	That the Committee consider the update relating to the implementation of the National Pensions Dashboard requirements, and approve the delegation of key decisions to the Project Management Group.

REPORT DETAILS

1.00	ADMINISTRATION AND COMMUNICATIONS RELATED MATTERS
1.01	<p data-bbox="320 297 783 331">Business Plan 2024/25 Update</p> <p data-bbox="320 371 1374 477">Progress against the business plan items for quarter one of this year is positive for the majority of items as illustrated in Appendix 1. Key items to note relating to this quarter's work (Q1) are as follows:</p> <ul data-bbox="320 517 1391 2072" style="list-style-type: none"><li data-bbox="320 517 1350 589">• A1 – McCloud judgement – as usual an update on this programme is included later in this report.<li data-bbox="320 595 1391 734">• A2 – National Pensions Dashboard – an update on this is included later in this report and includes information on the preparation work carried out by the project team to date and the planned project governance structure.<li data-bbox="320 741 1391 925">• A5 - Preparation of Member Data for Interim Valuation and Triennial Valuation – The technical Team continues to work through the year end processes and cleanse member data. This item is on track and will continue into the next quarter when data will be supplied to the Fund Actuary for the interim valuation as at 31 March 2024.<li data-bbox="320 931 1391 1037">• A6 - Review Administration & Communications Related Policies and Strategies – an update on this item is included in section 1.04 in this report.<li data-bbox="320 1043 1391 1592">• A7 – Implement the Communications Strategy – Further information is provided later in the update report. The key areas of work for this quarter are:<ul data-bbox="416 1155 1391 1592" style="list-style-type: none"><li data-bbox="416 1155 1391 1261">○ a review of the Fund's website content ensuring clear and concise language is being used. This is expected to be complete by the end of this month<li data-bbox="416 1267 1391 1592">the submission of an application to FCC for an improved telephony service. The outcome of the application was to be decided at the Digital Strategy Board meeting on the 13th June. The Pension Administration Manager will provide a verbal update. Some other areas included in the communications part of the business plan, such as developing a suite of member and employer videos covering all areas of the Fund including funding and investments, and considering the wider structure of the Fund's website, have not yet commenced due to other priorities.<li data-bbox="320 1599 1342 1783">• A8 – Benefit payment decisions and requirements – It is intended to establish further processes to assist with decision making relating to who benefits are paid to including death grants and the use of child trust funds. This piece of work has been delayed due to other higher priority work but is due to be completed in Q2.<li data-bbox="320 1789 1391 2072">• A9 – Employer escalation procedure – Additional monitoring reports have been developed to assist the Fund identify whether employers are meeting their agreed service standards as detailed in the Administration Strategy. Using the results from this monitoring, it is intended to implement an employer escalation procedure to ensure that scheme members receive information about their benefits in a timely manner. The reports have been developed and are currently being tested with the escalation process to be in place by the end of Q2.

	<ul style="list-style-type: none"> • E1 – Employer Liaison Team Expansion to more employers– Discussions are underway with an employer that wishes ELT to assist with their Fund related duties and complete a data cleansing exercise to assist with McCloud data and Pension Dashboard preparation. The connection process and data collection for this employer is scheduled for Q2.
1.02	<p>Current Developments and News</p> <p>The following details developments and news in addition to business as usual</p> <p><i>McCloud update</i></p> <p><u>McCloud Regulatory Update</u> – On 1 March the Department for Levelling Up Housing and Communities issued its consultation on its draft statutory guidance on the McCloud implementation to a selected group of LGPS stakeholders. This guidance will cover identifying members in-scope, prioritisation of cases and some other technical issues. The consultation closed on 12 April and a response and final guidance is expected later in the year; it is assumed that this will be delayed because of the election period. This could have an impact on the expected rectification completion date of 31 August 2025.</p> <p>The LGA has provided part 1 of its administration guide, and further sections are awaited which will cover other types of calculations and revisiting past calculations.</p> <p>Regulations are still required in order to effectively implement the remedy for teachers’ excess service, and it is expected that there will be a technical consultation on these in due course. The delay due to the election period will impact getting these regulations made, and therefore the expected rectification completion date. In the meantime, Teachers’ Pensions have started to contact LGPS employers and funds informing them of the process they are implementing to move eligible excess service into the LGPS.</p> <p><u>CPF Programme Update</u> - An update on the progress of the Clwyd Pension Fund McCloud programme is attached as Appendix 2. The programme currently has an overall health status of green, meaning that it is largely on track to meet the annual benefit statement deadline of 31 August 2025. Individual workstreams are running to different timescales than originally planned due to delays in receiving employer data, final regulations and national guidance and there are expected to be further delays in regulations and guidance due to the election period. The overall status of the project will be reconsidered once more is known. This might include the expected completion date being extended by Government, albeit it is assumed this would not be until after the election.</p> <p>The McCloud Team continue to engage and work with employers regarding the submission of their data. The data collection exercise is nearly complete with only a small number of employers still to submit data, and discussions are ongoing with these employers. The data validation</p>

	<p>and upload of data milestone completion timescale has had to be extended to December 2024. This is due to further automated solutions which are awaited from the software provider and which are required to ensure efficiencies, reducing the manual effort required.</p> <p>With regards to communications, pensioners and dependants were written to in April to request information on previous public sector pension scheme membership, as part of the Clwyd catch up newsletter. This will assist the Fund in assessing if further members are in-scope for McCloud, by way of previous public sector pension scheme membership. A similar communication is due to be sent to active and deferred members as part of the newsletter sent with the Annual Benefit Statements later in the summer.</p> <p>Engagement with the Fund’s software supplier is continuing to ensure changes are implemented in a timely manner. A software update in February largely fixed the issues relating to new retirement and leaver cases, which was previously resulting in a high degree of manual effort by the team in processing day to day cases. Further software updates are expected to resolve additional McCloud processing issues and are scheduled for June and August and as part of usual practice these will be fully tested. A representative of the McCloud Team attends a weekly webinar hosted by the software providers, along with other LGPS funds, to share best practice ideas and discuss any issues.</p> <p>Benefit rectification for previous retirements and leavers has not yet commenced. This continues to be delayed due to external factors, including the final regulations being laid so near to the coming into force date, and the delay in expected guidance on the exercise. This delay has made it challenging for software providers to update the software to cover the types of cases where retrospective calculations need to be carried out. As mentioned above, statutory guidance is still awaited on how Funds will be expected to prioritise their retrospective cases. The current expectation to complete rectification by 31 August 2025 is due to the legislative requirement to include the McCloud underpin in 31 March 2025 Annual Benefit Statements and Annual Benefits Statements must legally be issued by 31 August each year.</p>
1.03	<p><i>National Pensions Dashboard</i></p> <p>In the 2016 Budget, the Government made a commitment that Pensions Dashboards would be created by the pensions industry, enabling pension savers to view details of all of their pensions online and in one place. In 2019, the Money and Pensions Service (MaPS) established the Pensions Dashboards Programme (PDP) to design and implement the infrastructure that will make Pensions Dashboards work. The Pension Schemes Act 2021 provides a legal framework for Pensions Dashboards including new powers to compel trustees/scheme managers to provide information to Pensions Dashboard providers.</p> <p>The Government has now confirmed that all public sector pension schemes must be connected to the pensions dashboards ecosystem and be in a position to process ‘Find’ and ‘View’ requests by 31 October 2025. Getting ready to connect to Pensions Dashboards will be a significant task</p>

for the Fund, particularly for the resourcing of the Administration Team in both the lead up to the connection deadline of 31 October 2025 (including significant data cleansing) and following the connection date when members will start to request information via the dashboards.

Pensions Dashboard “readiness” covers a wide range of areas. A lot of work has already been carried out in preparation for this, particularly focussing on:

- identifying any data that requires to be cleansed or otherwise updated so it is fit for integrating with the pensions dashboard and
- working with procurement colleagues to investigate the most effective way to appoint a supplier (Integrated Service Provider (“ISP”)) who can provide the system which will integrate with the national pensions dashboard ecosystem.

The project also requires a number of key decisions to be made, many of which are legal requirements on the scheme manager, albeit most are of a technical nature. A list of some of the key decisions that are expected to be required is outlined in Appendix 5.

The Fund’s Project Team is now developing the project initiation documentation, including the project plan. As part of this, key roles and responsibilities will be allocated. It is not expected that this will need to be as large a project as McCloud, but The Pensions Regulator has stated the following as part of guidance which can be found here –

<https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/dashboards-guidance>

“There is significant work involved to comply with your dashboards duties and you may need to engage third-party suppliers to help you with this work, such as an administrator or an integrated service provider (ISP). You should work with your advisers to assess the impact of the changes and plan how you will meet your dashboard duties.”

Appendix 5 includes a high level summary of the expected project management structure and roles for the project. A Project Management Group (“PMG”) will be established which includes the Head of Clwyd Pension Fund, the Pensions Administration Manager (who will also be the Project Sponsor), the Project Team Leader (Project Manager) and the Chair of the Pension Board. The Committee are asked to delegate any key decisions to be made in relation to the pensions dashboard, including those outlined in Appendix 5, to the PMG, subject to the Head of Clwyd Pension Fund and the Pensions Administration Manager being present when any key decisions are being made.

The Fund’s business plan has already included a budgetary provision relating to this project which was estimated at £100,000. Based on initial estimated costs for the additional system, at this point in time it is expected that this budget will be sufficient for system implementation and other costs during 2024/25. There will be ongoing system costs that will be incorporated into future budgets as part of annual business planning. Any need for additional budget which will impact the overall budget for the Fund will be brought back to the Committee for approval.

	<p>Going forward, the Committee will be provided with updates similar to those provided in paragraph 1.02 in relation to the McCloud project so the Committee can remain aware of how the project is progressing. More detailed updates will also be provided the Pension Board.</p>
1.04	<p><i>Other updates</i></p> <ul style="list-style-type: none"> • <u>Existence checking</u> – As mentioned previously, it is a requirement of the CPF Anti-Fraud and Corruption Strategy that a triennial existence check is made in relation to the Fund’s overseas pensioners. All 58 pensioners whose pension is paid into an overseas bank account have been contacted with 91% of the pensioners having now had their identity confirmed. The remaining 9% of pensions have been suspended on the assumption the members have passed away, and will be reinstated if the members get in touch. • <u>Year End process</u> - The Technical and Payroll Team are nearing completion of the year end process ensuring all active members have up to date pay, contributions and other information on their CPF records. As well as ensuring members’ records are up to date for when they eventually retire or leave the scheme, this information is necessary for accurate annual benefit statements, and the interim and triennial actuarial valuations. The Administration Team continue to look for improvements in the processing of data, which means the year-end process becomes more streamlined each year and improves the accuracy of the data used by the Actuary in the triennial valuation, which could avoid higher employer contributions being required if margins for prudence are needed in their calculations. This also benefits preparations for the interim valuation process that is being carried out this year. • <u>Annual Pensions’ Increase</u> – The Technical and Payroll Team have successfully completed the application of the 2024 Pension Increase award, processing the annual inflationary increase (6.7%) to all pensioners, dependants and deferred members, and sending a communication confirming the increase to pensioners and dependants. The Fund’s policy is to only send hard copy letters notifying of the pensions increase to pensioners/dependants who have requested paper as their communication preference; the remaining are all uploaded onto MSS and, where an email address is held, a notification of the letter being uploaded is sent. • <u>Project Team</u> - The Project Team is now operational following the return of the Technical and Payroll Team Leader from maternity leave. The staff member who was temporarily seconded to cover that position during the maternity absence is now able to focus fully on the Project Team along with other appointed team members. The team have a range of areas to work through, including preparing for the launch of the National Pension Dashboard and progress on this will be provided in future reports. A further priority for the team is the recalculations of member benefits for members who have already left following the backdated 2023 pay award as mentioned at the previous Committee meeting.

1.05	<p>Policy and Strategy Implementation and Monitoring</p> <p><i>Administration Strategy</i></p> <p>The Fund's existing Administration Strategy was agreed by the Committee in May 2021 and has been subject to minor amendments since then. It is considered that much of the existing Administration Strategy remains to be appropriate overall and given the expected publication of the Good Governance recommendations later this year (noting that the LGA have suggested this timeframe could now be delayed due to the upcoming Election), a further fundamental review is planned at that time and any additional changes will be brought to the Committee for approval. However there are some minor changes that are required to be made at this time, and Appendix 3 includes the proposed updated Administration Strategy. The changes are highlighted with deleted text struck through.</p> <p>The key changes are as follows:</p> <ul style="list-style-type: none"> • References to General Data Protection Regulations have been changed to the Data Protection Act 2018 • A new reference to the recent statutory Annual Report guidance and the additional key performance measures required has been added • The approach for levying employer costs for poor performance and the approach to charging employers interest for late contribution payments have been updated, which also includes a delegations to officers which are referred to in the separate Statement of Administering Authority Discretionary Policies • An additional employer responsibility for issuing a schedule with AVC payments has been added to Appendix B: Responsibilities and performance standards <p>The Committee are asked to approve the amendments as highlighted in the Pensions Administration Strategy in Appendix 3 and the extracts from the Statement of Administering Authority Discretionary Policies in Appendix 4. The Committee are also asked to delegate any final minor changes to the Administration Strategy, following consultation, to be made by the Head of Clwyd Pension Fund and Pensions Administration Manager, with any more substantive changes being brought back to Committee for consideration.</p>
1.06	<p>The latest monitoring information in relation to administration is outlined below:</p> <p><u>Day to day cases</u> – Appendix 6 provides the analysis of the numbers of cases received and completed on a monthly basis from April 2022 up to and including May 2024, and how this is split in relation to our three unitary authorities and all other employers.</p> <p>The number of incoming cases for February up to and including May was 11,405 which is expected given the normal additional work generated by the year end process. The number of cases completed by the team since the last update for the same period was 10,953, however the processing time for some cases is taking longer due to manual workarounds for</p>

	<p>McCloud and therefore this number is lower than might otherwise have been the case,. The Operations Team have also had two full time members of staff absent from work due to long term sickness during this period; a further staffing update is provided in section 2.01 of this report.</p> <p>As a result of this, the number of open cases increased to 6,286 at the end of May from 5,950 at the end of January. It is positive that the increase in open cases is not more significant considering the points highlighted above. The Pension Administration Manager will continue to monitor the impact that the McCloud regulations/guidance and system functionality is having on case completion numbers.</p>
1.07	<p><u>Key performance indicators</u> – Appendix 7 shows our performance against the KPIs measured monthly up to and including April 2024. The summary reports illustrate the number of cases that have been completed over either 3 months or 12 months, as well as the proportion completed within the agreed KPI target timescales.</p> <p>As can be seen, across three months and twelve months, there are several KPIs where the number of completed cases has increased and others that have reduced. Key points to note are:</p> <ul style="list-style-type: none"> • Joiners – 694 joiner cases have been completed over the last three months with a 7% increase of those being completed within the legal and overall (member experience) KPIs. • Leavers – 386 leaver cases have been completed over the last three months which is slightly higher than the three month period up to January 2024. Performance against the legal and internal CPF measure remains unchanged, however the number completed within the overall KPI has reduced by 11% in the last three month period (albeit it has improved in the last 12 months). The overall KPI measure includes the employers’ time and it is hoped that the new employer monitoring and escalation process which is mentioned earlier in this report will assist in identifying and improving this going forward. • Some transfers in and out have been, and continue to be, on hold pending new GAD guidance being issued and although some guidance was received in January, not all transfers are able to be processed due to an outstanding system update and awaiting further guidance. As mentioned in the previous update report, processing has re-commenced for those cases that can be actioned but the numbers of both in and out transfers being completed will continue to fluctuate until business as usual can resume. Work continues to catch up on those cases previously on hold. • Retirements – 434 retirement cases have been completed over the last three months (which is one less than the number completed in the three month period up to January). Over the 12 month period there has been an increase of 184 retirement cases being processed and there has been a small increase in both the legal and overall measures. <p>The Operations Team continues to prioritise cases where a payment is made either to an individual or a third party. A number of high priority processes (e.g. retirements) are now taking longer to complete due to the</p>

added complexity that the McCloud ruling has brought. This will continue until all guidance has been received, all member data has been uploaded onto the pension system, and system functionality has been upgraded to remove manual intervention and workarounds.

The management of meeting challenging regulatory timescales which apply to significant numbers of cases continues to be difficult whilst a number of staff continue their training. Resourcing is considered further later in this report.

1.08

Internal dispute resolution procedures (IDRP)

All 2022/2023 cases have recently been concluded:

- There were nine Stage One appeals against employers. Seven were rejected and two were upheld.
 - Of the seven that have been rejected, four relate to non-award of ill health retirement and three relate to the tier of ill health awarded
 - For the two that have been upheld, both members have now been awarded tier one ill health retirement
- One Stage Two appeal was submitted against the employer. The member appealed that they were only awarded tier two ill health retirement. This appeal was rejected.

In relation to cases for 2023/2024:

- There were two Stage One appeals against employers. One has been rejected and one is still ongoing.
 - The rejected case relates to non-award of ill health retirement
 - The ongoing case is due to the fact that the member is disputing the tier of ill health retirement that they have been awarded
- There was one Stage Two appeal which was submitted against the employer. The member appealed that they were only awarded tier two ill health retirement. This appeal was rejected.

In relation to cases for 2024/2025:

- There is one Stage One appeal against the employer. The case is ongoing and relates to non-award of ill health retirement.
- There are currently no Stage Two appeals.

There continues to be no appeals against the administering authority, which is extremely positive.

	2023/2024			
	Received	Upheld	Rejected	Ongoing
Stage 1 - Against Employers	2	0	1	1
Stage 1 - Against Administering Authority	0	0	0	0
Stage 2 - Against Employers	1	0	1	0

Stage 2 - Against Administering Authority	0	0	0	0
	2024/2025			
	Received	Upheld	Rejected	Ongoing
Stage 1 - Against Employers	1	0	0	1
Stage 1 - Against Administering Authority	0	0	0	0
Stage 2 - Against Employers	0	0	0	0
Stage 2 - Against Administering Authority	0	0	0	0
<p>There are no Clwyd Pension Fund cases that are currently with the Pensions Ombudsman. However, there is a case which is being considered through the Council's Stage 2 complaints process.</p>				

1.09	<p>Communications Strategy</p> <p>The Communication Strategy focuses on improved member and employer engagement. To help achieve this the following meetings have taken place since the last update report:</p> <ul style="list-style-type: none"> • a number of virtual member presentation sessions were held for Coleg Cambria employees. The training sessions were provided by the Communications and Regulations team leader along with the Communications Officer. Feedback from these sessions was very positive with members confirming a better understanding of the scheme. • training was provided for a number of our Town Council employers relating to the scheme in general with a specific focus on the leaver process.
1.10	<p>The Communications Team has maintained regular engagement with employers and scheme members over recent months. Other key points in relation to communications include:</p> <ul style="list-style-type: none"> • Twenty three 1-2-1 member sessions have taken place • A survey was issued to all employers that attended the Employer Engagement Session (ESS) asking for feedback. Of the feedback received all employers found the meeting useful and confirmed that they would continue to attend future meetings. • Eight update emails have been sent to all employers including confirmation of the employee contribution rates for 2024/2025, LGA training date information for 'Employer Role in the LGPS' and a request for employers to ensure their discretionary policies and signatory lists are up to date.
1.11	<p>Appendix 8 provides an updated summary of Member Self Service ("MSS") registered users, which shows that enrolment to MSS has increased slightly since the last update with now over 55% of the scheme membership having registered. The number of members that have opted</p>

	<p>for paper correspondence remains at approximately 19% of the scheme membership.</p> <p>For those members registered on MSS, use of the facilities remains high. For the period of January up to and including April:</p> <ul style="list-style-type: none"> • 69 members have requested a retirement pack for their deferred benefit. • 20,721 benefit projections have been calculated. • there have been 400 changes to members' expression of wish details, 504 address updates and 20 bank account changes. <p>The Fund is working towards onboarding members of the LGPS Councillor Scheme to MSS this Autumn / Winter and is currently in the process of writing out to all LGPS Councillor members. The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 state that notice must be given, and a member needs to be written to three times before changing from paper to electronic communications. This allows time for members to get in touch if they would prefer their communication preference to remain as paper.</p>
1.12	<p>Delegated Responsibilities</p> <p>The Pension Fund Committee has delegated a number of responsibilities to officers or individuals. NIC Solutions Ltd has been approved to join the scheme as a new employer using these delegated responsibilities since the last Committee meeting. Further details are contained in Appendix 9.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>Since the last update, two members of staff from the Administration Team have been absent due to long term sickness. The relevant Team Leaders along with HR colleagues are monitoring the situation and an update will be provided at the next meeting if needed.</p> <p>A fixed term contract for a full-time Payroll Officer position is currently being advertised due to the existing fixed term contract coming to an end in July. The vacant Communication and Marketing Officer role is being reviewed and will be advertised once the review of the job description is complete. The vacant Pension Assistant role position in the Project Team is to remain vacant for the time being due to more efficient functionality being developed by Heywood within the processes associated with the Pension Assistant role. Depending on what efficiencies are realised this may result in a review of resource within this area. Whilst waiting for this functionality to be completely developed, the existing Flintshire County Council apprentice within the team continues to assist in this role which is the normal practice for all trainees.</p> <p>Again, due to the training requirements for new staff being very labour intensive, improvements in KPI performance will be over a number of months. Resource requirements will be monitored within the ELT</p>

	particularly in light of a potential additional employer utilising ELT services as per paragraph 1.01.
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3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The proposed changes to the Administration Strategy will be consulted with the Fund's employers.

