

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

**CLWYD PENSION FUND BOARD**

Minutes of the meeting of the Clwyd Pension Fund Board of Flintshire County Council (as Administering Authority for the Clwyd Pension Fund), held in hybrid format with attendance in person at County Hall and remotely on Friday 17 January 2025 at 9.30am.

**THE BOARD:**

**Present:**

Chair: Mrs Karen McWilliam (Independent Member)\*

Member Representatives: Mrs Elaine Williams

Employer Representatives: Mr Steve Jackson, Mr Richard Weigh

**Apologies:** Mrs Tracey Sutton Postlethwaite

**IN ATTENDANCE**

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

Mrs Karen Williams (Pension Administration Manager)

Mr Ieuan Hughes (Investment Officer)

Ms Morgan Nancarrow (Governance Administration Assistant)

Mrs Jennie Green (Aon, Independent Advisers)\*

\*Attended remotely

**Actions**

**1. APOLOGIES/ WELCOME**

Apologies were received from Mrs Sutton Postlethwaite.

**2. DECLARATIONS OF INTEREST**

The Chair declared that as the current Chair of the Pension Board, she will leave the meeting for the appointment of the Chair at item 3, and Mrs Green also confirmed she would leave as an employee of Aon.

Mrs E Williams declared that she has applied to continue in her position as Scheme Member Representative so will leave the meeting for the discussion at item 6.

**3. APPOINTMENT OF CHAIR OF PENSION BOARD**

Mrs Green and the Chair left the meeting for this item.

Mr Latham explained that following a thorough tender process the Committee approved the decision to reappoint Aon in the roles of Independent Member of the Pension Board and Independent Adviser. This meant that Karen McWilliam will be continuing in her role as Independent Member of the Pension Board. He explained that according to the Pension Board Protocol, the Board now has to agree who will chair Pension Board meetings going forward.

Mrs K Williams explained succession planned was considered throughout the tender process, and that alternates were required as part of the specification. She highlighted that Jennie Green and Chris Emmerson were named as alternates.

The Board unanimously agreed for Mrs McWilliam to continue as Chair of the Pension Board.

Mrs McWilliam and Mrs Green returned to the meeting. The Chair thanked the Board and said she was very happy to continue in her role.

#### 4. MINUTES

The Chair asked for comments on the minutes of the previous meeting, of which there were none, and there were no matters arising not covered in the action tracker. The minutes of the meeting held on the 3 October 2024 were confirmed as a correct record.

#### 5. ACTION TRACKER

The Chair took the Committee through the action tracker.

Action 137 – The Chair said that she had raised cyber security at the recent Wales Pension Partnership (WPP) Pension Board Chairs' Engagement meeting, and it was confirmed that cyber resilience will be included as part of the WPP Business Plan for the coming year, which the Committee will be asked to agree in March.

**ACTION: The Chair asked Mr Latham to ensure cyber resilience is included in sufficient detail either as part of the WPP Business Plan or as a detailed backing document.**

**ACTION**  
Board  
Secretary

Action 143 – The Chair explained that the Fund is awaiting further clarification on the timing of Good Governance changes in order to progress this item. Mr Latham highlighted that there may also be further changes relating to the HMT Pensions Review which could be considered alongside this time. The Chair noted there are also changes to Committee training requirements expected which may also be incorporated as part of this work.

Action 144 – This is covered at item 7.

Action 149 – In the absence of Mrs Sutton Postlethwaite, this will be carried forward to the next meeting.

Action 150 – In the absence of Mr Bateman, this will be carried forward to the next meeting.

Action 151 – Information on Pension Board insurance has been identified by Aon and will shortly be shared with the Fund officers.

The remaining completed actions were noted.

## 6. PENSION BOARD MEMBERSHIP

Mrs E Williams left the meeting for this item.

Mr Latham explained that the role of Scheme Member Representative on the Pension Board was due for review. The role was advertised to members through newsletters and the Fund website. The deadline for applications has now passed and there had been strong interest in the role. The process for appointment will include review of applications, and shortlisted applicants will be invited to interview.

The Chair explained that the essential criteria will be considered when reviewing applications, with a strong focus on equality, diversity and inclusion considerations, highlighting the value of having a variety of life experience and perspectives across the Board membership.

**ACTION: The Chair confirmed that she will update the Board on the appointment of member representative as this progresses.**

**ACTION**  
Chair of  
Pension  
Board

## 7. OPERATIONAL UPDATE

Mrs K Williams gave an update on staffing, including:

- An update on retirements and succession planning within the administration team.
- Job vacancies in the administration team, of which there are currently three. One of these is due to an internal promotion and two are due to staff leaving to competitors as discussed at the previous meeting. The application deadline for these roles was extended due to initial low interest, and following advertisement on Indeed, further applications were received. Interviews for the role are taking place next week.
- Implementation of the Senior Management Structure including review of job descriptions - the proposed job descriptions were worked on as a team and submitted to Human Resources for job evaluation prior to Christmas. There is a backlog of job evaluation cases and there is no update on timescales.

