Clwyd Pension Fund

McCloud Programme Update

Prepared for:	Clwyd Pension Fund Pension Fund Committee
Prepared by:	Aon
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High level Programme Plan

Key	Description
(dark navy)	Complete
(green)	On track
(orange)	Overdue
(red)	At risk
(light blue)	Not started

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

Latest update suggests that regulations could come into effect as late as October 2023 (previously April 2023)

McCloud Programme Dashboard		Programme Health:		Key	Description

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 January 2023 – 31 December 2023

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	March 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 September 2023 (small employers) - End December 2023 (larger employers excluding Wrexham) - End March 2024 (Wrexham) Following this, data validation process to commence in September 2023 and loaded to Altair / fully validated by end March 2024 (note these targets are currently under review). In the interim two separate weeks have been scheduled to test the Heywood system. PMG sign off required before upload commences	In progress
2. Heywoods' tools i. New Insights report (uploads check), Interface & McCloud data views	Data workstream	PMG	July 2023	Discussions with Heywoods taking place around the new Insights report, Interface and McCloud data views. CPF have confirmed their requirements around the Insights report.	In progress
3. McCloud communications i. DBS / ABS - McCloud wording ii. Pensioner / deferred / active newsletter – McCloud wording	Comms workstream	PMG / SG	Various over 2023	Deferred newsletter expected to be issued in November 2023. Additional Pensioner newsletter issued in December 2023. Active member newsletter to be issued in December 2023	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. Whilst this provided clarity in a number of areas CPF asked for further clarification particularly around member communications and timescales for implementing the remedy. The LGPS regulations will be made over September 2023 and come into force on 1 October 2023 (noting previously this was "on" 1 April 2023). Guidance is also expected from SAB/DLUHC.	In progress
5. Programme meetings i. Data workstream (every ~3-4 weeks) ii. Communications workstream (~1-2 per quarter) iii. Benefits rectification & ongoing administration workstream (frequency to be agreed) iv. PMG (~1-2 per quarter) v. SG (bi-annually)	Programme Manager	n/a	Ongoing	Ongoing administration workstream meetings commenced late 2022 - regular meetings to be scheduled once regulations are available. Benefits rectification workstream commenced in August 2023 - regular meetings to follow. Update reports provided to SG where full meetings are not deemed required.	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	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
7	McCloud Data collection	Unable to collect required data in full from employers in a timely manner	Programme Management Group	Karen Williams	SC2, SC4, SC7	Critical	Significant (50%)	[Red]	1. Early engagement with employers to obtain buy-in. 2. Initial virtual meeting to improve engagement. 3. One to one engagement, with potential ELT engagement. 4. Seek verification of understanding through a signed compliance statement. 5. Training through employer webinars. 6. Focus on 'in scope' only members as a priority	Negligible	Unlikely (5%)	[Green]
13	Final regulations	Regulations are delayed, do not meet objectives or are subject to further challenge, leading to programme delays (including delay in toolkit production) and impact on budgets	Programme Management Group	Karen Williams	SC7, SC8	Critical	Extremely High (80%)	[Red]	1. Thorough project planning. (Programme plan) 2. Attendance of VB & KM on working groups allowing stakeholders to keep abreast of developments. 3. Ongoing engagement with Heywood, volunteered as testing site. 4. Manual uploads with some of the smaller employers.	Critical	Very Low (15%)	[Amber]
38	Aggregations	Could require large resource for manual calculations	Programme Management Group	Karen Williams	SC2, SC3, SC4, SC8	Critical	Very High (65%)	[Red]	1. Regularly consider regulations to see if this will be required	Negligible	Unlikely (5%)	[Green]

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