4.00	RISK MANAGEMENT
4.01	Appendix 10 provides the extract of administration and communication risks from the Fund's risk register. The risk register has been re-worked since it was last presented to the Committee in February to reflect the updated Risk Management Policy agreed at the March committee. Members may recall that the new Policy incorporated a number of changes to ensure consistency with the Flintshire County Council Risk Management Strategy, including approach to scoring the impact and likelihood of risks. The key to the updated scoring approach is included with the risk register in the Governance Update report. As this is the first version of the new risk register, there are no changes shown on the risk dashboard.
4.02	<p>The risks that are further from target are:</p> <ul style="list-style-type: none"> • Risk number 1: Insufficient suitably trained administration and communications staff – This is currently scored as significant impact and possible likelihood (the target is negligible and unlikely). The key reasons for this relate to the recent appointments of new staff members who are still undergoing training to be fully proficient in all of their duties and this is also labour intensive for those providing the training. However, as training programs near completion and an action plan for retention and succession planning is put in place, the rating should decrease. • Risk number 3: Significant changes required to existing administration and communications processes and procedures - This is currently scored significant for impact and likely for likelihood (the target is moderate and unlikely). The reasons for its current status are largely due to the volume and pace of external change which result in changes being needed to procedures (current examples include McCloud and Dashboards) which impact on resourcing. The immediate concern is the additional time processes are taking due to the impact of McCloud as outlined in paragraphs 1.02 and 1.06 earlier in this report. As this is a red risk, in accordance with the Risk Management Policy it is being escalated to the Advisory Panel. It is considered the following identified actions will help reduce the risk to a more acceptable level:

	<ul style="list-style-type: none"> ○ Software releases are due in the coming months which are expected to resolve a number of the McCloud processing issues and reduce the manual effort required. ○ With regards to Dashboards and as discussed earlier in this report the Project Team are now fully resourced, have commenced the preliminary preparation work required for dashboard readiness and are now developing the project initiation documentation.
4.03	Work continues in all areas to reduce the risks that are not on target. It is also worth noting that three of the risks' current scores match their target risk scores which is extremely positive (these are risks 5, 7 and 8).

5.00	APPENDICES
5.01	<p>Appendix 1 – Business Plan progress</p> <p>Appendix 2 – McCloud Programme update report</p> <p>Appendix 3 – Administration Strategy proposed amendments</p> <p>Appendix 4 – Extracts from Statement of Administering Authority Discretions Policy with proposed amendments</p> <p>Appendix 5 – National Pension Dashboards key decisions and project management roles and responsibilities</p> <p>Appendix 6 – Analysis of cases received and completed</p> <p>Appendix 7 – Key Performance Indicators</p> <p>Appendix 8 – Member Self Service update</p> <p>Appendix 9 – Urgent delegation</p> <p>Appendix 10 – Risk register update</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<ul style="list-style-type: none"> ● Report to Pension Fund Committee – Pension Administration Strategy (March 2021) ● Report to Pension Fund Committee – Communications Strategy (June 2022) ● Report to Pension Fund Committee - 2023/24 Business Plan and Clwyd Pension Fund Risk Management Strategy (March 2023) <p>Contact Officer: Karen Williams, Pensions Administration Manager Telephone: 01352 702963 E-mail: karen.williams@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	(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.





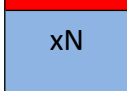
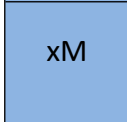
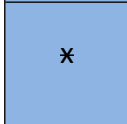
- (b) **Administering authority or scheme manager** – Flintshire County Council is the administering authority and scheme manager for the Clwyd Pension Fund, which means it is responsible for the management and stewardship of the Fund.
- (c) **PFC – Clwyd Pension Fund Committee** - the Flintshire County Council committee responsible for the majority of decisions relating to the management of the Clwyd Pension Fund
- (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.
- (e) **LGPS – Local Government Pension Scheme** – the national scheme, which Clwyd Pension Fund is part of.
- (f) **TPR – The Pensions Regulator** – a government organisation with legal responsibility for oversight of some matters relating to the delivery of public service pensions including the LGPS and CPF.
- (g) **SAB – The national Scheme Advisory Board** – the national body responsible for providing direction and advice to LGPS administering authorities and to DLUHC.
- (h) **DLUHC – Department of Levelling Up, Housing and Communities** – the government department responsible for the LGPS legislation.

Business Plan 2024/25 to 2026/27 – Q1 Update

Administration and Communications

Key Tasks

Key:

	Complete
	On target or ahead of schedule
	Commenced but behind schedule
	Not commenced
	Item added since original business plan
	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

Administration and Communications (including the Employer Liaison Team) Tasks

Ref	Key Action -Task	2024/25 Period				Later Years	
		Q1	Q2	Q3	Q4	2025/ 2026	2026/ 2027
Essential Regulatory-Driven Areas							
A1	McCloud judgement	x	x	x	x	x	
A2	National Pensions Dashboard	x	x	x	x	x	
A5	Preparation of Member Data for Interim Valuation and Triennial Valuation	x	x			x	
Priority Fund-Driven Projects							
A6	Review Administration & Communications Related Policies and Strategies	x	x	x	x	x	x
A7	Implement the updated Communications Strategy	x	x	x	x	x	x
A8	Benefit payment decisions and requirements	x					
A9	Employer escalation procedure	x					
Employer Liaison Team (ELT) Projects							
E1	Expand ELT to more employers	x					

Essential Regulatory Driven Areas

A1: McCloud judgement

What is it?

The McCloud judgement refers to an age discrimination court case where protections for older members, introduced during the Government's reforms of public service pension schemes in 2014 and 2015, were deemed to result in unlawful age discrimination. In the LGPS the protections applied to members in the new career average scheme who were within ten years of their Normal Pension Age (NPA) on 1 April 2012 in the form of a “better of both” promise. This means comparing the benefits payable under the career average and final salary schemes and paying the higher amount. This protection is called the underpin.

To remove the discrimination, the LGPS Regulations were updated with effect from 1 October 2023, providing all qualifying members with protection for the remedy period (1 April 2014 to 31 March 2022). Whilst regulations are in place for the main element of the remedy, as at March 2024, further regulations are still awaited to implement requirements for excess service for teachers. In addition, guidance is awaited before certain new member events can be progressed (for example transfers, divorce, flexible retirement). Guidance is also required before historic member events during the remedy period can be reviewed. Guidance is expected in Q1 2024.

Implementing the McCloud remedy has involved a large-scale retrospective data collection exercise, which we have nearly completed. It has a significant impact on our administration processes and systems, and has required regular communications with employers and scheme members. Due to the significant additional resource requirements, we have dedicated McCloud team members.

While our administration system has been largely updated to ensure compliance with the McCloud regulations, certain areas still require attention. Finalising the data collection exercise is crucial for dealing with business as usual cases on an automated basis.

Once guidance is received, and all the McCloud data is updated to our administration system, we will start reviewing all scheme member events that occurred during the remedy period (known as rectification). This exercise is expected to be largely carried out in bulk, although a degree of manual intervention is anticipated, and testing will establish the likely amount of manual work. Statutory guidance setting out the priority of rectification is expected in Q1 2024.

Timescales and Stages

Data collection from all employers (already commenced)	31 March 2024
Data validation and upload to Altair (already commenced)	2024/2025 Q1
Identify and update service for members where multiple records are not combined	2024/2025 Q1
Issue communications to scheme members and gather, verify and upload data on members' previous public service pension scheme membership	2024/2025 Q3
Identify and verify (if required) previous LGPS membership using the LGPS NI database	2024/2025 Q2
Finalise how processes and calculations will need to change to implement McCloud into business as usual (BAU) (ongoing)	2024/2025 Q1
Identify and re-combine aggregated and concurrent records as required to ensure the underpin is calculated correctly	2024/2025 Q3
Recalculation of leavers' benefits (benefit rectification) – process recalculations and prepare letters to members and pay balance of benefits	2024/2025 Q4
Ongoing communications to scheme members as required	2024/2025 Q1 to Q4
Assess the impact of the Teachers' excess service outcome	To be confirmed
Identify and review individuals where their benefits were affected by the previous underpin with Annual Allowance implications or Lifetime Allowance Protection	2024/2025 Q4
Finalise and issue new annual benefit statements to include McCloud information	2025/2026 Q2

Resource and Budget Implications

The additional internal resource allocated to the dedicated McCloud programme team will continue throughout 2024/2025. Although the work is being led and managed by dedicated McCloud team members, it impacts across all of the Administration Team. There continues to be additional costs relating to consultancy (including programme management which is being provided by the Independent Adviser), incidentals such as postage and printing, and system costs. The budget for 2024/2025 is £446k in total.

A2: National Pensions Dashboard

What is it?

The National Pensions Dashboard is a Government initiative intended to allow all pension savers in the UK access to view the values of all of their pensions online, including state pension, through one central platform. The Pension Schemes Act 2021, The Pensions Dashboards Regulations 2022 and The Pensions Dashboards (Amendment) Regulations 2023 provide the legal framework for implementing the dashboard. All pension schemes must connect to the dashboard infrastructure by their “staging date” as determined by the Department for Work and Pensions (DWP) with the dashboards made publicly available shortly after schemes have onboarded. The staging date for all public sector pension schemes including the LGPS is expected to be 30 September 2025. Legislation is expected soon which will confirm the timings and provide further clarity.

A formal Fund Pensions Dashboard project will be established in Q1 2024/2025

The dashboard requirements also extend to Additional Voluntary Contributions (AVCs). The Fund therefore needs to engage with Prudential and Utmost, its AVC providers, to ensure they are meeting the dashboard requirements.

Although the Fund will be relying on its Integrated Service Provider (ISP), its administration software provider (Heywood) and the AVC providers to carry out the majority of the work relating to the implementation project, there will be additional work for the Fund including new processes when the dashboard is up and running. Also, the Fund’s responsibility is to ensure the legal requirements relating to dashboards are met. Therefore, there will still be a significant amount of work for the Fund relating to the implementation of the dashboard and once it is live.

The Pensions Administration Manager is participating in a PLSA working group on the development of the Dashboard. The Fund has also volunteered to be part of the testing of the pension dashboard enhancements being integrated into the administration software.

Timescales and Stages

Project set up including finalising the project initiation documentation	2024/2025 Q1
Data cleansing exercise	2024/2025 Q1 to Q4
Appointing an Integrated Service Provider (ISP)	2024/2025 Q2
System functionality testing, including reporting	2024/2025 Q2 to Q4
Consider and agree data matching criteria	2024/2025 Q2 to Q3
Develop communications plan, and develop and issue various member communications	2024/2025 Q1 to 2025/2026 Q2

Latest connection date (still to be confirmed by DWP)	30 September 2025
Final work on value data post McCloud benefit rectification and data updates	2025/2026 (to be confirmed)
Review and update administration processes, and consider impact on future resources/budget	2024/2025 Q3 to 2025/2026 Q2
Agree, establish and implement dashboard processes with Additional Voluntary Contribution providers	2024/2025 Q1 to 2025/2026 Q2

Resource and Budget Implications

The proposed 2024/2025 budget is £100,000 and includes estimated additional system costs for the ISP (including set up costs) and consultancy costs for technical support. Costs will be monitored throughout the year and any necessary changes will be brought back to Committee for consideration. The biggest uncertainty will be the impact on the workload of the Pensions Administration Team once the dashboard goes live. Ongoing resources will be considered as part of the 2025/2026 budget.

A5: Preparation of Member Data for Interim Valuation and Triennial Valuation

What is it?

We will carry out an interim valuation (as at 31 March 2024) during 2024/2025 which will require us to provide data to the actuary. This will highlight any initial data validation to be completed ahead of the formal triennial valuation.

The next formal triennial actuarial valuation will be as at 31 March 2025 and requires us to provide data to the actuary. This involves an additional year-end data cleansing exercise post 31 March 2025 to ensure the data is of sufficient quality for the formal valuation and to then rectify any anomalies discovered during the valuation process.

Timescales and Stages

Preparation of data for 31 March 2024 interim valuation, and investigating and responding to data queries from Fund Actuary	2024/2025 Q1 to Q2
Preparation of data for 31 March 2025 triennial valuation, and investigating and responding to data queries from Fund Actuary	2025/2026

Resource and Budget Implications

This work will be carried out by the Technical Team in the main with assistance from the rest of the Project and Operations Teams depending on the requirements. All internal costs are being met from the existing budget. The work by the Fund Actuary for the interim valuation will be included in proposed budget for 2024/2025.

Priority Fund Driven Projects

A6: Review Administration and Communication Related Policies and Strategies

What is it?

There are a number of administration and communications related policies that need to be reviewed regularly as shown in the table below. In addition, we will be developing a Data Improvement Policy.

Timescales and Stages

Review of Administration Strategy (last approved May 2021)	2024/2025 Q1
Review of Under / Overpayment Policy (approved September 2021)	2024/2025 Q2
Develop and approve first Data Improvement Policy	2024/2025 Q3 to Q4
Personal Data Retention Policy (last reviewed March 2022)	2024/2025 Q4
Review of Communications Strategy (last approved June 2022)	2025/2026
Review of Voluntary Scheme Pays Policy (last approved October 2023)	2026/2027
Policy for Administration and Communications of Tax Allowances to Scheme Members (approved November 2023)	2026/2027
Administering Authority Discretionary Policy (last approved November 2023)	2026/2027

Resource and Budget Implications

This will be led by the Pensions Administration Manager. All costs are being met from the existing budget.

A7: Implement the updated Communications Strategy

What is it?

We updated our Communications Strategy in June 2022 to be more focussed on encouraging stakeholder engagement and providing positive experiences including through embracing technology for greater accessibility (as well as delivering efficiencies). As part of this, we are ensuring that all communication materials are updated to make them clearer and more concise.

The ongoing work involved in implementing the updated strategy is outlined in the table below.

Timescales and Stages

Review and update the structure and content of the Fund's non-administration areas of the website	2024/2025 Q1 to Q2
Videos and webcasts - agree plan and create suite of priority videos and webcasts	2024/2025 Q1 to Q4
Liaise with Flintshire County Council to improve telephony user experience	2024/2025 Q1 to Q4
Review and update content in communications from a Plain English and readability perspective (e.g. lower reading age); already commenced	2024/2025 Q1 to Q2
Review approach to Annual Employer and Scheme Member Meeting	2024/2025 Q1 to Q3
Continue to test and implement new online processes within Member Self Service (MSS) and providing MSS to Councillors	2024/2025 Q3 or as functionality becomes available
Investigate moving to new website platform provider	2024/2025 Q1 to Q4
Implement transformational member experience (TME); the replacement to MSS	2025/2026 to 2026/2027 or as functionality becomes available
Create and deliver a visual roadmap (the journey to retirement)	2024/2025 Q4
Develop a suite of communications for additional voluntary contributions/additional pension contributions	2024/2025 Q1 to Q4

Resource and Budget Implications

This work is mainly being delivered from internal resource, particularly the Communications Team and the Website and Technical Development Officer. The internal costs are included in the existing budget. The Independent Adviser is providing a small element of ongoing external guidance which is included in their budget. There is a significant amount of work involved in reviewing and updating all communications including the developing the suite of videos, updating the content of the existing website but it is hoped this can be completed using internal resource. There may be additional costs relating to new or updated telephony systems and websites, but the costs are unknown at this point in time.

A8: Benefit payment decisions and requirements

What is it?

On the death of a scheme member, we have a number of decisions to make around who benefits are paid to and how these are paid. We intend to establish further processes to assist in these decisions including who death grants are paid to, and the use of child trust funds. This will also include the approach we will take where a pensioner member does not have a bank account.

Timescales and Stages

Establish and document processes	2024/2025 Q1
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Resource and Budget Implications

This work is being led by the Pensions Administration Manager and is mainly being delivered from internal resource. Some consultancy support may be required from the Independent Adviser and those external costs are included within the budget.

A9: Employer escalation procedure

What is it?

In addition to monitoring our own performance through various key performance indicators, we have services standards that our participating employers should strive to meet, to ensure that our scheme members receive information on their pension benefits in a timely manner. We have been developing internal processes to more accurately monitor whether employers are meeting these service standards. Using the results from this monitoring, we intend to develop and implement an employer escalation procedure within our Administration Strategy. This will include various steps we will take where an employer is not meeting the required standards.

Timescales and Stages

Incorporate new employer escalation procedure within the Administration Strategy (last approved May 2021) and implement new procedure	2024/2025 Q1
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Resource and Budget Implications

This work is being led by the Pensions Administration Manager with support from the Operations and Technical teams, and the Independent Adviser. An estimate of any external costs is included within the budget.

E1: Employer Liaison Team Expansion to more employers

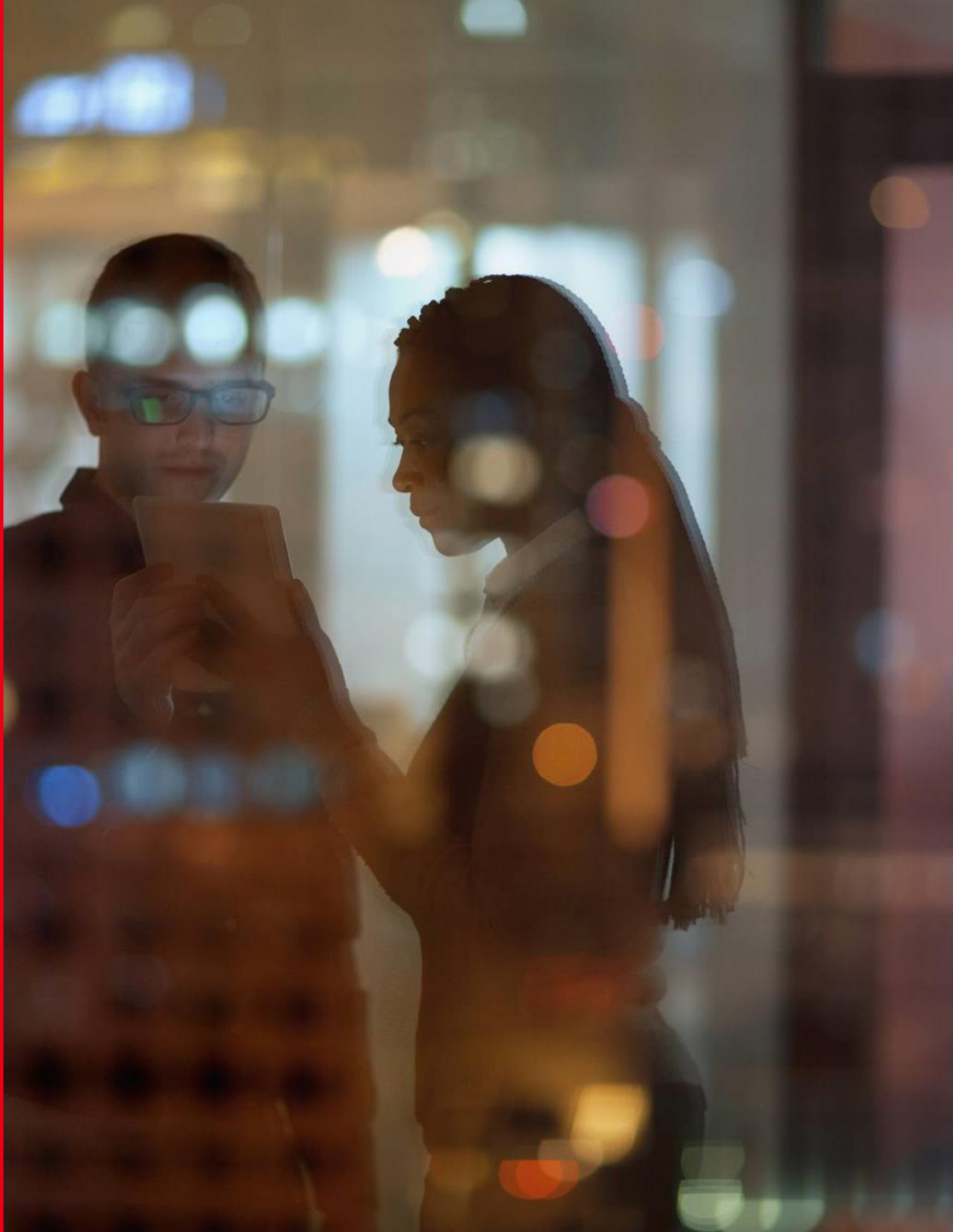
Understanding the continuing pressure on resources and budgets for employers, we offer a service to our employers where we carry out their Fund related duties on their behalf. These duties are carried out by our Employer Liaison Team (ELT). The service mainly consists of providing notifications regarding new starters, personal/employment changes and leavers/retirements in the LGPS. We can also complete outstanding requests for information in order to cleanse the pension records. All ELT costs are recharged to employers using the ELT service through their employer contribution rate.

What is it?

We aim to expand the ELT service to more employers in the Fund, making employers more aware of the services that are available, particularly those employers that are not meeting their key performance indicators.

Timescales and Stages

Start discussions with other employers	2024/2025 Q1
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Cronfa Bensiynau
CLWYD
Pension Fund

Clwyd Pension Fund

McCloud Programme Update

Prepared for: Clwyd Pension Fund Pension Fund Committee

Prepared by: Aon

3 June 2024

Private & confidential






High level Programme Plan

Key	Description	Key	Description	Key	Description	Key	Description	Key	Description
 	Complete	 	On track	 	Overdue	 	At risk	 	Not started

Workstream /key deliverables	2020	2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Regulations															
i. Submit Fund response (milestone 1)	x														
ii. Consultation response & draft regulations from DLUHC (milestone 2)								x	x						
iii. Ministerial statement		x							x						
iv. Regulations made (milestone 3)									x						
v. Regulations come into force (milestone 4)										x					
Communications workstream															
i. Pensions Saving Statements issued	x														
ii. Pensions Extra issued	x														
iii. Other McCloud communications		x	x	x	x	x	x	x	x	x	x	x	x	x	x
Data workstream including Heywood McCloud data solutions															
i. Data collection template, decision process and collection protocol & employer questionnaire	x	x													
ii. Employer engagement – pilots, 1to1s, monitor/manage timetables		x													
iii. Data collection from employers, review & validate data		x	x	x	x	x	x	x	x	x	x	x	x	x	x
iv. Data validations protocol, draft, approval							x	x	x	x	x	x	x	x	x
v. Heywoods' tools - New Insights report, Interface & McCloud data views								x	x	x	x	x	x	x	x
vi. Upload data to Altair, testing, final								x	x	x	x	x	x	x	x
vii. Further data cleansing / manual input								x	x	x	x	x	x	x	x
Funding, accounting and cashflows workstream															
i. Agree plan with actuary on funding implications, conts etc - TBC								x	x	x	x	x	x		
ii. Delivery - TBC										x	x	x	x		
Ongoing administration															
i. Scoping workstream					x			x							
ii. Delivery					x	x	x	x	x	x	x	x	x	x	x
Benefits rectification															
i. Scoping workstream					x	x	x	x							
ii. Receive further details and patch releases of initial Heywood functionality, testing			x	x	x	x	x	x	x	x	x	x	x		
iii. Delivery (other)													x	x	x
Programme meetings															
i. Workstream meetings including governance	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
ii. PMG / SG meetings		x	x	x	x	x	x	x	x	x	x	x	x	x	x

Programme background: The Court of Appeal has ruled that changes to public service pension schemes, including the LGPS, for future service made in 2014 and 2015, were discriminatory against younger members. The Government eventually gave a commitment to make changes to all public service pension schemes to remove discrimination.

