Clwyd Pension Fund
McCloud Programme Update

Prepared for: Pension Fund Committee (PFC)

Prepared by: Aon

McCloud Programme Dashboard

Programme Health: ■ On track

Key	Description
■ (dark blue)	Completed
■ (green)	On track
■ (amber)	Overdue
■ (red)	At risk
■ (light blue)	Not started

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 deliverables 1 April 2020 to 31 October 2020

Project workstream / Description	Responsibility	Sign off	Deadline	Notes	Status
1. Pension team educational workshops / idea sessions	Karen Williams	n/a	n/a		**Complete**
2. Initial analysis of impact on CPF members (in-scope members)	Aon	n/a			**Complete**
3. Programme set up i. Formal programme set-up documentation developed ii. Set-up documentation approved (urgency delegation) iii. Establishment of Steering Group (SG) and Programme Management Group (PMG) iv. Workstream groups established (9)	Aon	PFC via urgency delegations	n/a		**Complete**
4. Employer engagement sessions	Communications workstream	PMG / SG	10 August 2020	Employer sessions held 11 August	**Complete**
5. Consultation response (Fund)	Governance workstream	Draft - PMG / SG Final - PFC	8 October 2020	With PFC for final approval	**In progress**
6. Data collection i. Data collection template ii. Employer questionnaires iii. Data decision process and collection protocol iv. Commence data collection with pilot employers	Data & communications workstreams	PMG	16 October 2020	Data collection documents currently in draft	**In progress**
7. Communications i. McCloud wording for 2019/20 annual report ii. Benefit statement / newsletter iii. Pensions saving statements iv. Pensions Extra (pensioners newsletter)	Communications workstream	PMG (all) / SG (some)	various	Pensions saving statements and Pensions Extra to be issued	**In progress**

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	Member communications are effective, evidenced by few queries and complaints
SC7	Automation minimizes the impact on resources and SLAs/KPIs during implementation, rectification and ongoing administration
SC8	The programme is completed without unplanned disruption to business as usual and other Clwyd Pension Fund projects
SC9	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.
SC10	The additional costs falling to employers transpire to have been reasonably estimated at the 2019 actuarial valuation

Project Risks

There are a number of risks that the programme's success criteria will not be achieved – these have been identified by CPF's programme management and are captured in a formal risk log.

The current risks that are furthest from target are shown below

Risk no	Risk overview (this will happen)	Risk description (if this happens)	Programme Group	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
1	Unable to identify members in scope	In-scope members cannot be identified with 100% accuracy, leading to some members being excluded from scope, and others included who shouldn't be.	Data Workstream	SC1	Critical	Significant (50%)		1. Review member selection criteria and methodology. 2. Sample check members in scope and out of scope. 3.Engage with Heywood to check plans for identifying members	Negligible	Unlikely (5%)	
2	Poor engagement from Employers / lack of understanding	Employers do not engage in a timely manner leading to data issues and delays	Data Workstream	SC1, SC2, SC8	Critical	Significant (50%)		1. Early engagement with employers to obtain buy-in. 2. Consider scheduling initial virtual meeting to improve engagement. 3. One to one engagement, with potential ELT engagement. 4. Consider seeking verification of understanding through a signed compliance statement.	Negligible	Unlikely (5%)	
3	Unable to load data efficiently and accurately, and in a timely manner	Data cannot be loaded onto the system in an efficient, accurate and timely manner, leading to project delays or issues with the underpin calculation.	Data Workstream	SC1, SC2, SC8	Critical	Very High (65%)		1. Early engagement with Heywood on a one to one basis. 2. Consider scheduling initial virtual meeting to improve engagement. 3. Consider seeking verification of understanding through a signed compliance statement.	Negligible	Unlikely (5%)	
4	Detrimental impact on BAU	Due to delivery of the programme, there is a resulting detrimental impact on BAU resource	Programme Management Group	SC7	Critical	Significant (50%)		1. Thorough programme planning, scoping of work and recruitment programme (recruitment is currently underway as at June 2020). 2. Forward planning and ongoing monitoring of resource requirements. 3. Concern raised and action taken as matter of urgency. 4. Flexibility to utilise resource (including training or physical resource) from consultants if required. 5. Reference of all stakeholders to roles and responsibilities document. 6. Strong engagement with software supplier looking for alternative efficiencies.	Negligible	Very Low (15%)	
5	Insufficient or inappropriate resources	Inability to source appropriate resources required to deliver the programme deliverables (including data uploading) in the required timescales	Programme Management Group	SC8	Catastrophic	Significant (50%)		1. Thorough programme planning, scoping of work and recruitment programme (recruitment is currently underway as at June 2020). 2. Forward planning and ongoing monitoring of resource requirements. 3. Concern raised and action taken as matter of urgency. 4. Flexibility to utilise resource (including training or physical resource) from consultants if required. 5. Reference of all stakeholders to roles and responsibilities document. 6. Strong engagement with software supplier looking for alternative efficiencies.	Negligible	Very Low (15%)	
6	Other external interference	Work on other projects including GMP Equalisation / cost cap / Goodwin case leading to resource constraints on McCloud programme unable to be delivered.	Programme Management Group	SC7	Catastrophic	Significant (50%)		1. Thorough programme planning linking in with BAU planning. 2. Attendance of VB and KM on working groups allowing stakeholders to keep abreast of developments. 3. Data cleansing can still be done and staff can be side-tracked temporarily to assist with work on the other projects.	Critical	Very Low (15%)	
7	McCloud Data collection	Unable to collect required data in full from employers in a timely manner	Programme Management Group	SC2, SC4, SC7	Critical	Significant (50%)		1. Early engagement with employers to obtain buy-in. 2. Consider scheduling initial virtual meeting to improve engagement. 3. One to one engagement, with potential ELT engagement. 4. Consider seeking verification of understanding through a signed compliance statement. 5. Training through employer webinars.	Negligible	Unlikely (5%)	

High level timetable & milestones (indicative dates)

Workstream	Month:	2020							2021												2022			
		J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A
Key milestones*						▮		▮				▮												▮
Regulations	Consultation / Consultation response	▨	▨	▨	▨			▨																
	Fund response		▨	▨	▨																			
	Regs made / effective											▨												▨
Funding / Accounting / Investment / Cashflows	Accounts prepared/finalised (TBC)																							
	Valuation (TBC)																							
Communications	Standard member communications	▦	▦	▦	▦	▦	▦	▦	▦	▦	▦	▦	▦	▦	▦	▦	▦	▦	▦	▦	▦	▦	▦	
	Segmented / personalised communications												▦								▦	▦	▦	
Data	Identify/confirm in-scope members	▢	▢										▢											
	ER engagement			▢	▢																			
	Data collection / processing				▢	▢			▢	▢	▢	▢	▢											
Ongoing administration	Scoping workstream					▩	▩																	
	Delivery												▩	▩	▩	▩	▩	▩	▩	▩	▩	▩	▩	▩
Benefits rectification	Rectification process	▧	▧	▧									▧	▧	▧	▧	▧	▧	▧	▧	▧	▧	▧	
	All benefits rectified																							▧
Programme management	Programme documentation	▥																						
	PM meetings	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥	▥
Governance	Scheduled meetings	▤				▤	▤	▤		▤	▤	▤		▤	▤									

Milestone callouts:
- **Public consultation (end)** — (O 2020)
- **Consultation response (MHCLG)** — (D 2020)
- **Regulations made** — (A 2021)
- **Regulations effective** — (A 2022)