Programme purpose: To implement the regulations the Government will make to remedy the discrimination against younger members of the LGPS for the Clwyd Pension Fund.

Key	Description	Key	Description	Key	Description	Key	Description	Key	Description
	Complete		On track		Overdue		At risk		Not started

Key deliverables 1 October 2023 – 30 June 2024

Programme workstream deliverables / Description	Responsibility	Sign-off	Deadline	Notes	Status
1. Data collection – checking, validations & uploading i. Data collection ii. Data checking and quality analysis (data validation procedure) iii. Testing of systems iv. Data uploading to Altair	Data workstream	PMG	December 2024	McCloud team formed a proposal around data validation process – PMG approval provided in October 2022. Data collection for the in scope membership expected to be complete by: - End June 2024 (small employers) - End June 2024 (larger employers excluding Wrexham) - End June 2024 (Wrexham) Following this, data validation process commenced in September 2023 and will be loaded to Altair / fully validated by end December 2024. Various testing based on new software releases will be carried out. PMG approval has been given to upload data	In progress
2. Heywoods' tools i. New Insights report (uploads check), Interface & McCloud data views	Data workstream	PMG	December 2024	Discussions with Heywoods taking place around the new Insights report(as some amendments are required based on CPF specific requirements), Interface and McCloud data views	In progress
3. McCloud communications (McCloud wording) i. ABS / ABS Pensioner / deferred / active newsletter	Comms workstream	PMG / SG	Q3 2024	Clwyd catch up newsletter in April 2024 requesting previous public service pension scheme membership Active and deferred ABS newsletter due to be issued in August 2024 requesting previous public service pension scheme	In progress
4. Consultation outcome announcement / ministerial statement / regulations	n/a	n/a	Autumn 2022 to Autumn 2023	Consultation announcement from DLUHC released 31 May 2023. CPF provided input into the response prepared by Aon in response to the consultation and submitted in June. On 8 September, Government issued its response to the consultation which confirmed the consultation proposals will be implemented. The regulations have now been made and came into force on 1 October 2023. Further regulations are still needed on teachers excess service and statutory guidance in the implementation of the regulations is needed.	In progress
5. Benefits rectification	Benefits rectification workstream	n/a	Q1 2025	Planning continues but delivery on hold whilst LGA guidance is awaited.	In progress
6. Programme meetings i. Data workstream (every ~6-8 weeks) ii. Communications workstream (~1-2 per quarter) iii. Benefits rectification & ongoing administration workstream (~every 6- 8 weeks) iv. PMG (~1-2 per quarter) v. SG (bi-annually)	Programme Manager	n/a	Ongoing	Regular workstream meetings for ongoing administration taking place and benefits rectification workstream expected to commence in Q2 2024. Update reports provided to PMG and SG on exceptions/escalation where full meetings are not deemed required.	In progress

Page 1 of 1

Programme success criteria (SC)	
SC1	Identify in-scope members with 100% accuracy
SC2	Obtain and load to the administration system all data required to calculate final salary underpin, adopting agreed assumptions where data cannot be reasonably obtained
SC3	Administration processes and systems are all amended and operate in line with the regulations from the effective date
SC4	Benefit rectification is completed accurately for all affected members by the required/agreed date
SC5	Member communications are effective, evidenced by few queries and complaints
SC6	Automation minimizes the impact on resources and SLAs/KPIs during implementation, rectification and ongoing administration
SC7	The programme is completed without unplanned disruption to business as usual and other Clwyd Pension Fund projects
SC8	The programme is completed within budget and timescale (subject to reasonable tolerances), noting that these will be agreed and reassessed from time to time throughout the programme.
SC9	The additional costs falling to employers transpire to have been reasonably estimated at the 2019 actuarial valuation

Programme Risks – current risks furthest from target

There are several risks that the programme's success criteria will not be achieved – these have been identified by CPF's programme management, are captured in a formal risk log and monitored on an ongoing basis. The current risks that are red and furthest from target are shown on in the table below.

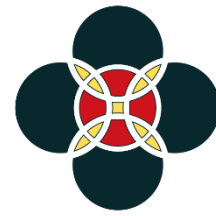
Risk no	Risk overview (this will happen)	Risk description (if this happens)	Programme Group	Owner	Success criteria at risk	Current risk impact	Current risk likelihood	Current risk status	Proposed controls in place	Target risk impact	Target risk likelihood	Target risk status
4	Detrimental impact on BAU	Due to delivery of the programme there is a detrimental impact on BAU	Programme Management Group	Karen Williams	SC7	Critical	Significant (50%)		<ol style="list-style-type: none"> 1. Thorough programme planning, scoping of work and recruitment programme at programme kick off to ensure resource not being taken from BAU 2. Forward planning and ongoing monitoring of resource requirements to minimise reliance on BAU 3. Actions taken as a matter of urgency where concerns are raised 4. Flexibility to utilise resource (including training or physical resource) from consultants if required 5. Refer all stakeholders to roles and responsibilities document to ensure resources are matched with correct roles alongside regular reminder at points throughout the programme 6. Regular contact with software supplier leading to strong engagement looking for alternate efficiencies 7. Consider interface process being carried out in McCloud team (after training) 	Negligible	Unlikely (5%)	
38	Aggregations - cases already aggregated	Could require large resource for manual calculations/data updates records	Programme Management Group	Karen Williams	SC2, SC3, SC4, SC8	Critical	Very High (65%)		<ol style="list-style-type: none"> 1. Monitor system functionality. 2. Create a documented process for team to follow which will include appropriate peer review. 	Negligible	Unlikely (5%)	

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Clwyd Pension Fund Administration Strategy

June 2024 May 2021

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Introduction and Background

This is the Statement outlining our Pension Administration Strategy for the Clwyd Pension Fund ("the Fund") and has been developed following consultation with employers in the Fund, Pension Board members and other interested stakeholders.

The aim of the administration strategy is to ensure both the administering authority and the employers are fully aware of their responsibilities under the Scheme, and to outline the performance standards they are expected to meet to ensure the delivery of a high-quality, timely and professional administration service. These performance standards are explained further in the appendices to this Strategy.

Flintshire County Council (the "administering authority" or otherwise referred to as "CPF Team" in this document) is responsible for the local administration of the Fund, which is part of the Local Government Pension Scheme ("the LGPS"). The Fund comprises around 48-52 employers with active members, and approximately 5049,000 scheme members (including active members, deferred and pensioner members).

Delivery of a high standard of administration service is not the responsibility of one person or organisation, but rather of a number of different parties, who between them are responsible for delivering the pensions administration service to meet the diverse needs of the membership.

This Strategy applies to all employers in the Fund and it sets out the expected levels of administration performance of both the administering authority and the employers within the Fund, the expected communication methods for transferring data and information between the employer and the Fund, as well as details on how performance levels will be monitored and the action that might be taken where persistent failure occurs.

This updated Strategy will be effective from ~~1 May 2021~~ 1 July 2024 and the performance indicators mentioned herein will demonstrate ongoing progress towards the Strategy's aims and objectives.

Regulatory Basis

The LGPS is a statutory scheme, established by an Act of Parliament. The Local Government Pension Scheme Regulations 2013 provide the conditions and regulatory guidance surrounding the production and implementation of Administration Strategies.

In carrying out their roles and responsibilities in relation to the administration of the Local Government Pension Scheme the Fund and employers will, as a minimum, comply with overriding legislation, including:

- Local Government Pension Scheme Regulations
- Pensions Acts 2004, 2011 and 2021 and associated disclosure legislation
- Public Service Pensions Act 2013 and associated record keeping legislation
- Freedom of Information Act 2000
- Equality Act 2010

- Finance Act 2013
- Relevant Health and Safety legislation and
- **General Data Protection Regulations Act 2018 (“GDPR”)**

As a result of the Public Service Pensions Act 2013, the Pensions Regulator has responsibility for oversight of a number of elements of the governance and administration of Public Sector pension schemes including the LGPS. The Regulator has the power to issue sanctions and fines in respect of failings caused by the administering authority and also where employers in the Fund fail to provide correct or timely information to the administering authority. Should this happen, the administering authority would recharge any costs back to employers as set out later in this strategy.

More information relating to requirements of the Local Government Pension Scheme Regulations is included in Appendix A. This statement has been developed to include the information required by those provisions and to describe our approach in relation to meeting these requirements in the delivery of administration.

Our Aims and Objectives

Mission Statement

The Clwyd Pension Fund Mission Statement is:

- to be known as forward thinking, responsive, proactive and professional, providing excellent customer focused, reputable and credible service to all customers
- to have instilled a corporate culture of risk awareness, financial governance, and to provide the highest quality, distinctive services within the resource budget
- to work effectively with partners, being solution focused with a ‘can do’ approach

In addition, we have specific aims and objectives in relation to our administration responsibilities as set out below.

Administration Aims and Objectives

The purpose of this Strategy is to set out the quality and performance standards expected of Flintshire County Council in its role of administering authority and employer, as well as all other employers within the Fund.

The Administration Strategy has a number of specific objectives, as follows:

- Provide a high quality, professional, proactive, timely and customer focussed administration service to the Fund's stakeholders
- Administer the Fund in a cost effective and efficient manner utilising technology appropriately to obtain value for money.
- Ensure the Fund's employers are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Fund

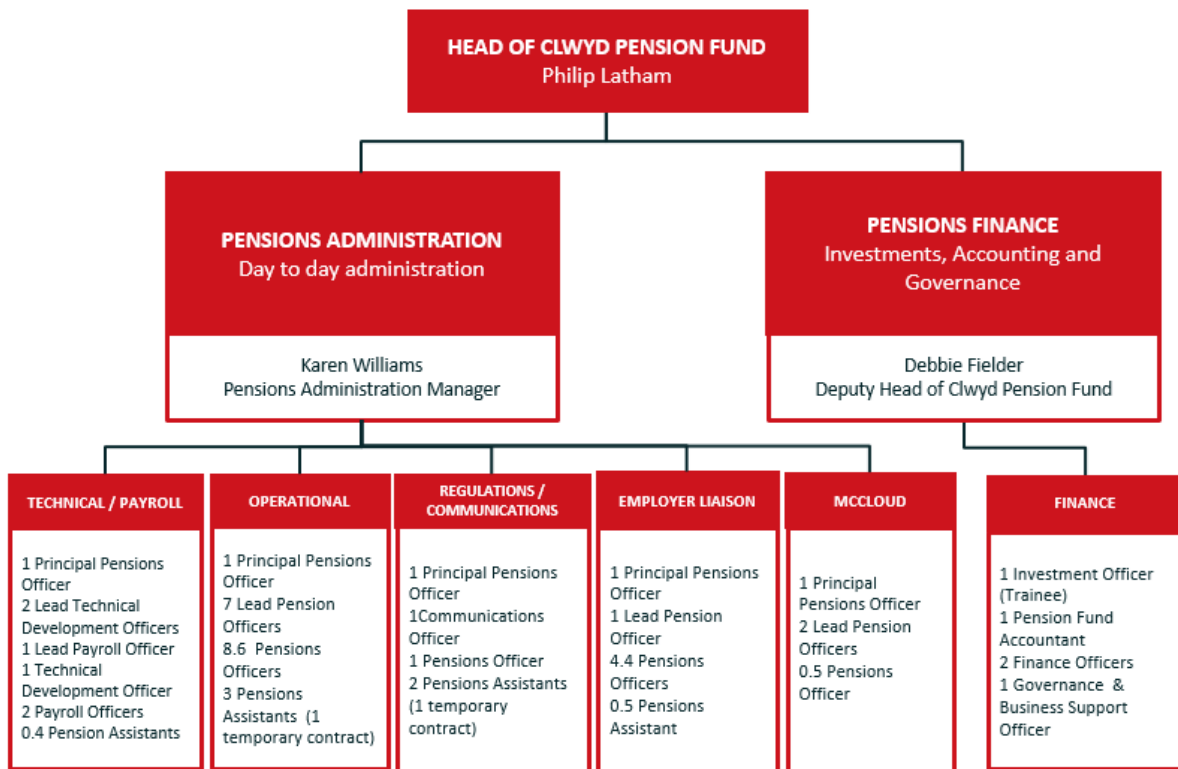
- Ensure the correct benefits are paid to, and the correct income collected from, the correct people at the correct time
- Maintain accurate records and ensure data is protected and has authorised use only

Delivery of Administration

Flintshire County Council has delegated responsibility for the management of the Pension Fund to the Clwyd Pension Fund Committee, taking into consideration advice from the Pensions Advisory Panel and the Pensions Board. The Committee will monitor the adherence to the Strategy on a regular basis as outlined later in this document.

Operationally, the administration of the Fund is undertaken ‘in-house’ within the Fund. The operational structure of the Pension Fund, **as at the point of publication of this Strategy**, is illustrated in the schematic diagram below:

[Note - diagram will be updated if proposed management structure is agreed]



Most LGPS administering authorities provide the administration service from internal teams, although some have outsourced (or partially outsourced) their administration, and some utilise shared service administration arrangements across more than one Fund. Other LGPS administering authorities only outsource specific projects. The Fund may, in exceptional circumstances, consider outsourcing some of its administration services.

In addition, the CPF Team will look for opportunities to work collaboratively with other administering authorities so as to reduce development costs and enhance the quality of information. This might include:

- working with other administering authorities through the Pensions Officer Group networks or the All Wales network to produce communications, which can then be customised further where necessary to the needs of the Fund
- participating in joint training sessions with other administering authorities

Employer Duties and Responsibilities

Nominated Representative

The Clwyd Pension Fund requires all employers to appoint a Nominated Representative who will be ultimately responsible for pension matters, and that person will act as the employer's primary contact with the Fund.

Authorised Officers

The Nominated Representative noted above will automatically be an Authorised Officer which means the Fund will accept information and instructions sent from that individual. In addition, only Authorised Officers whose names, contact details and specimen signatures are held by the Fund may sign or send documents and/or instructions from the employer to the Fund. Documents or instructions which have either not been signed, or that do not have clear oversight from an Authorised Officer, or are not sent by an Authorised Officer, will not be accepted.

Employers will periodically be required to confirm their named Authorised Officers and must ensure the Fund is advised of changes on an ongoing basis.

Information to be submitted and other responsibilities

Appendix B sets out the responsibilities of both the employer and the Fund in relation to various Fund matters such as employees joining or leaving the scheme and the payment of contributions. The Nominated Representative must ensure that these processes are understood and carried out in accordance with the requirements of this Strategy. These processes involve a range of actions such as the monthly upload of electronic files with scheme member data (i-Connect) and the completion and issue of standard forms to the Fund. It is critical that these processes are completed in an accurate and timely manner to ensure the objectives of this Strategy are met, not least ensuring that the correct benefits are paid to scheme members at the right time.

Year End Procedure

Various pieces of legislation include strict deadlines for the receipt of year-end information, the distribution of Annual Benefit Statements and the distribution of Pension Saving Statements (relevant to disclosing Annual Allowance information). To achieve these deadlines, the employer must provide the Fund with year-end information to 31st March (over and above that already included in the i-Connect uploads) each year by 30th April (or the next working day) in an approved format required by the Fund, accompanied by a

completed Employer Compliance Statement which employers will be required to sign by 30th April. The Fund will notify the employer of the required information each February, and it is recognised that there will be scenarios where further information is required from employers in addition to the March i-Connect upload (such as pensionable remunerations). Any changes to the format of year-end information must be agreed between both parties by no later than 10 working days after the Fund has issued the instructions.

Data Protection

There is no requirement under **GDPR the Data Protection Act 2018** for data controllers to enter into formal contractual relationships with other data controllers with whom they share and from whom they receive personal data.

In order to comply with the Data Protection **Law Act 2018, including the General Data Protection Regulation (2016/679) ("GDPR")**, the Employer and the Fund will separately inform the members of the respective purposes for which they will each process their personal data and provide all required information to ensure that the members understand how their personal data will be processed in each case by the Fund or the Employer (as applicable). The Employer's privacy notice to members will inform them that their personal data will be provided to the Fund and a copy of that notice will be provided to the Fund on request.

The Employer undertakes to notify the Fund as soon as practicable if an error is discovered in the members' personal data of which it is a data controller and which was received from or a copy of which has been provided to the Fund, to ensure that the Fund is then able to correct its own records.

If either the Fund or the Employer appoints professional advisers, third party administrators or another entity which provides other services involving the transfer of members' personal data those third parties will be data processors or data controllers in their own right. The Fund or the Employer (as applicable) will comply with its own obligations in accordance with Data Protection Law (in particular, by ensuring that any entity to which it transfers members' personal data also complies with Data Protection Law) and shall ensure that nothing in the terms of engagement between the Fund or the Employer (as applicable) and such third party would contradict Data Protection Law.

The Employer and the Fund confirms that it understands its respective obligations under Data Protection Law in the event of any personal data breach, unauthorised or unlawful processing of, loss or destruction of or damage to any of the members' personal data, including (where necessary) an obligation to notify the Information Commissioner's Office and/or the member(s).

Performance Standards: Quality

Local Standards

The legislative and regulatory requirements are set out previously and in Appendix A. On top of these, the Fund and employers ensure that all administration functions and tasks are carried out to agreed local quality standards. In this respect the standards to be met are:

- compliance with all requirements set out in this Administration Strategy
- information to be provided in the required format and/or on the appropriate forms as provided by the Fund
- Annual agreement with the Compliance Statement which certifies the data that the employer supplies to the Fund
- information to be legible and accurate
- communications to be in a plain language style
- information provided or actions carried out to be checked for accuracy* by an appropriately trained member of staff
- information provided or actions carried out by an employer to be authorised by an Authorised Officer and
- actions carried out, or information provided, within the timescales set out in this strategy

*accuracy is defined as when we have received information, for example, from an employer, with **all** required areas completed **and** with no contradictory information which needs to be queried.

Providing data to the Fund: Secure Data Transfers and i-Connect

The Fund follows Flintshire County Council's data security guidelines when sending any personal data. Flintshire County Council uses Egress Switch to securely send data when required, which offers a combination of policy based gateway and desktop email encryption software to secure and control information sent to third parties. Egress Switch also uses:

- an authentication process
- password protection, and
- confirmation of receipt

to prevent any sensitive information from being accidentally sent to unauthorised recipients.

All employers are expected to ensure that information containing personal data that is sent to the Fund is sent securely.

A key method of data transfer relating to the Fund's administration, is the receipt of information from employers in relation to scheme members. In order to meet the requirements set out in this document in a secure and efficient way (for both employers and the administering authority), Clwyd Pension Fund uses a secure data system known as i-Connect for its employers. i-Connect automates a number of procedures, which reduces the administration time for both the Fund and the employer. Information is uploaded monthly.

It is widely recognised that regular transmission of data dramatically improves data quality which is why the Fund has invested in this tool. All employers are provided with access to i-Connect and should upload information on a monthly basis.

Any employers not submitting data via i-Connect, once it is made available to them, may risk compromising data security and quality. Consequently, use of this system is compulsory to all employers in the Fund and any employers who do not engage with this may be charged administration costs.

The Fund recognises that there will be occasions where employers will need to send information to the Fund outside of i-Connect (e.g. prior to the employer being onboarded as an i-Connect user or where supplementary information is required). In these instances, the Fund expects this information to be sent electronically with appropriate encryption and from an Authorised Officer as approved by the employer. Information sent to the Fund without encryption or not from an Authorised Officer will not be accepted.

Oversight of Compliance and Quality

Ensuring compliance is the responsibility of the Fund and the employers in the Fund. The Fund has a range of internal controls in place to assist with ensuring compliance and which are articulated in the Fund's risk register. However, there are ways in which they are subject to elements of scrutiny or oversight:

Audit

The Fund is subject to a regular annual audit of its processes and internal controls. The Fund and the employers are expected to fully comply with any reasonable requests for information from both internal and approved external auditors. Any subsequent recommendations made will be considered by the Pension Fund Committee, and where appropriate duly implemented (following discussions with employers where necessary).

Local Pension Board (LPB), the national Scheme Advisory Board (SAB) or the Pensions Regulator

The LPB of the Clwyd Pension Fund assists the Fund in a number of ways including oversight of the implementation of this Strategy. The Pensions Regulator and the national Scheme Advisory Board provide guidance that the Fund must have regard to. The Fund and the employers are expected to fully comply with any such guidance produced by the SAB and the Pensions Regulator. Any recommendations made from these entities will be considered by Flintshire County Council, in its role as administering authority, and where appropriate, duly implemented following discussions with employers where necessary.

Performance Standards: Timeliness and Accuracy

Overriding legislation, including The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended), dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties

associated with the scheme. Further, the LGPS itself sets out a number of requirements for the administering authority or employers to provide information to each other, to scheme members and to prospective scheme members, dependants, other pension arrangements or other regulatory bodies. **Preparing the Pension Fund Annual Report Guidance, issued jointly by Department for Levelling Up, Housing and Communities (DLUHC), SAB and the Chartered Institution of Public Finance and Accountancy (CIPFA) also includes a number of administration key performance indicators that the Fund is legally required to have regard to. The Fund will therefore report its performance against these key performance indicators.**

In addition to these legal requirements, Local performance standards have been agreed which cover all aspects of the administration of the Clwyd Pension Fund. In many cases these go beyond the overriding legislative requirements.

The locally agreed performance standards for the Fund are set out in Appendix B. These standards are not an exhaustive list of the Fund's and employers' responsibilities.

The locally agreed performance standards will be monitored on an ongoing basis by the administering authority, the key standards which will be publicly reported on are extracted and shown in the table below.

These elements are measured against:

1. any legal timescale that should be met ("Legal requirement")
2. the overall locally agreed target time ("Overall case target")
3. the locally agreed target time for the administering authority to complete that task ("CPF Administration element target")

Generally the CPF Administration element target will be a shorter procedure within the overall case which is being measured by the Legal requirement and Overall case targets. This is because the Legal requirements and Overall case targets will generally include periods of time when the Fund is waiting for information to be provided by an employer or scheme member. The CPF Administration element target then measures the period of time it takes the Fund to carry out their element of work once the accurate* information has been received.

*accurate is defined as when we have received information, for example, from an employer, with **all** required areas completed **and** with no contradictory information which needs to be queried.

Key Performance Indicators (KPIs)

Process	Legal requirement	Overall case target	CPF Administration element target
To send a Notification of Joining the LGPS to a scheme member	2 months from date of joining (assuming notification received from the employer), or within 1 month of receiving jobholder information where the individual is being automatically enrolled / re-enrolled ¹	43 working days from date of joining (i.e. 2 months)	30 working days from receipt of all information
To inform members who leave the scheme before retirement age of their leaver rights and options	As soon as practicable and no more than 2 months from date of initial notification (from employer or from scheme member) ²	43 working days from date of leaving	15 working days from receipt of all information
Obtain transfer details for transfer in, and calculate and provide quotation to member	2 months from the date of request ¹	43 working days from date of request	20 working days from receipt of all information
Provide details of transfer value for transfer out, on request	3 months from date of request (CETV estimate) ³ or within a reasonable period (cash transfer sum) ⁴	43 working days from date of request	20 working days from receipt of all information
Notification of amount of retirement benefits	1 month from date of retirement if on or after Normal Pension Age ¹ 2 months from date of retirement if before Normal Pension Age ¹	22 working days from date of retirement	10 working days from receipt of all information
Providing quotations on request for retirements	Not applicable	43 working days from date of request	15 working days from receipt of all information

Process	Legal requirement	Overall case target	CPF Administration element target
Calculate and notify dependant(s) of amount of death benefits	As soon as possible but in any event no more than 2 months to beneficiary from date of becoming aware of death, or from a date of request by a third party (e.g. personal representative) ¹	25 working days from date of death	10 working days from receipt of all information
Calculate and Notify member of CETV for Divorce/Dissolution Quote	3 months from the date of request	43 working days from date of request	20 working days from receipt of all information
Calculate and Notify members of Actual Divorce Share	4 months from the date of the pension sharing order, or the date where all sufficient information is received to implement the order ⁵	43 working days from date of request	15 working days from receipt of all information
Calculate and pay a Refund of contributions	Not applicable	30 working days from date of leaving	10 working days from receipt of all information
Calculate and Pay retirement lump sum	Not applicable	Not applicable	15 working days from receipt of all information
Calculate and Notify member of Deferred Benefits	Not applicable	76 working days from date of leaving	30 working days from receipt of all information
Initial letter acknowledging death of member	Not applicable	Not applicable	3 working days from receipt of all information

Process	Legal requirement	Overall case target	CPF Administration element target
Issue bank credit information request for a refund of contributions	Not applicable	Not applicable	15 working days from receipt of leaver form

- 1: The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as amended
- 2: The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991
- 3: Occupational Pension Schemes (Transfer Value) Regulations 1996
- 4: Pension Schemes Act 1993
- 5: Welfare Reform and Pensions Act 1999

Improving Employer Performance (where necessary)

This Strategy is focussed on good partnership working between the administering authority and the Fund's employers. The Fund is committed to enhancing the educational tools and guidance available to employers to ensure they are supported in their role of administering the LGPS. The primary supporting materials available include:

- Clwyd Pension Fund employer training guide
- LGA HR and Payroll guides for Employers found at: <https://www.lgpsregs.org/resources/guidesetc.php>
- i-Connect user guide
- training provided on request for new and existing employers
- various information and guides available for scheme members from the CPF website and the LGPS national website
- regular Fund meetings with employers being invited to submit agenda items
- attending employer induction courses
- the Fund annual meeting
- monthly updates to employers confirming performance against key performance standards

However, it is recognised there may be circumstances where employers are unable to meet the required standards, and monthly employer reporting on key performance standards will help identify these areas so they may be addressed before they become a larger issue.

The Principal Pensions Officer (either in the Technical or the Operations Team as appropriate Administration Team) will seek, at the earliest opportunity, to work closely with an employer's Nominated Representative in identifying any areas of poor performance or misunderstanding, provide opportunities for necessary training and development and put in place appropriate processes to improve the level of service delivery in the future.

It is expected hoped that it will be extremely rare for there to be ongoing problems but, where persistent and ongoing failure occurs and no improvement is demonstrated by an employer, and/or unwillingness is shown by the employer to resolve the identified issue, we set out below the steps we will take in dealing with the situation in the first instance:

- The designated Principal Pensions Officer will issue a formal written notice to the employer's Nominated Representative setting out the area(s) of poor performance
- The Principal Pensions Officer will meet with the employer's Nominated Representative to discuss the area(s) of poor performance, how they can be addressed, the timescales in which they will be addressed and how this improvement plan will be monitored
- The designated Principal Pensions Officer will issue a formal written notice to the employer's Nominated Representative setting out what was agreed at that meeting in relation to how the area(s) of poor performance will be addressed and the timescales in which they will be addressed

- A copy of this communication will be sent to:
 - The Pension Administration Manager
 - The Director of Finance or other senior officer at that employer
- The Principal Pensions Officer will monitor whether the improvement plan is being adhered to and provide written updates at agreed periods to the employer's Nominated Representative, with copies being provided to the Pension Administration Manager and the Director of Finance (or alternative senior officer) at that employer
- Where the improvement plan is not being delivered to the standards and/or timescales agreed, the Principal Pensions Officer will escalate the matter to the Pension Administration Manager who will determine the next steps that should be taken. This may include (but is not limited to):
 - Meetings with more senior officers at the employer and Pensions Administration Manager and/or Head of the Clwyd Pension Fund
 - Escalating to the Clwyd Pension Fund Advisory Board, Pension Fund Committee and/or Pension Board, including as part of the Fund's Procedure for Recording and Reporting Breaches of the Law
 - Reporting to The Pensions Regulator or Scheme Advisory Board, as part of the Fund's Procedure for Recording and Reporting Breaches of the Law

Circumstances where the administering authority may levy costs associated with the Employers poor performance

The Fund will work closely with all employers to assist them in understanding all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this Administration Strategy. The Fund will work with each employer to ensure that overall quality and timeliness is continually improved.

The 2013 LGPS Regulations provide that an administering authority may recover from an employer, any additional costs associated with the administration of the scheme, incurred as a result of the unsatisfactory level of performance of that employer.

Where an administering authority wishes to recover any such additional costs they must give written notice stating:

- The reasons in their opinion that the employer's level of performance contributed to the additional cost.
- The amount the administering authority has determined the employer should pay.
- The basis on which this amount was calculated.
- The provisions of the Administration Strategy relevant to the decision to give notice.

The Fund's philosophy is to provide a framework which enables employers to be equipped with the tools to meet these requirements through further training, where required, and provides them with the opportunity to improve where performance is not satisfactory.

However,

- in instances where the performance of the employer results in fines being levied against the administering authority by the Pensions Regulator, Pensions Ombudsman or other regulatory body, an amount no greater than the amount of that fine will be recharged to that employer.
- where the improvement plan as outlined in the Improving Employer's Performance section of this Strategy is not being adhered to, or, where the employer is unwilling to engage with the administering authority, the administering authority will not hesitate to recharge any employer where it is deemed necessary. In these circumstances, **the Pension Fund Committee will determine whether there is to be a recharge, the amount to be recharged and how this is to be calculated will be determined in accordance with the process stated within the separate Statement of Administering Authority Discretionary Policies.** The employer in question will be provided with a copy of that determination **report and will be entitled to attend the Pension Fund Committee when this matter is being considered.**

Whether or not interest will be charged on late contributions will be **determined in accordance with the process** stated within the **administering authority's separate Statement of Administering Authority Discretionary Policies** **policy on discretionary provisions.**

Employer Liaison Team

Understanding the continuing pressure on resources and budgets for employers and the administering authority, Flintshire County Council has established an Employer Liaison Team which can provide assistance to employers by carrying out a number of the employer responsibilities on the employers' behalf. The Employer Liaison Agreement has a number of specific objectives which are aligned with this Clwyd Pension Fund Administration Strategy and which are as follows:

- Provide a high quality, professional, proactive, timely and customer focused service to the Employer
- Provide the agreed service in a cost effective and efficient manner utilising technology appropriately to obtain value for money
- Ensure the Employer is aware of and understands their role and responsibilities under the LGPS regulations and the Fund's Administration Strategy
- Ensure that accurate member information is provided to the Fund, in the correct format, within the agreed timescales
- Ensure data is protected and has authorised use only

Subject to having access to the necessary systems and information, the Employer Liaison Team can carry out a number of responsibilities on behalf of an employer including:

- notification of new starters, changes in circumstances and leavers, including by uploading i-Connect submissions
- carrying out estimates of benefits (for example, for redundancy exercises)

- responding on behalf of the employer to queries from the Clwyd Pension Fund Operations and Technical teams, for example relating to year end submissions
- assisting with specific projects, such as data cleansing exercises

Any employer wishing to make use of this service will be expected to enter into a signed agreement which will include information relating to how the service is paid for by the employer. There may be opportunities to spread these costs, recognising the budgetary pressures that employers are currently subject to.

Measuring the Fund against the Administration Objectives

The administering authority will monitor the performance of the Fund in carrying out its responsibilities in relation to the scheme and will regularly monitor performance by benchmarking against other Funds, using benchmarking clubs and other comparators available. How well the Fund performs will be reported in the Fund's Annual Report based on the statistics available at that time.

In addition, the Fund will monitor success against the administration objectives in the following ways:

Objectives	Measurement
Provide a high quality, professional, proactive, timely and customer focussed administration service to the Fund's stakeholders.	Key Performance Indicators achieved in 90% of cases* (100% for legal requirements). Annual satisfaction surveys with employers and scheme members achieving 90% of scores in positive responses in these areas.
Administer the Fund in a cost effective and efficient manner utilising technology appropriately to obtain value for money.	Cost per member is not in upper or lower quartiles when benchmarked against all LGPS Funds using national data (either SF3 or SAB)

Objectives	Measurement
<p>Ensure the Fund's employers are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Fund.</p>	<p>Annual data checks (including ongoing reconciliations) resulting in few issues that are resolved within 2 months.</p> <p>Key Performance Indicators achieved in 90% of cases* (100% for legal requirements).</p> <p>Issues included in formal improvement notices issued to employers resolved in accordance with plan.</p> <p>Annual satisfaction surveys with employers achieving 90% of scores in positive responses in these areas.</p> <p>All employers receive monthly updates of performance against key service standards.</p>
<p>Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount.</p>	<p>Positive results in audit and other means of oversight/scrutiny.</p> <p>Key Performance Indicators achieved in 90% of cases* (100% for legal requirements).</p> <p>Minimal issues against the Fund identified by Internal Dispute Resolution Procedures and complaints.</p> <p>No breaches relating to incorrect benefit calculations as a result of errors that occurred purely within the Fund's Administration Team (e.g. not as a result of incorrect information from an employer).</p>
<p>Maintain accurate records and ensure data is protected and has authorised use only.</p>	<p>Annual data checks (including ongoing reconciliations) resulting in few issues that are all resolved within 2 months.</p> <p>Data improvement plan in place with ongoing evidence of delivered agreed improvements.</p> <p>No breaches of data security protocols.</p> <p>Positive results in audit and other means of oversight/scrutiny.</p>

An overview of the Fund's performance against these objectives, in particular, the target standards for turnaround times, will be reported within the Fund's annual report and

accounts. It will be reported, on an ongoing basis, to the Pension Fund Committee and Pension Board. In addition, these will be reported to The Pensions Regulator (if deemed appropriate) under the Procedure for Recording and Reporting Breaches of the Law (Breaches Procedure Policy).

If performance is substantially below standard (whether by a large margin for a short period of time or a small margin for a longer period of time) the administering authority will formulate an improvement plan. This will be reported to the Pension Fund Committee and Pension Board together with an ongoing update on achievement against the improvement plan.

Key Risks

The key risks to the delivery of this Strategy are outlined below. The Pensions Administration Manager and other officers will work with the Pensions Advisory Panel, Pension Fund Committee and Pension Board in monitoring these and other key risks and consider how to respond to them.

- Lack or reduction of skilled resources due to difficulty retaining and recruiting staff members and also staff absence due to sickness
- Significant increase in the number of employing bodies causes strain on day to day delivery
- Significant external factors, such as national change, impacting on workload
- Incorrect calculation of members' benefits, resulting in inaccurate costs
- Employer's failure to provide accurate and timely information or in the correct format resulting in incomplete and inaccurate records. This leads to incorrect valuation results and incorrect benefit payments
- Failure to administer the scheme in line with regulations as listed under 'Regulatory Basis' in this Strategy. This may relate to delays in enhancement to software or regulation guidance
- Failure to maintain records adequately resulting in inaccurate data
- Use of external printers/distributors resulting in possible data mismatch errors
- Unable to deliver an efficient service to pension members due to system unavailability or failure
- Failure to maintain employer contact database leading to information being sent to incorrect person

Approval, Review and Consultation

This Strategy was originally approved in March 2016 and has had a number of reviews since then.. This version was approved by the Committee in ~~March 2021~~ June 2024.

It will be formally reviewed and updated at least every three years or sooner if the administration management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS or other relevant Regulations or Guidance which need to be taken into account.

In preparing and updating the Strategy, **other than in relation to minor changes**, we have consulted with the relevant employers, the scheme member and employer representatives on the Clwyd Pension Board, and other persons considered appropriate.

This Strategy will be included, **or a hyperlink provided**, within the Fund's Annual Report and Accounts and available on our website at: <https://mss.clwydpensionfund.org.uk/>

Costs

All additional costs relating to this Strategy are met directly by the Fund unless mentioned otherwise. However, this does not apply to costs incurred by employers in meeting the requirements of this Strategy.

Further Information

Any enquiries in relation to the day-to-day administration of the Fund or the principles or content of this Strategy should be sent to:

Karen Williams, Pensions Administration Manager

Flintshire County Council

County Hall

Mold

Flintshire

CH7 6NA

E-mail: karen.williams@flintshire.gov.uk

Telephone: 01352 702963

Any enquiries in relation to the services provided by the Employer Liaison Team should be sent to:

Kerry Robinson, Principal Pensions Officer: Employer Liaison Team

Flintshire County Council

County Hall

Mold

Flintshire

CH7 6NA

E-mail: kerry.robinson@flintshire.gov.uk

Telephone: 01352 702814

Appendix A: Administration Legal Requirements within the LGPS

This section of the Strategy details some of the key legal requirements that are prescribed in the LGPS Regulations for employers and the administering authority. This is not an exhaustive list of requirements and it does not detail any other requirements that are outlined in other pieces of legislation as referred to in the Regulatory Basis section of this Strategy.

Regulations 72, 73, 74 and 80 of Local Government Pension Scheme Regulations 2013 require the following:

Employer Responsibilities:

- To decide any rights or liabilities of any person under the LGPS (for example, what rate of contributions a person pays and whether or not a person is **entitled** to any benefit under the scheme) as soon as is reasonably practicable*
- To formally notify that person of the decision in relation to their rights or liabilities in writing as soon as is reasonably practicable (including a decision where a person is not entitled to a benefit and why not), including information about their internal dispute resolution procedure
- To inform the administering authority of all such decisions made
- To provide the administering authority with such information it requires so it can carry out its functions including, within three months of the end of each Scheme year**, the following information in relation to any person who has been an active member of the scheme in the previous year:
 - name and gender
 - date of birth and national insurance number
 - a unique reference number relating to each employment in which the employee has been an active member
 - in respect of each individual employment during that year:
 - the dates during which they were a member of the scheme
 - the normal pensionable pay received and employee contributions paid
 - the pensionable pay received and employee contributions paid whilst there was any temporary reduction in contributions
 - the normal employer contributions paid
 - any additional employee or employer contributions paid
 - any Additional Voluntary Contributions paid by the employee or employer
- To appoint a person to consider complaints under stage 1 of the internal dispute resolution procedure relating to employer decisions (or a lack of a decision)***

*And at the latest within 1 month of the need for a decision

**Note that, in practice, the administering authority will require this information by a specific date as outlined in Appendix B in order to meet statutory deadlines on benefit statements

***Note that, in practice, employers in the Clwyd Pension Fund may use the same person to consider stage 1 IDRPs as used by the administering authority

Administering Authority Responsibilities:

- To decide the **amount** of benefits that should be paid, including whether the person is entitled to have any previous service counting towards this for LGPS purposes, as soon as is reasonably practicable
- To formally notify that person of the decision in relation to the amount of their benefits in writing as soon as is reasonably practicable, including a statement showing how they are calculated and information about their internal dispute resolution procedure
- To appoint a person to consider complaints under stage 1 of the internal dispute resolution procedure relating to administering authority decisions (or a lack of a decision)
- To appoint a person to consider complaints under stage 2 of the internal dispute resolution procedure (which covers both employer and administering authority decisions or lack of decisions)
- To provide on request any information to an employer about a complaint under the internal dispute resolution procedure that may be required by an employer

Regulation 59(1) enables an LGPS administering authority to prepare a written statement ("the pension administration strategy") to assist in delivering a high-quality administration service to its scheme members and other interested parties. It sets out local standards which often go beyond the minimum requirements in overriding legislation as outlined above, and which the administering authority and employers should comply with.

The statement may contain matters mentioned below, as considered appropriate:

- Procedures for liaison and communication with the relevant employers in their Fund.
- The establishment of levels of performance which the administering authority and the employers are expected to achieve in carrying out their functions under the LGPS by:
 - i. the setting of performance targets;
 - ii. the making of agreements about levels of performance and associated matters; or
 - iii. such other means as the administering authority consider appropriate;
- Procedures which aim to secure that the administering authority and the employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance.

- Procedures for improving the communication of information, relating to those functions, between the administering authority and the employers.
- The circumstances in which the administering authority may consider giving written notice to an employer on account of poor performance in carrying out its functions under the LGPS Regulations when measured against the agreed performance levels.
- The publication of annual reports, by the administering authority, dealing with:
 - i. the measurement of the administering authority and the employers achievements against the agreed performance levels, and
 - ii. such other matters arising from its pension administration strategy as it considers appropriate
- Such other matters as appear to the administering authority to be suitable for inclusion in that strategy.

Regulation 59(2)e allows an administering authority to recover additional costs from an employer, where the costs are directly related to the poor performance of that employer. Where this situation arises, the administering authority is required to give written notice to the scheme employer, setting out the reasons for believing that additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.

In addition, regulation 59(6) also requires that, where a pension administration strategy is produced, a copy is issued to each of their relevant employers as well as to the Secretary of State. The administering authority must review this statement and make such revisions as are appropriate. It is a requirement that, in preparing or revising any pension administration strategy, that the administering authority must consult its relevant employers and such other persons as it considers appropriate.

Both the administering authority and employers must have regard to the current version of the pension administration strategy when carrying out their functions under the LGPS Regulations.

Appendix B: Responsibilities and Performance Standards

This section of the Strategy sets out the responsibilities and performance standards for participating employers and the administering authority ("CPF Team") in a number of key processes. Adherence to the standards will help employers and the CPF Team meet the legal disclosure requirements imposed by the relevant pieces of legislation set out in the Regulatory Basis section of the Strategy.

i-Connect monthly uploads	
Employer's responsibility	Target Service Standard
To ensure monthly information is uploaded to the CPF i-Connect system.	Employer specific: no later than the 'submission day' agreed between the Fund and Employer during the i-Connect on-boarding process Employers can find their agreed date within the 'Payroll Details' section of the i-Connect portal

New Appointments	
Employer's responsibility	Target Service Standard
To ensure that pensions information is included as part of the notification of appointment process	Within 6 weeks of the employment start date
To provide each new employee with basic scheme information ¹	Within one month of joining

New Scheme Members	
Employer's responsibility	Target Service Standard
Determine if an employee should be entered into the LGPS, and decide and ensure the correct employee contribution rate is applied	Immediately on joining, with contribution rate in line with employer's policy
Provide new starter information to the CPF Team for each new employee joining the LGPS via i-Connect.	Employer specific i-Connect deadline:

<https://www.lgpsmember.org/thinking-joining.php>

<https://mss.clwydpensionfund.org.uk/home/lgps-scheme/forms-and-resources/index.html>

	<ul style="list-style-type: none"> • Where the joining date is on or before 10 working days before a pay date, the due date is the first i-Connect employer submission day immediately after that pay date. • Otherwise, the due date is the following i-Connect employer submission day (i.e. after the next pay date).
CPF Team's Responsibility	Target Service Standard
To accurately record and update member records on the pension administration system	Now processed automatically on upload of i-Connect submission
To send a Notification of Joining the LGPS to a scheme member including personal details and transfer forms	Within 30 working days of receipt of all information
To apply for any transfer value details from a previous fund or scheme	Within 5 working days from receiving all information

Changes in circumstances

Employer's responsibility	Target Service Standard
Arrange for reassessment of employee contribution rate in line with employer's policy	As per employer's policy (generally at least annually)
Notify the CPF Team of any eligible employees who opt out of the scheme within three months of appointment via i-Connect and securely send a copy of the opt out form to the CPF Team	<p>Employer specific i-Connect deadline:</p> <ul style="list-style-type: none"> • Where the opt out date is on or before 10 working days before a pay date, the due date is the first i-Connect employer submission day immediately after that pay date. • Otherwise, the due date is the following i-Connect employer submission day (i.e. after the next pay date). <p>Opt out form: within 5 working days from i-Connect upload due date.</p>

<p>Notify the CPF Team of all other relevant personal or contractual changes in the circumstances of employees via i-Connect:</p> <ul style="list-style-type: none"> • Change of name, address, and/or marital status • Increase/decrease in number of hours or weeks worked • Job changes e.g. job titles and payroll references • Job transfers e.g. leaving one post and starting another (also submit contractual amendments form) • Absences (also submit notification of paid/unpaid leave form) <ul style="list-style-type: none"> ▪ Authorised absence ▪ Child-related leave ▪ Strike ▪ Sickness absence that results in a reduction in pay ▪ Unauthorised absence ▪ Education / career break ▪ Reserved forces leave ▪ Jury service 	<p>Employer specific i-Connect deadline:</p> <ul style="list-style-type: none"> • Where the date of change is on or before 10 working days before a pay date, the due date is the first i-Connect employer submission day immediately after that pay date. • Otherwise, the due date is the following i-Connect employer submission day (i.e. after the next pay date). <p>Contractual amendments form: within 5 working days from i-Connect upload due date.</p> <p>Notification of paid/unpaid leave form: within 5 working days from i-Connect upload due date.</p>
CPF Team's Responsibility	Target Service Standard
To accurately record and update member records on the pension administration system	Now processed automatically on upload of i-Connect submission
To send a Notification of Change (or equivalent) if legally required	Within 30 working days from receiving information

Retirement Estimates (including ill-health)	
Employer's responsibility	Target Service Standard
Provide pay (and other information as requested) details to the CPF Team when a member requests an early retirement estimate	Within 5 working days from request by CPF Team
CPF Team's Responsibility	Target Service Standard
Providing quotations on request for retirements (including deferred members)	Within 15 working days from receipt of all information

Providing provisional statement of retirement benefits for deferred members approaching age 60 and NRD	Before 1 month before age 60 or NRD, as appropriate
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Actual Retirements (including ill-health): includes all leavers aged 55 or over

Employer's responsibility	Target Service Standard
Notify the CPF Team via i-Connect when members retire and reason for retirement	Employer specific i-Connect deadline: <ul style="list-style-type: none"> Where the leave date is on or before 10 working days before a pay date, the due date is the first i-Connect employer submission day immediately after that pay date. Otherwise, the due date is the following i-Connect employer submission day (i.e. after the next pay date).
Provide a completed Notification of Termination form (and authorisation where appropriate) to the CPF Team when a member leaves employment	Within 10 working days of date of retirement
CPF Team's Responsibility	Target Service Standard
To accurately record and update member records on the pension administration system	Now processed automatically on upload of i-Connect submission
Notify expected amounts of retirement benefits (including deferred members)	Within 10 working days from receipt of all information
Notification of amount of final retirement benefits and payment of tax-free cash sum	Within 15 working days from receipt of all information

Ill-Health Retirements (responsibilities in addition to retirement responsibilities in previous section)

Employer's responsibility	Target Service Standard
Appoint a qualified independent medical practitioner (from the approved list provided by the CPF Team) in order to consider all ill health retirement applications and agree this appointment with the Fund	Within one month of becoming an employer within the Fund

To keep a record of all Tier 3 ill-health cases and to review these cases after 18 months	
Notify the CPF Team of the results of any review of Tier 3 ill-health cases with appropriate information to allow the CPF Team to recalculate benefits if necessary	Within 5 working days of results of review
Send a Notification of Entitlement to Benefit (or change in benefit) to a scheme member following the review of his/her Tier 3 ill-health benefits	Within 5 working days of results of review
CPF Team's Responsibility	Target Service Standard
To notify employers and members prior to scheduled discontinuation of benefit payments, and before updating the member records to "pensioner with deferred benefits".	Before 3 months prior to scheduled discontinuation date

Members leaving before retirement (defined as all leavers under age 55 including opt outs beyond 3 months)

Employer's responsibility	Target Service Standard
Notify the CPF Team of the member's date of (and reason for) cessation of membership via i-Connect, and provide a completed Notification of Termination form and, where relevant, copy of the completed Opt-Out form	<p>Employer specific i-Connect deadline:</p> <ul style="list-style-type: none"> • Where the leave date is on or before 10 working days before a pay date, the due date is the first i-Connect employer submission day immediately after that pay date. • Otherwise, the due date is the following i-Connect employer submission day (i.e. after the next pay date). <p>Notification of termination form and copy of completed Opt-Out form to be sent within 5 working days of the i-Connect due date.</p>
CPF Team's Responsibility	Target Service Standard
To accurately record and update member records on the pension administration system	Now processed automatically on upload of i-Connect submission

To inform members who leave the scheme before retirement age of their leaver rights and options	Within 15 working days from receipt of all information
To inform members who leave the scheme of their deferred benefit entitlement amounts	Within 30 working days from receipt of all information
Provide a refund of contributions where requested	Within 10 working days from receipt of all information
Provide a statement of current value of deferred benefits on request	Within 15 working days from date of request

Death Benefits

Employer's responsibility	Target Service Standard
Notify the CPF Team of the death of a member and provide details of next of kin where available	Within 2 working days of becoming aware
Notify the CPF Team of the death of an active member and provide details of next of kin where available by providing a completed Notification of Termination form	<p>Employer specific i-Connect deadline:</p> <ul style="list-style-type: none"> • Where the date of death is on or before 10 working days before a pay date, the due date is the first i-Connect employer submission day immediately after that pay date. • Otherwise, the due date is the following i-Connect employer submission day (i.e. after the next pay date). <p>Notification of Termination form to be sent within 2 working days of the i-Connect due date</p>
CPF Team's Responsibility	Target Service Standard
Write to next of kin or other contact requesting information following the death of a scheme member	Within 3 working days from notification
Calculate and notify dependant(s) of amount of death benefits	Within 10 working days from receipt of all information

Decide who should be recipient(s) of death grant and pay death benefits appropriately as directed	Within 7 working days from receipt of all information
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Transfers	
CPF Team's Responsibility	Target Service Standard
Transfers in	
Obtain transfer details for transfer in, and calculate and provide quotation to member	Within 20 working days from receipt of all information
Request transfer value upon acceptance of transfer in	Within 5 working days from request
Notify scheme member of benefits purchased by transfer in on receipt of payment (statutory notification)	Within 15 working days from date of notification of payment or payment receipt, whichever is later
Transfers out	
Provide details of transfer value for transfer out, on request	Within 20 working days from receipt of all information
Provide payment of transfer value to appropriate recipient	Within 15 working days from receipt of request

Additional Benefits (APCs and AVCs)	
Employer's responsibility	Target Service Standard
Commence, cease or amend (as appropriate) deduction of APCs and AVCs	In month following election
Notify the CPF Team of APCs being paid by providing copy of "Buying Lost Pension – APCs*" ²	Provide Buying Lost Pension Form within 5 working days from i-Connect upload including APCs
CPF Team's Responsibility	Target Service Standard
To provide information on APCs / AVCs on request to members and employers	Within 10 working days receipt of all information

²Form generated once member has obtained a quote from:
<https://www.lgpsmember.org/more/apc/index.php>

Various Financial Obligations	
Employer's responsibility	Target Service Standard
Pay all employee contributions deducted from payroll and all employer contributions to the Fund. ³	Immediately when deducted from pay but at the latest by the 19 th day of the following month.
Pay all Additional Voluntary Contributions (AVCs) deducted from payroll to the AVC provider	Within 1 week of AVCs contributions being deducted but at the latest by the 19 th day of the following month.
Send a schedule of AVCs paid to the AVC provider to allow them to allocate the AVCs to the members' fund(s)	Within 1 week of the AVCs being paid to the provider.
For all contribution payments (including AVCs) an LGPS1 remittance advice form must be completed, certified correct by an Authorised Officer and forwarded to the CPF Team.	Within 3 working days of the 19 th of the following month to which the contributions relate.
Pay all rechargeable items to the CPF Team, including additional payments in relation to early payment of benefits.	Within 20 working days from receiving invoice (within standard invoicing terms of 28 calendar days)
Pay all additional costs to the CPF Team associated with the unsatisfactory performance of the employer.	Within 20 working days from receiving invoice (within standard invoicing terms of 28 calendar days)
CPF Team's Responsibility	Target Service Standard
To allocate the received contributions to each employer's cost centre	Prior to closing month end

³ Contributions

The Employer will ensure that both employee and employer contributions are deducted at the correct rate, including:

- any contributions that are due on leave of absence with reduced or no pay and
- any additional contributions that the CPF Team request the Employer to collect

Issue invoice in relation to payments in respect of early payment of benefits	Within 10 working days of employer costs being confirmed
Inform the employers of any new contribution banding	At least 1 month prior to the new contribution bands being introduced
Provide updated LGPS1 remittance advice forms for payment of contributions	Within 10 working days of the new contribution bands being introduced

Annual Return, Valuation, Annual Benefit Statements and Pension Savings Statements

Employer's responsibility	Target Service Standard
Provide the CPF Team with any outstanding year end information to 31 March each year, and any other information that may be required for the production of Annual Benefit Statements	By 30 April annually
Complete the Employer Compliance Statement	By 30 April annually
CPF Team's Responsibility	Target Service Standard
Produce annual benefit statements for all active, deferred, pension credit and 3 rd tier ill-health members.	In line with LGPS regulations timescales: currently 31 st August each year
Produce pension saving statements for all members whose pension input amount exceeds the annual allowance	In line with statutory timescales: currently 6 th October each year
Provide information to the Actuary (or GAD as appropriate) for both the triennial valuation and for accounting purposes.	As agreed between the CPF Team and the Actuary.
Provide an electronic copy of the valuation report and associated certificate to each employer, and to answer any questions arising.	Within 10 working days from publication of report

General

Employer's responsibility	Target Service Standard
Confirm a nominated representative to receive information from the CPF Team, and to take responsibility for disseminating it within the organisation.	By effective date of admission or within 5 working days of previous representative leaving

Formulate and publish policies regarding all discretions that the employer may exercise and provide a copy to the CPF Team.	Within 2 months of joining the Fund and also provided to the CPF Team every 3 years or whenever amended
Respond to enquiries from the CPF Team where not covered by other requirements in this schedule	Within 10 working days from request
Notify the CPF Team if the employer intends to outsource services that will involve TUPE transfers of staff, and work with the CPF Team to ensure an admission agreement is put in place and complied with or a bulk transfer arranged.	Initial notification immediately upon becoming aware of potential outsourcing, and at least 3 months prior to the start of the contract
Distribute any information provided by the CPF Team to members / potential members	Within 5 working days from receipt of information
Put in place a Stage 1 Internal Dispute Resolution Procedure	Within 1 month of joining and before the effective date of any change to the existing procedure (e.g. an appointed person leaving)
Ensure the employer prepares, publishes and keeps under review a written statement of policy on discretionary items (mandatory discretionary items as a minimum) ⁴	Within 1 month of joining the Fund or within an item becoming a mandatory discretion. Review policies at least annually
CPF Team's Responsibility	Target Service Standard
Arrange for the setting up of an admission agreement where required	Within 2 months of all information being provided
Publish the Fund's annual report and accounts and any report from the auditor	In line with CIPFA and legal requirements
Provision of other responses to general enquiries from scheme members and employers (not covered by other requirements in this schedule)	Within 10 working days to provide initial response
Put in place a Stage 1 Internal Dispute Resolution Procedure	Before the effective date of any change to the existing procedure (e.g. an appointed person leaving)

4 A list of the required discretions can be found at:
<https://mss.clwydpensionfund.org.uk/home/employer-information/employer-responsibilities/>

Put in place a Stage 2 Internal Dispute Resolution Procedure	Before the effective date of any change to the existing procedure (e.g. an appointed person leaving)
Ensure the CPF Team prepares, publishes and keeps under review a written statement of policy on discretionary items (mandatory discretionary items as a minimum)	Within 1 month of an item becoming a mandatory discretion. Review policies at least annually
Providing surgeries and/or presentations for members upon request from employers or member representatives	As soon as practically possible depending on the CPF Team's resources

Pension Payments

CPF Team's Responsibility	Target Service Standard
Issue pension payments to designated bank accounts	To arrive on pay date
Issue payslips for those pensions where net pay has changed by £5 or more	Issued so as to arrive on or prior to pay date
Issue P60s	Issued by legal deadline
Respond to pensioner queries	Within 10 working days from receipt of query
Implement a change to pension in payment	By next payroll period where change occurs more than 5 days prior to the pay-date
Notify calculation and new value of pension following annual pensions increase	Issued so as to arrive on or prior to pay

A list of the required discretions can be found at:

<https://mss.clwydpensionfund.org.uk/home/employer-information/employer-responsibilities/>



mss.clwydpensionfund.org.uk

Clwyd Pension Fund, County Hall, Mold, Flintshire, CH7 6NA

Please note that Flintshire County Council is the administrative authority of the Clwyd Pension Fund and we use your personal data in accordance with Data Protection legislation to provide you with a pension administration service. For more information about how we use your data, who we share it with and what rights you have in relation to your data, please visit the Privacy Notice on our website.

Extract from Clwyd Pension Fund; Statement of Administering Authority Discretionary Policies; November 2023

This is an extract from the Statement of Administering Authority Discretionary Policies. The table of discretions starts on page 4, with items 29 and 30 found on page 13 and item 70 found on page 30. The discretions policy can be found: <https://mss.clwydpensionfund.org.uk/documents/Statement%20of%20Administering%20Authority%20Discretionary%20Policies.pdf>

Administering Authority Discretions under the Local Government Pension Scheme

Ref	Regulation Reference (see key at end)	Description of Discretion	Clwyd Pension Fund Policy
Admission Agreements and Employer Management			
29	R13 – 70 TP14 – 22(2)	Whether to issue an employer with a notice to recover additional costs incurred as a result of the employer’s level of performance.	Whether or not additional costs will be recovered is outlined in the Fund’s Administration Strategy. This is subject to the process outlined in the Pensions Administration Strategy and the final decision if additional costs are to be recharged (including the amount to be recharged and how this will be calculated) will be made jointly by the Pensions Administration Manager and the Head of Clwyd Pension Fund.

Ref	Regulation Reference (see key at end)	Description of Discretion	Clwyd Pension Fund Policy
30	R13 – 71(1)	Whether to charge interest on payments by employers overdue.	<p>Whether or not interest will be charged is outlined in the Fund's Administration Strategy. The default is that interest will be charged in respect of late payments received from employing authorities, where the payment is overdue (with the overdue date being as specified in the relevant regulations). Interest will be calculated as per the relevant regulations. However, the Pension Fund Accountant can choose to waive the charge, following discussion with the Pensions Administration Manager and the Head of Clwyd Pension Fund. Waiving the amount will generally only be considered where the interest is considered de minimis.</p>

Discretions relating to Councillors

Ref	Regulation Reference (see key at end)	Description of Discretion	Clwyd Pension Fund Policy
74	R97 – 82(1)	The Administering Authority may decide whether to charge interest on payment of contributions to the Fund by employers that are overdue by more than 1 month (in respect of councillor members).	<p>The default is that interest will be charged in respect of late payments received from employing authorities, where the payment is overdue (with the overdue date being as specified in the relevant regulations). Interest will be calculated as per the relevant regulations. However, the Pension Fund Accountant can choose to waive the charge, following discussion with the Pensions Administration Manager and the Head of Clwyd Pension Fund. Waiving the amount will generally only be considered where the interest is considered de minimis.</p> <p>Note this discretion does not apply to payments that are due by Flintshire County Council as an employing authority. Regulation 82(1A) requires that interest must be paid in these circumstances. We have decided that interest will be charged in respect of late payments received from employing authorities, where the payment is overdue by more than one month. Interest will be calculated as per the relevant regulations.</p>

National Pension Dashboards Project – Clwyd Pension Fund

Project structure and roles and responsibilities

Main Project roles:

The key personnel for the project will be:

- Project Sponsor – Karen Williams
- Project Lead and Project Manager – Kyle Williams
- Subject Leads as required – Principal Pension Officers (Communications – Kath Meacock, Systems – Alicia Howells, Operations – Sandra Beales/Alex Ridgeway, Employer Liaison – Kerry Robinson)

Responsibilities for these roles are being developed by the project team as part of the project initiation documentation.

Project Management Group

The Project Management Group (PMG) will manage the overall programme, ensuring that all aspects of the project are delivered in line with the project plan and taking key decisions around how the project is managed.

The membership of the PMG is as follows:

- Project Sponsor (Chair) (Karen Williams)
- Project Lead (Kyle Williams)
- Head of Clwyd Pension Fund (Phil Latham)
- Chair of Clwyd Pension Fund Board (Karen McWilliam, or Jennie Green as alternate for this purpose)

The following will be invited to attend meetings of the PMG for reporting purposes and to provide advice.

- Subject Leads as required from time to time
- Independent Advisor (Aon)
- Benefits Consultant (Mercer)
- Integrated Service Provider (provider to be determined)

The PMG can invite other persons involved in the delivery of the programme as deemed appropriate following agreement with the Chair.

The roles and responsibilities of the PMG are as follows:

- Agrees project scope and high-level project plan, along with any changes
- Provides feedback on detailed project plan and deliverables

- Considers and decides budgeting and resourcing requirements (which may be subject to other approval mechanisms where they impact on the Fund's budget)
- Reviews and verifies the business need for scope changes
- Authorises key communications
- Provides oversight and support to the project including:
 - overall project progress
 - project risks, actions, decisions, escalations budgets and resources
 - project dependencies.

Reporting

Project updates will be provided to:

- all Clwyd Pension Fund Board meetings and
- to Pension Fund Committee where administration matters are being considered.

Key decisions

Pension scheme managers have a number of key decisions they must make relating to dashboards. One of these is ensuring that appropriate delegations are in place to officers to ensure there can be timely decision making, which in turn will assist with meeting key milestones. There are likely to be some key decisions which would remain with the Committee such as agreeing an increase in the Fund's budget due to the project (for example, due to resources, supplier and consultants cost and software).

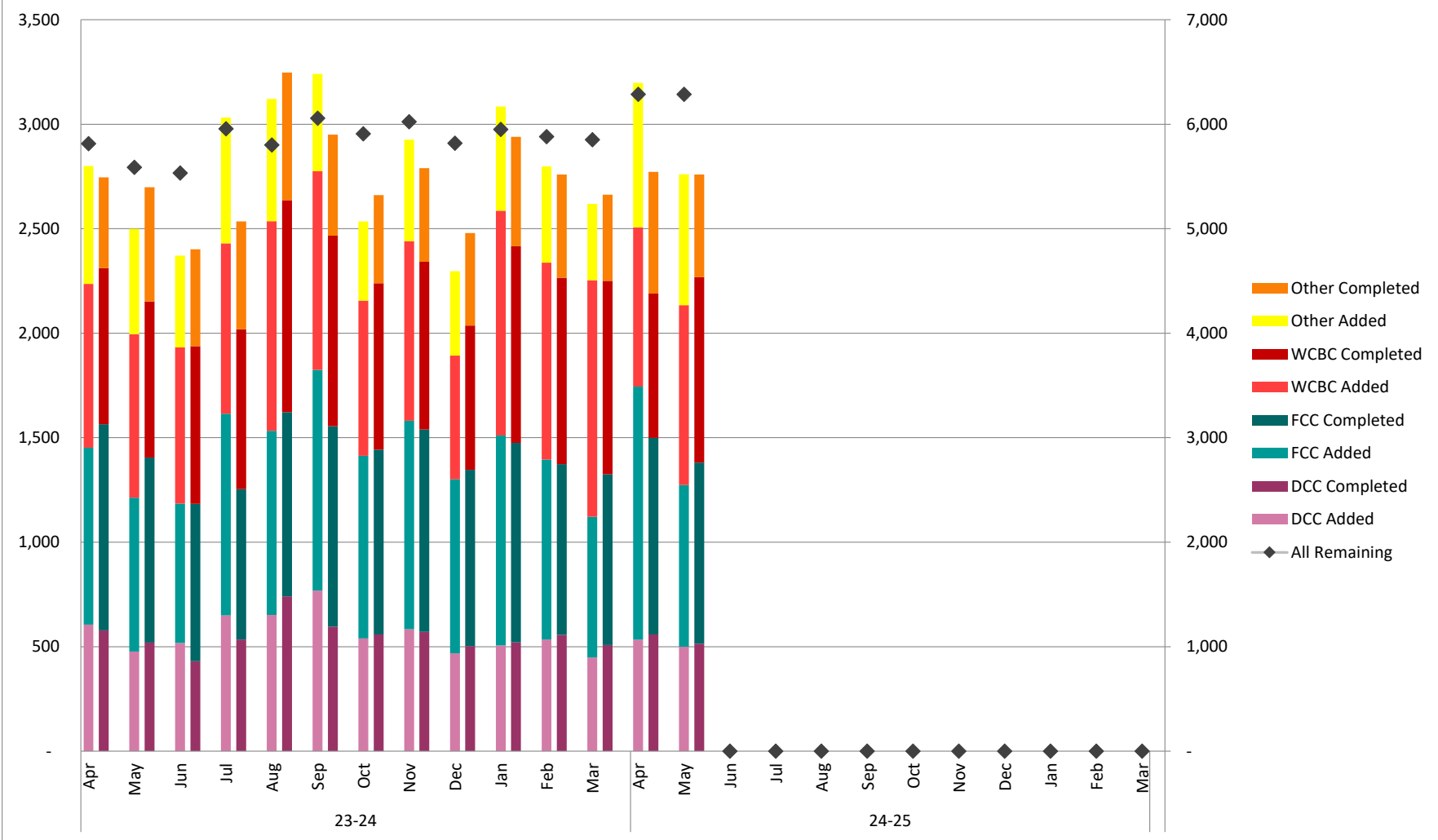
It is proposed that further key decisions are delegated to officers, including:

- **Project management structure, project plans, resourcing, associated work and costs** - including six months before the dashboard available point (which is the date dashboards are available to the public which is currently unknown) to consider and put in place resource required to operate dashboards once live. The Fund has in place a Project team to carry out preparation work ahead of the connection deadline but further consideration will be needed ahead of the dashboard available point in terms of further resource to manage and incorporate dashboards as part of the Business as Usual team.
- **Deciding how to connect to Dashboards and appointing the Integrated Service Provider (ISP)** - an ISP is the provider of the intermediary application that will sit between the Fund's software platform and the Pensions Dashboard's eco-system. The ISP performs all of the complicated activity required under the regulations including; handling millions of matches every year, providing the engine to support the matching criteria set by the Fund, providing pension figures to members with appropriate authorisation and transforming extracts from the administration software into the necessary format for members. A contractual decision will need to be made as part of the process to appoint an ISP. If the Fund doesn't use an ISP they will need to connect directly themselves and meet the technical requirements, albeit this is an unlikely route to take due to the complexity of the requirements.

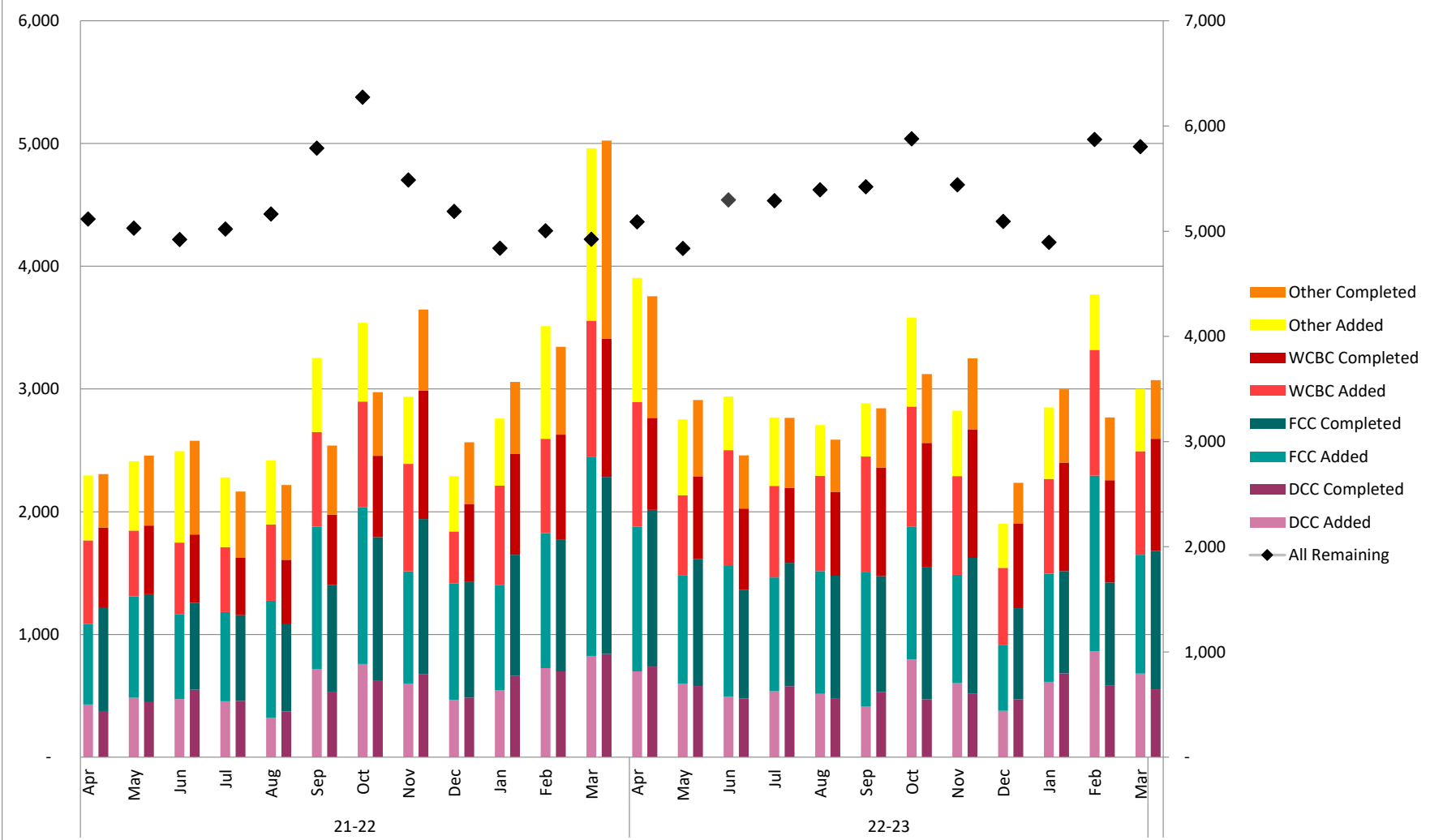
- **Matching criteria to be used** - members will need to verify their identity by providing their data which all UK pension schemes will use to conduct the matching process. The Fund has responsibility for determining the data which will be used for matching which should take into account the quality and accuracy of the data held. This is an important decision as a challenge when determining the matching criteria is how to maximise the chances of a genuine member finding their record, while minimising the chances of a false match being made, which could disclose information to the wrong member. Schemes are required to keep a record of the matching criteria and the parties communicated with for at least six years from the end of the scheme year in which the decision was made
- **Extent of any data remediation work** - consider in conjunction with software provider the process for identification of data that needs to be cleansed ahead of the connection deadline. It is expected that AVC data is likely to present a large challenge.
- **Extent of any calculations work** - including deciding on the dates that will be used for value data and pension projections to be displayed (for example, whether it is 31 March each year). Further considerations are needed for calculations relating to AVCs including the illustration date.
- **Member communication strategy** – to consider how communications can be used both to limit future difficulties, but also to give members the most positive experience of Pensions Dashboards. It may be necessary to integrate any communications about the Pensions Dashboards with other communications that may already be taking place (e.g. Fund newsletters might include articles about when member data will be available via Pension Dashboard providers in addition to directly from the Fund).
- **Defer dashboard connection deadline** – it is not expected that this is something the Fund will wish to do and there is a strict set of criteria to be met.
- **Additional Voluntary Contributions (AVCs)** – agree with the Fund’s AVC providers how scheme members’ AVC data will be sent to dashboards. There are different options for AVC providers to supply data to dashboards:
 - approach 1 is where the data can be sent to the dashboard eco-system or
 - approach 2 is where the data is sent directly to the Fund, who in turn display/issue the AVC data with the main scheme benefit information.
- **Impact on day to day administration processes** – to consider any key decisions relating to how existing processes are modified or new processes required once dashboards are available to the public.

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Case Levels – Current and Previous Year



Case Levels – Historical



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Key Performance Indicators

The following pages show the performance against the key performance indicators (KPIs) which have been agreed within Clwyd Pension Fund's Administration Strategy. They cover thirteen areas of work, and for each there is a KPI for each of the following:

- The legal timescale that must be met
- The overall timescale for the process (including any time taken by employers and/or scheme members)
- The timescale relating to the Clwyd Pension Fund administration team only

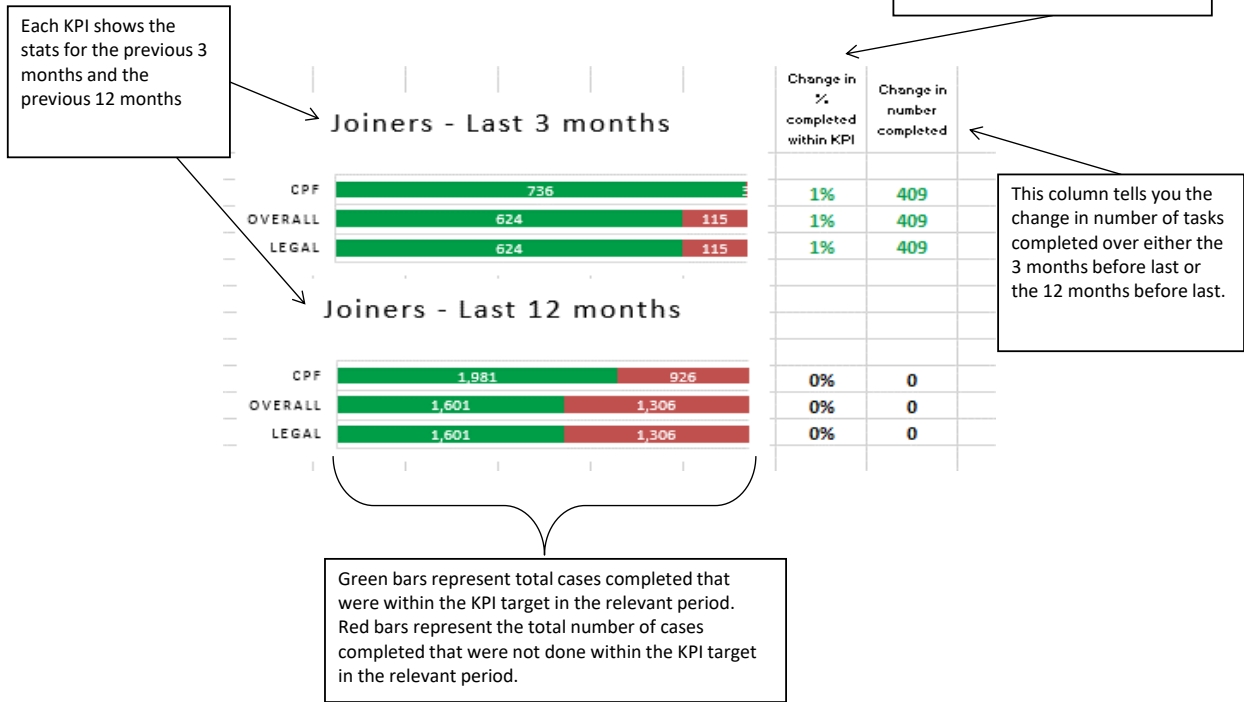
The KPIs are specific to each process (as set out in the Administration Strategy) and illustrated by the graphs are as follows:

		A	B	C
	Process	Legal Requirement	Overall	CPF Administration element target
1	To send a Notification of Joining the LGPS to a scheme member	2 months from date of joining (assuming notification received from the employer), or within 1 month of receiving jobholder information where the individual is being automatically enrolled / re-enrolled	46 working days from date of joining (i.e. 2 months)	30 working days from receipt of all information
2	To inform members who leave the scheme before retirement age of their leaver rights and options	As soon as practicable and no more than 2 months from date of initial notification (from employer or from scheme member)	46 working days from date of leaving	15 working days from receipt of all information
3	Obtain transfer details for transfer in, and calculate and provide quotation to member	2 months from the date of request	46 working days from date of request	20 working days from receipt of all information
4	Provide details of transfer value for transfer out, on request	3 months from date of request (CETV estimate) 3 or within a reasonable period (cash transfer sum)	46 working days from date of request	20 working days from receipt of all information
5	Notification of amount of retirement benefits	1 month from date of retirement if on or after Normal Pension Age	23 working days from date of retirement	10 working days from receipt of all information
6	Providing quotations on request for retirements	As soon as is practicable, but no more than 2 months from date of request unless there has already been a request in the last 12 months	46 working days from date of request	15 working days from receipt of all information
7	Calculate and notify dependant(s) of amount of death benefits	As soon as possible but in any event no more than 2 months to beneficiary from date of becoming aware of death, or from a date of request by a third party (e.g. personal representative)	25 working days from date of death	10 working days from receipt of all information
8	Calculate and Notify member of CETV for Divorce/Dissolution Quote	3 months from the date of request	46 working days from date of request	20 working days from receipt of all information
9	Calculate and Notify members of Actual Divorce Share	4 months from the date of the pension sharing order, or the date where all sufficient information is received to implement the order	46 working days from date of request	15 working days from receipt of all information
10	Calculate and pay a Refund of contributions	Not applicable	13 working days from receipt of request	10 working days from receipt of all information
11	Calculate and Pay retirement lump sum	Not applicable	Not applicable	15 working days from receipt of all information
12	Calculate and Notify member of Deferred Benefits	Not applicable	76 working days from date of leaving	30 working days from receipt of all information
13	Initial letter acknowledging death of member	Not applicable	Not applicable	3 working days from receipt of all information

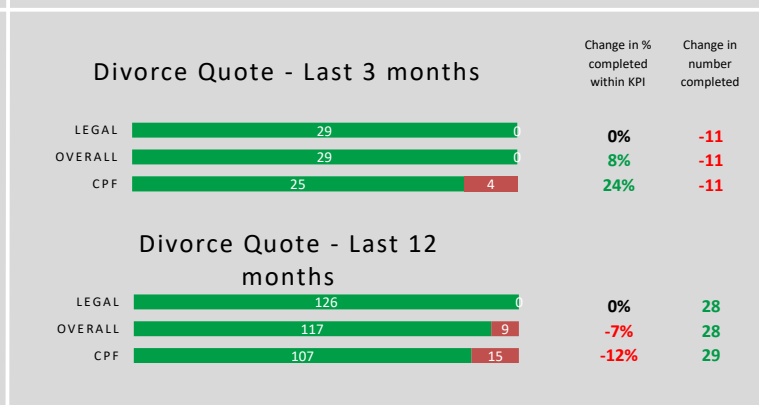
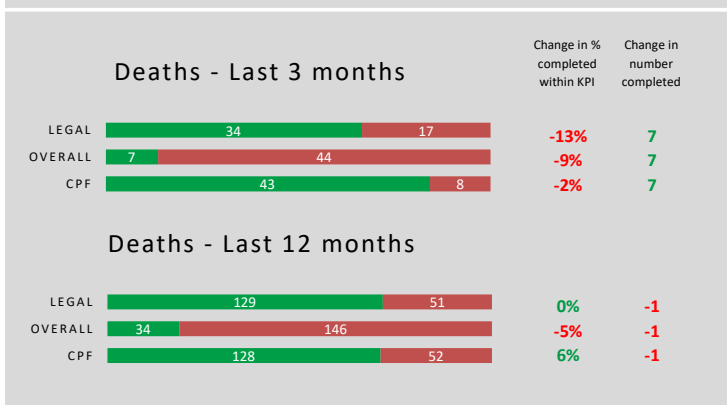
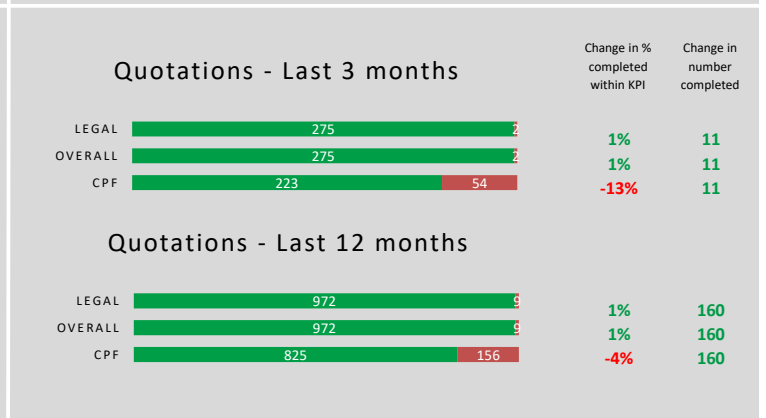
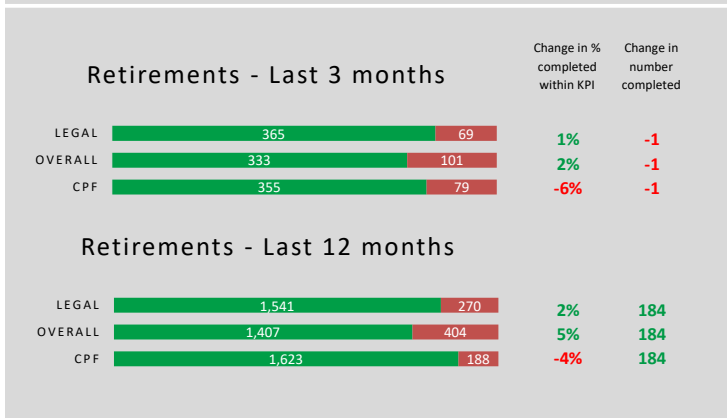
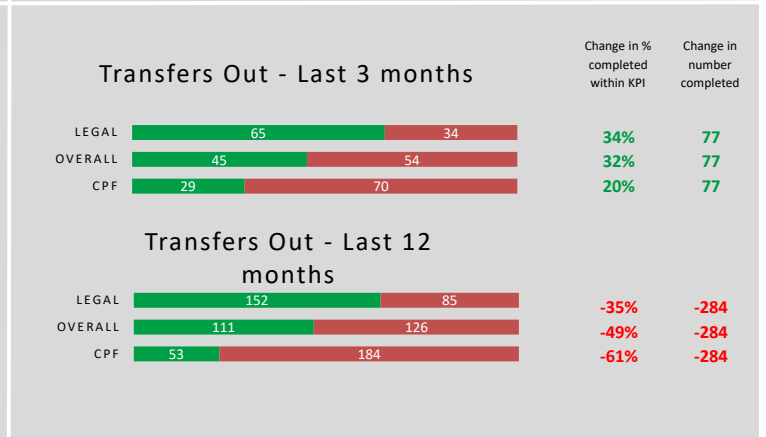
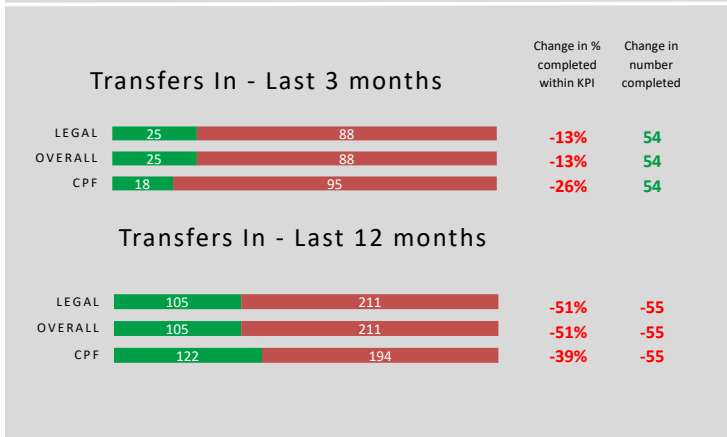
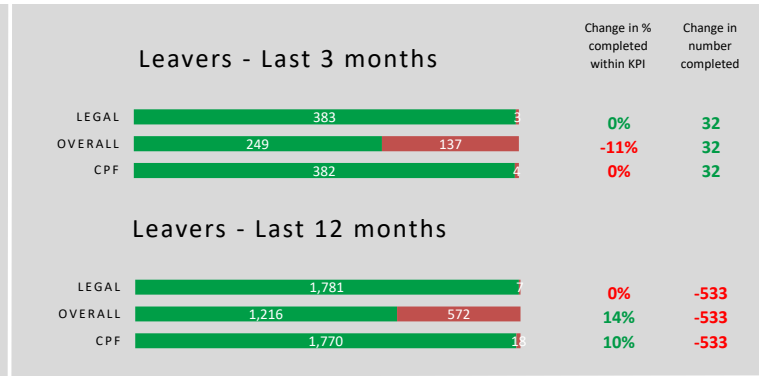
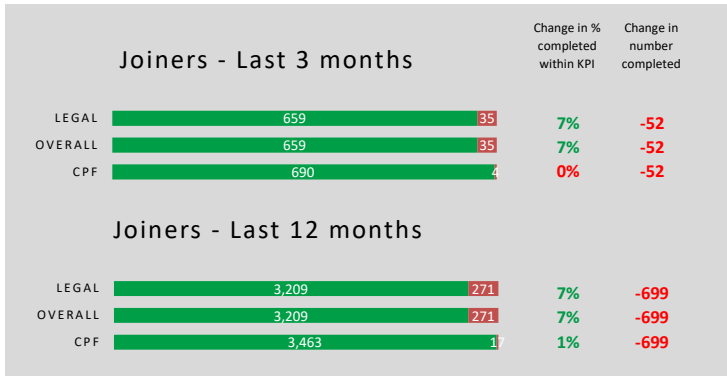
Interpretation of graphs

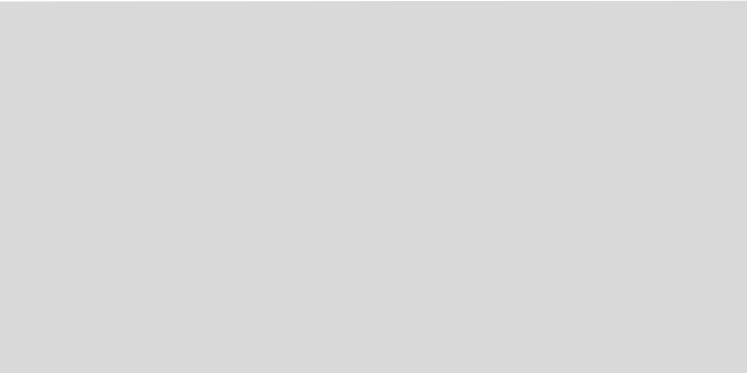
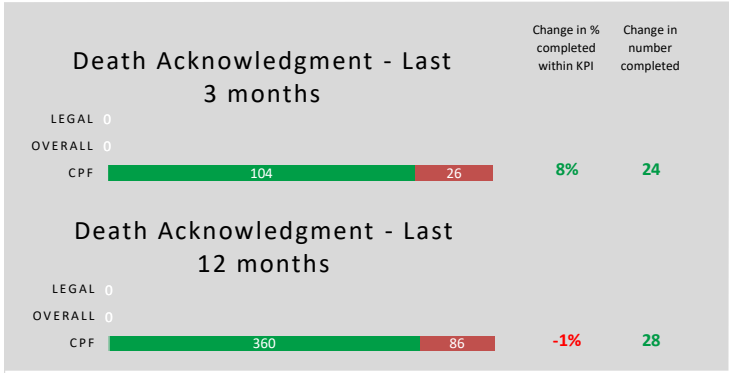
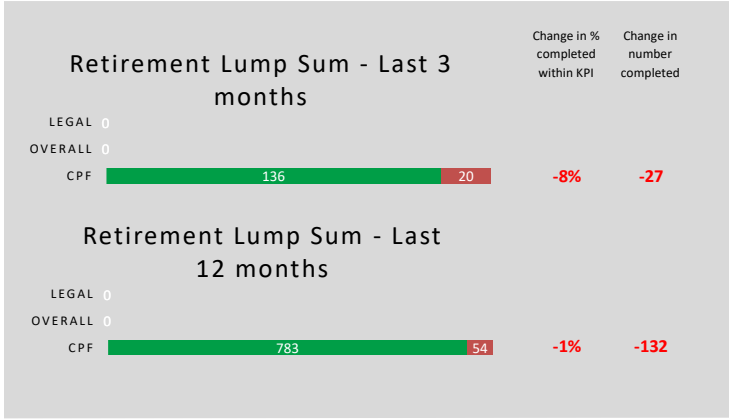
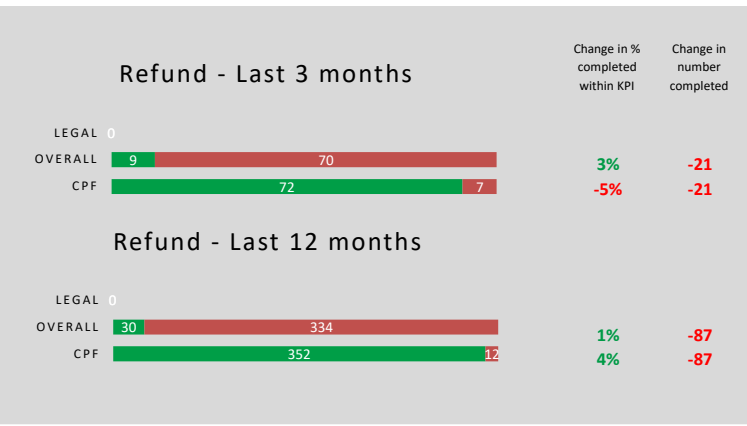
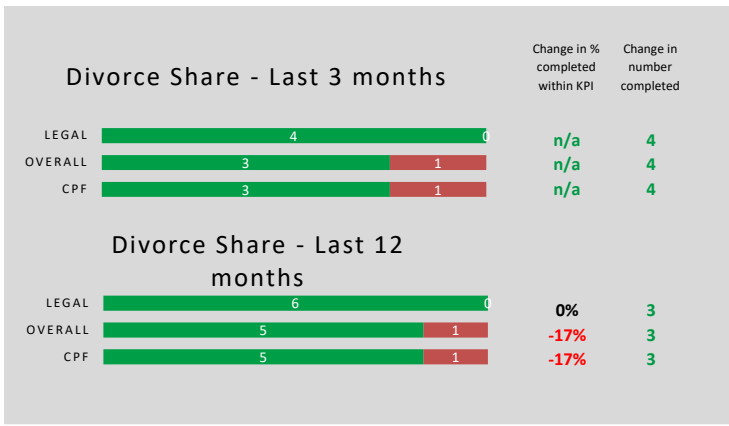
One graph has been provided for each KPI in the table above.

This is illustrated further below.

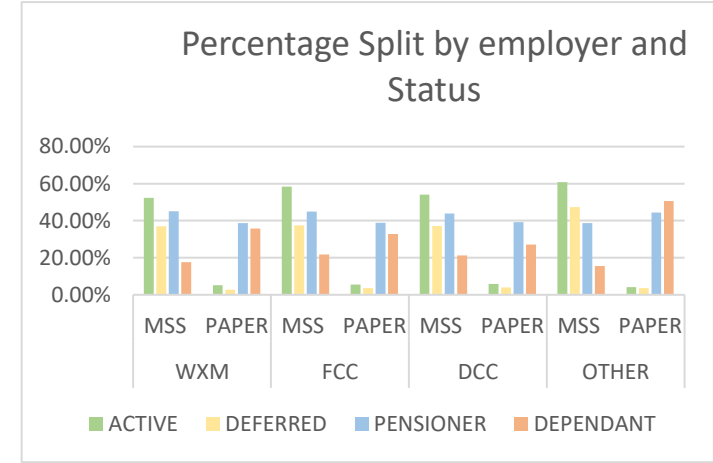
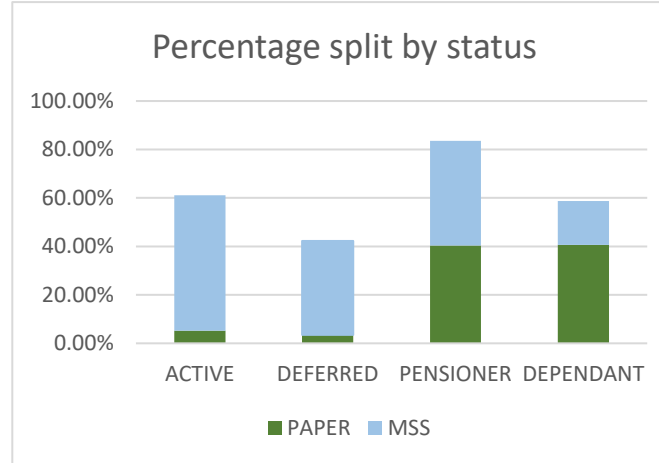
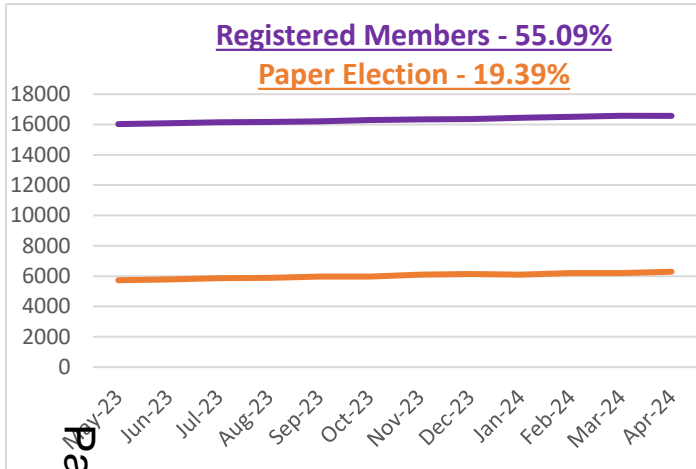


Key Performance Indicators - Executive Summary - to April 2024





Member Self-Service: 01/01/2024 – 30/04/2024



Update from 01/01/2024 – 30/04/2024

As at 30/04/2024 55.09% of our members have registered for MSS. This means that the percentage of registered members has increased by 0.89% since our last update.

As at 30/04/2024 19.39% of our members have opted for paper correspondence. This percentage has increased by 0.53% since our last update.

The communications promotional flyer that was issued to our members in November and December of 2023, has slightly increased our percentages for members' communication preferences. However, 25.52% of our membership still has not engaged with us to confirm their communications preference. We will endeavour to continue to reduce this 25.52% gap.

In addition to this, the Clwyd Pension Fund is working towards onboarding members of LGPS Councillor to MSS this Autumn / Winter. We are currently in the process of writing out to all members of LGPS Councillor three times before activating MSS for them to register to use it if they wish. It is a legal requirement under The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 to write to members three times before activating MSS for them.

Statistics between 01/01/2024 – 30/04/2024: (121 days)

Contact Us Tasks

543
119
69
101
23
81
33

504
20

MSSKEY Key requests

SSFCASE (uploaded documents received)
SSFDPPRQ (pay deferred)
MSENQ Enquiry tasks
MSSEST Estimate tasks
MSSRET Retirement tasks
MSTVT Transfer tasks
Contact Us 3.52 p/day)
MSSADD Address update
Bank details updated

Benefit Projections

20,721 benefit projections calculated
Avg 171.25 per day

Expression of Wish

400 changes of expression of wish
3.31 per day

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Clwyd Pension Fund Scheme of Delegation

The Clwyd Pension Fund has certain functions which are delegated to the Chairman, Vice-Chairman and/or Officers of the Fund by the Pension Fund Committee. This paper outlines the decision made, the powers under which it is made, when the decision was taken, and by whom.

Delegated powers being used (extracted from agreed PFC delegations):	Delegation:	Making decisions relating to employers joining and leaving the Fund. This includes which employers are entitled to join the Fund, any requirements relating to their entry, ongoing monitoring and the basis for leaving the Fund.
	Delegated Officer(s):	HCPF and either the CFM or CMPOD after taking appropriate advice from the FA.
	Communication and Monitoring of Use of Delegation	Ongoing reporting to PFC for noting.

Subject matter	Application for admission body status for NIC Solutions Ltd
Recommendation	To allow NIC Solutions Ltd admission body status as part of the CPF with effect from 01/9/2021

Background:
NIC Solutions Ltd is a company providing cleaning services for Christ the Word School. NIC Solutions Ltd are applying to become an admission body under the provision of Schedule 2 of the Local Government Pension Scheme Regulations 2013 (their specific circumstance is crossed below):

1. The following bodies are admission bodies with whom an administering authority may make an admission agreement-

- (a) a body which provides a public service in the United Kingdom which operates otherwise than for the purposes of gain and has sufficient links with a Scheme employer for the body and the Scheme employer to be regarded as having a community of interest (whether because the operations of the body are dependent on the operations of the Scheme employer or otherwise);
- (b) a body, to the funds of which a Scheme employer contributes;
- (c) a body representative of-
 - (i) any Scheme employers, or
 - (ii) local authorities or officers of local authorities;
- (d) a body that is providing or will provide a service or assets in connection with the exercise of a function of a Scheme employer as a result of-
 - (i) the transfer of the service or assets by means of a contract or other arrangement, X
 - (ii) a direction made under section 15 of the Local Government Act 1999(115) (Secretary of State's powers),
 - (iii) directions made under section 497A of the Education Act 1996(116) ;
- (e) a body which provides a public service in the United Kingdom and is approved in writing by the Secretary of State for the purpose of admission to the Scheme.

The effective date of the contract was 1 September 2021 and an admission agreement has been prepared and is with all parties for signature. An admission agreement may take effect on a date before the date on which it is executed as per Part 3 of Schedule 2.

As the body is providing a service for Christ the Word School, Denbighshire County Council will also be party to the admission agreement and will act as guarantor.

Initial funding level is 100%. The agreement is a Closed agreement (i.e. restricted to just the transferring employees) with 7 existing Clwyd Pension Fund scheme members transferring from Denbighshire County Council to NIC Solutions Ltd. All contributions will be paid on the formal admission to the Fund.

Advice has been taken from the Fund Actuary, which is attached. As you can see, the notional assets equal the liabilities being transferred (on an ongoing funding basis) and accordingly the initial funding level is 100% and the surplus/deficit at the point of transfer is Nil. This will be reviewed at future actuarial valuations. The initial employer contribution rate will be 20.4% of pensionable pay.

Risk Evaluation and Likelihood and Impact Explanations

The following information outlines how risks are to be evaluated. It is based on the FCC evaluation system incorporated in its Risk Management & Strategy (January 2024) but has been customised in places to better fit the management of Clwyd Pension Fund.

Assessment of risk:

Likelihood How likely will the risk happen	5 Almost Certain	Amber 5	Amber 10	Red 15	Red 20	Red 25
	4 Likely	Yellow 4	Amber 8	Red 12	Red 16	Red 20
	3 Possible	Yellow 3	Amber 6	Amber 9	Red 12	Red 15
	2 Unlikely	Green 2	Yellow 4	Amber 6	Amber 8	Amber 10
	1 Rare	Green 1	Green 2	Yellow 3	Yellow 4	Amber 5
		1 Negligible	2 Moderate	3 Significant	4 Major	5 Catastrophic
Impact How severe would the outcomes be if the risk occurred						

Interpretation of risk exposure

Risk Exposure	Score	Approach	Action
Red	12-25	Unacceptable	Risks outside of the Fund's risk appetite
Amber	5-10	Tolerable	Risks within the Fund's risk appetite but not at a level which is acceptable.
Yellow	3-4	Adequate	Risks within the Fund's risk appetite which need to be monitored by Senior Management, if risk deteriorates.
Green	1-2	Accept	Risks within the Fund's risk appetite.

Criteria for assessing impact (based on FCC with CPF customisation):




Description	CPF Examples			
	Service Delivery	Financial	Reputation	Legal
5 Catastrophic	<ul style="list-style-type: none"> Unable to deliver most key strategic outcomes or priorities / statutory duties not delivered Major impact on workforce impacting more than half of CPF teams or more than 50% of staff Consistently missing both legal and Fund's agreed delivery timescales (greater than 50% of monitored timescales being missed) Incorrect actual benefit calculations affecting more than 500 members Incorrect general/estimate information being communicated that could impact 25%+ A, D or P members (categories separate or merged) Delay in paying pensioners by more than 3 working days 	<ul style="list-style-type: none"> The Fund's liquid assets (invested assets, contributions and asset cashflows) are fully exhausted and future benefits/contractual obligations cannot be paid Reduction in funding level (e.g. 30% or more since the last valuation) and/or expected returns outlook versus the last valuation assumption) which when combined is expected to persist at least to the next actuarial valuation which would result in unaffordable employer contributions which materially affect public services A shift in the demographic profile of the Fund which would result in unaffordable employer contributions which affect public services A material number of employers (including one or more of the major Councils) become insolvent and cannot pay required contributions which subsequently affects other employers in the Fund 	<ul style="list-style-type: none"> Public inquiry or adverse national media attention Formal DLUHC/TPR/SAB or other regulatory intervention/exercise of their powers 	<ul style="list-style-type: none"> Legal action almost certain, unable to defend Multiple IDPRs and Pension Ombudsman expected (100+), almost certain unable to defend
4 Major	<ul style="list-style-type: none"> Severe service disruption on a service level with many key strategic outcomes or proprieties delayed or not delivered Serious impact on workforce impacting at least two CPF teams (but less than half) or more than 20% to 50% of staff Missing some legal and Fund's agreed delivery timescales (20% to 50% of monitored timescales being missed) Incorrect actual benefit calculations affecting 250-500 members Incorrect general/estimate information being communicated that could impact 10-25% A, D or P members (categories separate or merged) Delay in paying pensioners by 1 or 2 working days 	<ul style="list-style-type: none"> Financial 	<ul style="list-style-type: none"> Intense public and media scrutiny Engagement from DLUHC/TPR/SAB relating to the situation (but not formal intervention/powers being exercised) 	<ul style="list-style-type: none"> Legal action almost certain and difficult to defend Some IDPRs and Pension Ombudsman expected (20 to 100)

3 Significant	Disruption to one or more services / a number of key strategic outcomes or priorities would be delayed or not delivered	<ul style="list-style-type: none"> - The Fund's liquid assets (invested assets, contributions and asset cashflows) are 40% as a proportion of total assets and the ability not to pay future benefits/obligations may have a major impact - Reduction in funding level (e.g. 15-20% since the last valuation) and/or expected returns outlook versus inflation (e.g. 0.5% to 0.75% per annum versus the last valuation assumption) which when combined is expected to persist at least to the next actuarial valuation which would result in a significant increase in employer contributions which affect public services - A shift in the demographic profile of the Fund which would result in significant increase in employer contributions which affect public services - A significant number of large employers (non-Council) become insolvent and cannot pay required contributions which then impact on other remaining employers 	Local media interest. Scrutiny by external committee or body	Legal action expected
	<ul style="list-style-type: none"> - Some impact on workforce impacting one CPF team or 10% to 20% of staff - Missing some legal and Fund's agreed delivery timescales (10% to 20% of monitored timescales being missed) - Incorrect actual benefit calculations affecting 100-250 members - Incorrect general/estimate information being communicated that could impact 5%-10% A, D or P members (separately or merged) 		Negative national level information (e.g. outlier on LGPS league tables)	Some IDRs and Pension Ombudsman expected (5 to 20)
2 Moderate	Some temporary disruption to a single service areas / delay in delivery or one of the Council's key strategic outcomes or priorities	<ul style="list-style-type: none"> - The Fund's liquid assets (invested assets, contributions and asset cashflows) are 60% as a proportion of total assets and the ability not to pay future benefits/obligations may have a moderate impact - Reduction in funding level (e.g. -5-15% since the last valuation) and/or expected returns outlook versus inflation (e.g. 0.25% to 0.5% per annum versus the last valuation assumption) which when combined is expected to persist at least to the next actuarial valuation which would result in a moderate increase in employer contributions which affect public services - A shift in the demographic profile of the Fund which would result in a moderate increase in employer contributions which affect public services - A number of smaller employers become insolvent and cannot pay required contributions which then impact on other remaining employers 	Internal scrutiny required to prevent escalation	Legal action possible but unlikely and defensible
	<ul style="list-style-type: none"> - Manageable impact on workforce impacting 5% to 10% of CPF staff - Missing some legal and Fund's agreed delivery timescales (5% to 10% of monitored timescales being missed) - Incorrect actual benefit calculations affecting 50-100 members - Incorrect general/estimate information being communicated that could impact 2%-5% A, D or P members (categories separate or merged) 		Negative regional level information (e.g. outlier on Welsh league tables)	Some IDRs and Pension Ombudsman expected (up to 5) but mainly informal complaints
1 Negligible	No Noticeable Impact	<ul style="list-style-type: none"> - The Fund's liquid assets (invested assets, contributions and asset cashflows) are >60% as a proportion of total assets and the ability not to pay future benefits/obligations may have a moderate impact - Reduction in funding level (e.g. 0-5% since the last valuation) and/or expected returns outlook versus inflation (e.g. 0% to 0.25% per annum versus the last valuation assumption) which when combined is expected to persist at least to the next actuarial valuation which would result in a negligible increase in employer contributions which affect public services - A shift in the demographic profile of the Fund which would result in a negligible increase in employer contributions which affect public services - A low number of smaller employers become insolvent and cannot pay required contributions which then impact on other remaining employers 	Internal review	Legal action very unlikely and defensible
	<ul style="list-style-type: none"> - Little impact on workforce involving less than 5% of CPF staff - Missing some legal and Fund's agreed delivery timescales (less than 5% of monitored timescales being missed) - Incorrect actual benefit calculations affecting less than 50 members - Incorrect general/estimate information being communicated that could impact less than 2% A, D or P members 			Very small number of informal complaints (under 10) and unlikely to be any IDR or Pensions Ombudsman claims

Criteria for assessing likelihood

Likelihood of risk occurring		
5 Almost Certain	More than 95% Chance	Very likely to occur
4 Likely	50% Chance	Will probably occur
3 Possible		A chance it might occur
2 Unlikely		Could occur but unlikely
1 Rare	Less than 5% Chance	May only Occur in exceptional circumstances

Criteria for assessing the difference between the current and target risk exposures:

Symbol	Description
	The current Risk Exposure score, impact or likelihood of the risk, either individually or combined does not meet the criteria set out below.
	The Risk Exposure score is 11 or less; And the current impact and likelihood of the risk are individually no more than 2 classifications higher than the target, and/or the combined difference is no more than 3 classifications higher than the target.
	The Risk Exposure score is 11 or less And the current impact and likelihood of the risk are equal to, or less than, the target impact and likelihood.

Clywd Pension Fund Risk Register - Objectives for Administration and Communications risks

Policy/Strategy	Reference (e.g. I1, I2, F1, F2)	Objective
Administration Strategy	A1	Provide a high quality, professional, proactive, timely and customer focussed administration service to the Fund's stakeholders
	A2	Administer the Fund in a cost effective and efficient manner utilising technology appropriately to obtain value for money
	A3	Ensure the Fund's employers are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Fund
	A4	Ensure the correct benefits are paid to, and the correct income collected from, the correct people at the correct time
	A5	Maintain accurate records and ensure data is protected and has authorised use only
	C1	Increase awareness and understanding of the Scheme and provide sufficient information so stakeholders can make informed decisions
	C2	Communicate in a clear, concise manner
	C3	Ensure we use the most appropriate means of communication, taking into account the different needs of different stakeholders, but with a default of using electronic communications where efficient and effective to do so
	C4	Look for efficiencies and environmentally responsible ways in delivering communications through greater use of technology and partnership working
	C5	Regularly evaluate the effectiveness of communications and shape future communications appropriately
Communications Strategy	C6	Increase awareness and understanding of the pension scheme and how it works
	C7	Encourage members to take ownership of their pension and understand the broader benefits of the pension scheme
	C8	Maintain and build positive members experiences along every member's journey, wherever they are on their journey
	C9	Reduce the need for face-to-face meetings and phone calls
	C10	Increase awareness and understanding of the information required by the Fund from employers
	C11	Encourage employers to take ownership of the data and help their employees understand the broader benefits of the pension scheme
	C12	Maintain and build positive relationships with employers regardless of their size or expertise
	C13	Make the management of the Fund more efficient for both the Fund and employers

Clwyd Pension Fund - Control Risk Register

Administration & Communication Risks

Objectives can be found within a separate summary

Risk no.	Risk Event (this [event] could happen)	Risk cause (...due to [cause]...)	Risk Impact (...which may result in the following [impact] to our objectives)	Strategic objectives at risk (see key)	Current impact (see key)	Current likelihood (see key)	Current Risk Status	Internal controls in place	Target Impact (see key)	Target Likelihood (see key)	Target Risk Status	Meets target?	Date Not Met Target From	Expected Back On Target	Further Action and Owner	Risk Manager	Next review date	Last Updated
1	Insufficient suitably trained administration and communications staff	- Difficulty in retaining staff (potentially due to low pay grades) - Difficulty in recruiting (potentially due to low pay grades) - Poor training programmes - Lack of time to invest in training including system understanding	- Delays in provision of information to members/calculations of benefits/other processes - Errors in information / calculations / processes - Increased pressure / expectations on trained staff - Additional unbudgeted costs (overtime / external support) - Complaints / IDRPCs, rectification costs & reputational damage	All	Significant	Possible	Red	1 – Annual appraisal process with a mid-year review. Informal development discussions as required. Personal development plan for each staff member including objective setting and specific training preferences. 2 - K&S Policy, plan and ongoing monitoring in place for senior management team 3 – Existing providers and/or National Framework can be utilised if required for undertaking work or supporting with training /expertise 4 - Admin management team meetings [weekly] to monitor work volumes and trends 5 - Ongoing KPI/SLA reporting to management team/AP/PFC/LPB 6 - Staff recruitment/retention and organisational issues regularly considered at AP, PB and PFC 7 -Staffing budget reconsidered annually as part of Business Planning 8 - System /functionality controls and internal checking requirements in place 9 - Periodic external quality reviews of processes / procedures undertaken 10 - Project Team in place to focus on implementing changes and protect any impact on BAU 11 - Impact of potential or actual vacancies and/or other absences discussed regularly within management team ensuring priority work continues unaffected 12 - Issues with recruitment quickly identified, reviewed and discussed with FCC to increase success of appointments 13 - Fundamental review of Administration Team structure in summer 2023, having regard to trends in workflow and forecasting to the future.	Negligible	Unlikely	Green	☹️ Current impact 2 too high Current likelihood 1 too high	10/06/2024	Mar 2025	1 - Action plan being developed for recruitment, retention, succession planning including a review of management structure pay grades (KW/SB/AR) 2 - Ongoing training of recent recruits (SB/AR) 3 – Carry out staff satisfaction survey (KW) 4 – List of all checking processes to be developed (KW)	Karen Williams	10/07/2024	10/06/2024
2	Employers don't provide timely and accurate information	- Employers lack of understanding (including Poor comms and pace of change) - Employers lack of resource - Employers payroll systems have restrictions or are not fit for purpose - Employers have insufficient resources allocated to pensions matters - No or limited access to efficient data transmission	- Delays in provision of information to members/calculating benefits - Errors in calculations / information provided to members - Complaints / IDRPCs, rectification costs & reputational damage - Inefficiencies due to querying/chasing data	A1, A2, A3, A4, A5, C1, C2, C8, C9, C10, C11, C12, C13	Moderate	Unlikely	Yellow	1 - Administration strategy in place (including employer expectations & escalation) and regularly reviewed 2 - Employer engagement through Pension Board 3 - Employer steering group established (Councils' senior officers) 4 - Employer group engagement meetings established (all employers). 5 -Meetings with employers to discuss any ongoing data issues and provide training where required in line with the employer escalation procedure. 6 – LGA employer training guides issued 7 - I-connect in place for all Fund employers 8 - Regular data checks / reconciliations including additional checks as part of the year end processes (the newest additional check is Assumed Pensionable Pay data) 9 - Employer Liaison Team services available 10 - Independent data checks/analysis by actuary and monitoring against TPR data scores 11 - Monthly employer performance monitoring / communications	Negligible	Unlikely	Green	☹️ Current impact 1 too high	10/06/2024	Dec 2024	1 – Implement employer escalation procedure (which covers joiners, leavers and retirements) (KW/AH/KW) 2 – Expand ELT service to more employers to improve accuracy and timeliness of information (KW/KR) 3 – Develop and implement Data Improvement Policy (KW) 4 – List of all checking processes to be developed (KW)	Karen Williams	10/07/2024	10/06/2024
3	Significant changes required to existing administration and communications processes and procedures	External factors (Current examples: McCloud, Pensions dashboards, backdated pay awards, Employer membership changes)	- Processing delays due to increases in work and/or resource needing to be re-allocated - Errors in calculations of benefits/communications due to lack of understanding of changes by employers and/or CPF administration team - Processing delays due to delays in system enhancements - Complaints / IDRPCs, rectification costs & reputational damage	A1, A2, A3, A4, A5, C1, C2, C6, C7, C8, C9	Significant	Likely	Red	1 – Weekly admin management team meetings to monitor workloads and trends 2 - Ongoing KPI/SLA reporting to management team/AP/PFC/LPB 3 – Existing providers and/or National Framework can be utilised if required (e.g. implementing changes / training) 4 – Project Team in place to focus on implementing changes and protect any impact on BAU 5 - Technical / Comms Team in place to focus on interpreting regulations / updating communications 6 - Large projects have formal programme/project management e.g. McCloud Programme in place, including governance structure with Steering Group, PMG and regular workstream meetings 7 - Participation in wider groups to ensure Administration Team have a good understanding of changes e.g. POGs and the Pension Administration Manager sits on PLSA working group for Pensions Dashboards 8 – Doing Altair “testing site” role for the integration of the Administration system and Pensions Dashboard 9 - Annual business planning considers expected changes including budget and resourcing needs 10 – Various means of engaging with employers to proactively identify potential changes / issues	Moderate	Unlikely	Yellow	☹️ Current impact 1 too high Current likelihood 2 too high	10/06/2024	Mar 2025	1 – Fully test and implement all software releases for McCloud fixes to enable completion of McCloud data validation/upload and benefit rectification (AH/JT) 2 – Project team to be fully implemented and take on all major admin projects (KW/KW) 3 – Pensions Dashboard project to be formalised (KW)	Karen Williams	10/07/2024	10/06/2024
4	Communications to scheme members are misunderstood, not inclusive, or are not received / not read	- Lack of skilled staff with communications skills / EDI awareness (including plain language) - Best practice not being followed - High cost of communication restricting ways of communicating - Members not i-connect registered / confirmed as paper preference (black hole) - Members not reading MSS alerts/post (e.g. low priority) - Issues with MSS log ins (including forgotten passwords) - Members not updating email and/or postal address	- Members make poor decisions or fail to take action due to lack of understanding /awareness - KPIs/SLAs/legal deadlines are not met due to lack of member engagement - Complaints / IDRPCs, rectification costs & reputational damage including due to accessibility /inclusion issues -Additional costs / lack of efficiencies e.g. chasing member non-responses / tracing correct contact details - Insufficient internal resource for managing member communications	A1, A2, A4, C1, C2, C3, C4, C5, C6, C7, C8, C9	Moderate	Possible	Red	1 – Communications Strategy in place and regularly reviewed – a focus on digital engagement and inclusivity of communications 2 – Annual communications survey for scheme members 3 – Specialist communication officer in team (currently vacant) 4 – Internal checking requirements in place for bulk / template communications 5 – Access to consultant's communications specialists if required to fill any gaps in Fund resource/expertise 6 – Engagement with member representatives on Pension Board and PFC 7 - Member self-service in place 8 – Plain Language review of website undertaken 9 – Website meets accessibility requirements 10 – Ongoing feedback from member focus groups 11 – Annual business planning considers development of expected communications changes including budget and resourcing needs 12 – Regular address tracing exercises undertaken 13 - Participation in wider groups e.g. POGs to share ideas and discuss effective communications 14 – Engagement with software provider regarding system developments relating to Communications, e.g. Engage (which will replace MSS)	Negligible	Unlikely	Green	☹️ Current impact 1 too high Current likelihood 1 too high	10/06/2024	Mar 2025	1 – Finalise Plain Language website review (KM/AH) 2 – Finalise Plain Language review of all communications beyond website (KW) 3 – Implement new communications strategy (other actions) in line with business plan (KM/KW) 4 – Recruit to vacant Comms Officer position and assess any gap in skills post recruitment (KW/KM) 5 – Agree and implement communication actions relating to EDI policy (KM/KW) 6 – List of all checking processes to be developed (KW)	Karen Williams	10/07/2024	10/06/2024
5	Communications to employers are misunderstood, not inclusive, or are not received / not read	- Lack of skilled staff with communications skills / EDI awareness (including plain language) - Best practice not being followed - High cost of communication restricting ways of communicating - Employers not confirming changes in staff / contact details - Employers not reading alerts / emails (e.g. lack of capacity/low priority) - Issues with i-connect employer portal log in (including forgotten passwords)	- Employers provide inaccurate data/information or miss deadlines - Incorrect contributions paid to the Fund - Incorrect benefits or information then provided to scheme members - Complaints from employers and /or complaints IDRPCs from members, , rectification costs & reputational damage - Additional costs / lack of efficiencies e.g. chasing non-responses / tracing correct contact details	A1, A2, A3, A4, C1, C2, C3, C4, C5, C6, C7, C8, C9, C10, C11, C12, C13	Negligible	Unlikely	Green	1 – Communications Strategy in place and regularly reviewed – a focus on digital engagement and inclusivity of communications 2 - Administration strategy in place (including employer expectations & escalation) and regularly reviewed 3 - Employer engagement through Pension Board and PFC 4 - Employer steering group established (Councils' senior officers) 5 - Employer Liaison Team services available 6 - Employer group engagement meetings established (all employers) 7 - Meetings with employers to discuss any ongoing data issues and provide training where required in line with employer escalation procedure 8 – Annual communications survey for employers 9 - Internal checking requirements in place for bulk / template communications 10 - Independent data checks/analysis by actuary and monitoring against TPR data scores 11 - Monthly employer performance monitoring with formal escalation process / increased engagement where not meeting KPIs 12 – Specialist communication officer in team (currently vacant) 13 – Access to consultant's communications specialists if required to fill any gaps in Fund communications resource/expertise 14 – Annual business planning considers development of expected communications changes including budget and resourcing needs 15 - Participation in wider groups e.g. POGs to share ideas and discuss effective communications	Negligible	Unlikely	Green	😊			1 – Finalise Plain Language review of all employer communications (KW) 2 – Implement new communications strategy in line with business plan (KM/KW) 3 – Recruit to vacant Comms Officer position and assess any gap in skills post recruitment (KW) 4 – Agree and implement communication actions relating to EDI policy (KM/KW) 5 – List of all checking processes to be developed (KW)	Karen Williams	10/07/2024	10/06/2024
6	Communications to scheme members are inaccurate	- Poor data quality - systems with underlying errors or poor functionality - staff errors / poor peer review	- Incorrect amounts of benefits are paid - Members rely on incorrect information to make decisions - Complaints / IDRPCs-, rectification costs & reputational damage	A1, A2, A4, C1, C6, C7, C8, C9	Moderate	Unlikely	Yellow	4 - Regular data checks / reconciliation including additional checks as part of the year end processes (the newest additional check is Assumed Pensionable Pay data) 5 – Periodic review of template communications for accuracy, including website 6 - Independent data checks/analysis by actuary and monitoring against TPR data scores- 7 - Participation in wider groups e.g. POGs to share ideas and discuss effective communications 8 - Engagement with software provider regarding system developments relating to Communications, e.g. Engage (which will replace MSS)	Negligible	Unlikely	Green	☹️ Current impact 1 too high	10/06/2024	Mar 2025	1 – Finalise technical review of member area of website (KM/AH) 2 – Finalise technical review of all member communications beyond website (KW) 3 – Develop and implement Data Improvement Policy (KW) 4 – List of all checking processes to be developed (KW)	Karen Williams	10/07/2024	10/06/2024

Risk no:	Risk Event (this [event] could happen)	Risk cause (...due to [cause]...)	Risk Impact (...which may result in the following [impact] to our objectives)	Strategic objectives at risk (see key)	Current impact (see key)	Current likelihood (see key)	Current Risk Status	Internal controls in place	Target Impact (see key)	Target Likelihood (see key)	Target Risk Status	Meets target?	Date Not Met Target From	Expected Back On Target	Further Action and Owner	Risk Manager	Next review date	Last Updated
7	Communications to employers are inaccurate	<ul style="list-style-type: none"> - Poor data quality - systems with underlying errors or poor functionality - staff errors / poor peer review 	<ul style="list-style-type: none"> - Employers rely on incorrect information and therefore, provide incorrect data which may result in incorrect member benefits - Complaints / IDRPCs, rectification costs & reputational damage 	A1, A2, A3, A4, C1, C6, C9, C10, C11, C12, C13	Negligible	Unlikely		1 - Administration strategy in place and regularly reviewed 2 - Internal checking requirements in place 3 - Employer engagement through Pension Board 4 - Employer steering group established (Councils' senior officers) 4 - Employer group engagement meetings established (all employers). 5 - Meetings with employers to discuss any ongoing issues. 6 - I-connect in place for all Fund employers 7 - Independent data checks/analysis by actuary and monitoring against TPR data scores 8 - Periodic review of template employer communications, including employer information on website, for accuracy 9 - Participation in wider groups e.g. POGs to share ideas and discuss effective communications	Negligible	Unlikely		☺			1 - Finalise Plain Language review of all employer communications (KW) 2 - Develop and implement Data Improvement Policy (KW) 3 - List of all checking processes to be developed (KW)	Karen Williams	10/07/2024	10/06/2024
8	The Fund does not have appropriate pension administration/communication systems	<ul style="list-style-type: none"> - Systems not being kept up to date for national changes/best practice by suppliers - Not being kept up to date, or used effectively, by the Fund - Ineffective contract terms - Inappropriate procurement terms - Lack of appropriately trained staff - Lack of engagement from Council IT - High pace of external change - High cost of systems 	<ul style="list-style-type: none"> - Unacceptable periods of systems being unavailable - Errors (including data and calculation errors) - Services not being delivered, or Delays in delivery - Increased costs due to Inefficiencies - Complaints / IDRPCs, rectification costs & reputational damage 	A1, A2, A4, A5, C3, C4, C7, C8, C9, C11, C12, C13	Negligible	Unlikely		1 - System provider appointed following procurement exercise using national framework (and CPF were founding authority on national framework). 2 - Ongoing annual service review of Heywood contract for main admin/communication systems 3 - I-connect and MSS implemented and regularly reviewed 4 - Regular review of effectiveness of workflow procedures to ensure are fit for purpose 5 - Implementation of other Altair modules including Altair Insights to ensure effective/efficient use of available systems 6 - Ongoing engagement with Heywood and other users (including national groups) about software enhancements including timeliness of upgrade, and a hosted fund so receive software updates early 7 - Participation at national events/engagement with wider market to understand options for enhancements / improvements in systems 8 - Testing of all upgrades carried out before going live 9 - Ongoing checking for data issues and of day-to-day processes to assist in identifying issues	Negligible	Unlikely		☺			1 - Appoint pension dashboard ISP in line with new national dashboard timetable (KW/KW/IAH) 2 - Develop and test all processes for national pension dashboard readiness (KW/KW/IAH) 3 - Consider future options for website hosting (KW/KM/AH) 4 - List of all checking processes to be developed (KW)	Karen Williams	10/07/2024	10/06/2024

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CLWYD PENSION FUND COMMITTEE

Date of Meeting	Wednesday, 19 June 2024
Report Subject	Funding and Investment Performance Update
Report Author	Graduate Investment Officer

EXECUTIVE SUMMARY

The purpose of this report is to provide members with a summary of the Fund's financial position as at 31 March 2024. Additionally, it aims to highlight any key Funding and Investment developments since the last meeting.

A more detailed update on the Fund's funding position and investments to June 2024 will be presented at the next Committee meeting in September. The Fund's Annual Report and Accounts will also include further details on Funding and Investment as at the 31 March 2024.

RECOMMENDATIONS

1.	That the Committee consider and note the update.
2.	That the Committee provide feedback on the contents and format of the new summary report.

REPORT DETAILS

1.00	FUNDING AND INVESTMENT UPDATE
1.01	<p>Appendix 1 details the Fund's financial position as at 31 March 2024 and covers the following areas:</p> <ul style="list-style-type: none"> • An update of the current Business Plan for 2024/25 • An update on the Fund's risks • A summary of the Funding and Investment performance • WPP update • Delegated actions taken by officers including Total Fund Rebalancing, Tactical Asset Portfolio, and Private Market Investments
2.00	RESOURCE IMPLICATIONS
2.01	None.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None.

4.00	RISK MANAGEMENT
4.01	<p>The funding level trigger of 110% was breached in February 2024. An action plan for de-risking the Fund's investment strategy was agreed at the March Committee and actioned by the end of March, leading to a 10% reduction in the Fund's synthetic equity exposure.</p> <p>There have been no other material changes to the Funding and Investment risks since the last meeting.</p> <p>The Risk Register is being updated in light of the new risk management policy agreed in March 2024 and will be brought to the September Committee.</p>

5.00	APPENDICES
5.01	Appendix 1 – Funding and Investment Summary

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<ul style="list-style-type: none"> • Economic and Market Update – 31 March 2024 • Performance Monitoring Report – 31 March 2024 • Monthly Monitoring Report – 31 March 2024 <p>Contact Officer: leuan Hughes, Graduate Investment Officer E-mail: leuan.Hughes@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>A list of commonly used terms are as follows:</p> <p>(a) Clwyd Pension Fund (the “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) Clwyd Pension Fund Committee (the “Committee”) - the Flintshire County Council committee responsible for the majority of decisions relating to the management of the Clwyd Pension Fund.</p> <p>(c) Risk Management Framework - The Risk Management Framework, a combination of Liability Driven Investment (LDI) synthetic equity instruments and cash plus funds (allocated to for collateral management efficiency), is managed as part of a risk management approach.</p> <p>(d) TPR LDI Guidance – Guidance issued by the Pensions Regulator in April 2023 covering the use of leveraged liability-driven investment by pension schemes https://www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/funding-and-investment-detailed-</p>

[guidance/liability-driven-investment](#))

(e) **Vanilla/unhedged Synthetic Equity** – Derivative contracts that enable the Fund to gain exposure to broad equity markets with no embedded equity protection. The change in value of vanilla contracts is perfectly correlated to the change in the value of broad equity market indices.

(f) **Yield (Gross Redemption Yield)** – The return expected from a bond if held to maturity. It is calculated by finding the rate of return that equates the current market price to the value of future cash flows.

A full glossary of Investments terms can be accessed via the following link.
<https://www.schroders.com/en/global/individual/investment-glossary/>

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Funding and Investment Summary

Q4 – 31 March 2024

Asset Class	Current Qtr. £m	Previous Qtr. £m	Actual Weight %	Strategic Weight %	Assets Pooled £m	Assets Not Pooled £m
Equities	344.5 ▲	323.9	13.9	15	344.5	-
Fixed Income	251.5 ▲	249.4	10.2	12	251.5	-
Hedge Funds*	121.1 ▲	115.5	4.9	0	-	121.1
Tactical Asset Allocation	283.3 ▲	273.5	11.4	11	-	283.3
Private Markets	696.4 ▲	676.5	28.1	29	36.7	659.8
RMF†	653.2 ▼	661.3	26.4	28	-	653.2
Cash and Liquidity	125.1 ▲	90.2	5.1	5	-	125.1
Total	2,475 ▲	2,390	100%	100%	633	1,843

Investment Performance	Qtr. %	1-year %	3-year % (p.a.)	5-year % (p.a.)
Total Fund	4.0%	9.8%	5.2%	6.4%
Benchmark	4.3%	13.1%	5.3%	6.7%
Difference	-0.3%	-3.3%	-0.1%	-0.3%

Funding	Expected %	Current Qtr. %	Previous Qtr. %	Movement
Funding Level**	105%	109%	108%	+1.0%
Interest Rate Hedge	-	31.2%	30.5%	+0.7%
Inflation Rate Hedge	-	20.5%	-	-

*Hedge Funds strategic allocation was reduced to zero following the Fund's interim strategy review.

**CPI+2.6% p.a. discount rate applied to the expected and estimated Funding Level positions.

†Risk Management Framework

Business Plan

The Committee approved the Business Plan for 2024/25 at the March meeting. Since the approval, there have been no new items or exceptions to report, and work is ongoing.

Risk Register

There have been no other material changes to the Funding and Investment risks since the last meeting.

The Risk Register is being updated in light of the new risk management policy agreed in March 2024 and will be brought to the September Committee.

Funding and Investment Performance

As expected, the Fund's de-risking exercise a c. 3% reduction in the estimated funding level. Despite this the Fund's valuation increased over the quarter, raising the estimated funding level from 108% to 109%, exceeding the 2022 valuation estimate by 4%. The Fund's investment performance marginally underperformed the benchmark over the quarter.

The interest rate and inflation target hedge levels remained the same over the quarter. The increase in the level of interest rate hedging is due to market movements. The level of hedging is expressed as a percentage of assets, as the investments providing the interest rate hedging increase in value to a great extent than total assets the percentage of interest rate exposure increased.

A detailed update on the Funding and Investment performance for the period to June will be provided at the September Committee meeting. The Fund's Annual Report and Accounts will also include further details on Funding and Investment as at the 31 March 2024. Mercer's usual background papers, summarising broader economic and market commentary and quarterly performance, are available upon request.

Wales Pension Partnership

No JGC meeting has occurred since the March Committee. The next JGC meeting is scheduled for 17 July 2024.

Delegated Actions

Total Fund Rebalancing

Following the Fund's interim strategy review, the Fund has reduced its Hedge Fund position to zero and introduced a 5% strategic allocation to Strategic Cash to ensure sufficient short-term liquidity.

The Hedge Funds redemption process is ongoing and is expected to conclude by the end of August 2024. Actions are being taken to implement the rebalanced strategic asset allocation as the redemption proceeds are received.

The funding level trigger of 110% was breached in February 2024, prompting discussions to develop an action plan for de-risking the Fund's investment strategy. This plan was approved at the March 2024 Committee meeting, leading to a 10% reduction in the Fund's synthetic equity exposure based on the pre-agreed de-risking measures.

Tactical Asset Allocation

Since the previous report to Committee in March 2024 the following transactions were agreed and implemented within the Tactical Asset Allocation (TAA) Portfolio.

TAA Weightings	March 2024	December 2023
Risk Assets	40%	34%
Cash and Fixed Income	36%	52%
Diversifiers	24%	14%

Over the quarter, the TAA Portfolio has shifted to a more “risk-on” position, increasing allocation to Risk Assets to capitalise on positive market sentiment. The allocation to Cash and Fixed Income was reduced, moving away from conservative investments, whilst the allocation to Diversifiers increased slightly. These changes highlight the tactical rebalancing towards higher-risk assets in the short term.

The TAA performance is assessed relative to its benchmark and comparable strategies, such as Diversified Growth Funds (DGFs). Over one-year and three-year periods, the TAA achieved annualised returns of +8.6% and +7.9%, respectively, surpassing the benchmark returns of +6.0% and +7.4%. At the total fund level, the TAA continues to add value and outperforms DGFs, which posted returns of +7.9% and +2.2% p.a. over the same periods.

Private Markets

No new commitments have been agreed since the March 2024 Committee meeting.

Any Other Matters

Nothing to report.

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