Mr Hughes confirmed that he has now completed his exams and has qualified to move into the Investment Officer role. The Board congratulated Mr Hughes, noting he was the first officer to have achieved the FCA's Investment Management Certificate qualification at the Clwyd Pension Fund.

Mr Jackson noted the Board's previous discussions on the competitive job market and concerns about staff retention, which the structure review is a key part of. It was agreed that the Board's concerns will be escalated to the Advisory Panel.

**ACTION – The Chair will raise the Board's comments on the need for timely evaluation of the job descriptions at the next meeting of the Advisory Panel on 20 January 2025.**

- An update on Fund accommodation - due to the upcoming closure of County Hall, the Fund will be relocated to a self-contained office space in Ewloe. Mrs K Williams shared the office floor plan with the Board, which currently seats 40 officers, which is an increase compared to the current office. The new office could fit more workspaces if needed. The current workforce is 58 officers but that includes part-time workers. Mrs K Williams also confirmed that site visits have taken place with some Fund officers and IT officers, and arrangements were in progress for network connection and logistics. Once the lease is finalised, the Fund will look to arrange site visits for all staff. It is hoped this will take place by the end of the month.

The next meeting of the Pension Board is likely to take place at these offices in Ewloe.

**ACTION**  
Chair of  
Pension  
Board

- A staff satisfaction survey will shortly be issued to all Fund staff, with questions addressing staff morale. Given the upcoming relocation there were no questions on location but it is intended for a further survey to be issued at a later date which will pick this up. Mrs Green confirmed the closing date for the survey will be 31 January 2025, and the survey is being run by Aon in order to ensure that responses are anonymous.

The Chair congratulated Mrs K Williams on the progress made and confirmed that FCC IT have provided reassurance regarding cyber security of network access arrangements in the new property.

## **8. THE PENSIONS REGULATOR'S (TPR) GENERAL CODE OF PRACTICE (standard item)**

Mrs K Williams explained that the administration team leaders and Aon have reviewed the administration and communication specific tasks arising from the Regulator's new General Code of Practice, and a meeting has also been scheduled to consider tasks which overlap with finance team duties.

She highlighted there are a number of tasks relating to the documenting and reviewing of processes. A full list of these processes is being collated and any processes that are not documented are being identified and written.

All administration and communications tasks are either in progress or complete, and a number of tasks have been completed since the Board was last updated.

Mrs McWilliam said that an updated actions log will be provided to the Board as part of the next meeting on 1 April 2025.

Mr Jackson noted that documented processes is a critical internal control and is particularly helpful when dealing with staffing changes. Mrs Green noted that some of the outstanding actions relating to knowledge and skills requirements have been paused until the legislation or guidance relating to the Good Governance consultation are made.

## **9. CYBER RISK AND BUSINESS CONTINUITY (standard item)**

The Chair explained that this update contains some confidential information which will be recorded in private minutes.

An update on cyber security was received and discussed.

## 10. DEATH GRANT CONSULTATION

Mrs K Williams gave an update on the Government's "Technical consultation - Inheritance Tax on pensions: liability, reporting and payment".

She explained that death grants for active and deferred members are treated as a form of life insurance and currently sit outside the scope of inheritance tax. Scheme members can nominate a beneficiary, however the Fund has ultimate discretion of who death grants are payable to. It is currently unclear whether the Government's review will affect this discretion. The consultation is proposing that a scheme member's personal representative will need to determine what inheritance tax needs to be deducted from the death grant (if any) and the Fund will not be able to pay the death grant until that is confirmed. Mrs K Williams' view that completing this process within the suggested six-month period in the consultation will be ambitious in many cases.

The Fund has worked with other Welsh funds to produce a collaborative response to the consultation, and a Fund-specific response will also be issued including some additional points not covered in the all-Wales response. She said that generally the Fund response is reflective of the Wales response but highlights some additional administrative and reporting burdens for finance and administration teams.

Mr Latham asked what the proposed changes might mean for scheme members. Mrs K Williams said this could lengthen the process for death grants particularly if there is legal dispute on a particular case. These delays could result in financial hardship for members/dependents.

Mrs E Williams said that her understanding of the proposal is that there is only a small percentage of scheme members for whom inheritance tax would need to be paid as married and civil partnerships are exempt, and the majority of scheme members will not be near the inheritance tax threshold. She said the potential for hardship appears to be very high. She said that the drafted consultation response makes sense. She highlighted her concern about the impact the changes would have on scheme members' families at a difficult personal time.

Mrs K Williams confirmed that the Wales response does touch on hardship, but that the intention is for the Fund's individual response to highlight this further in the response to the final question. The deadline for responses is the 22 January 2025.

**ACTION: The Board agreed that the Fund's individual response to the consultation should more strongly address the issue of personal financial hardship for members.**

**ACTION**  
Pension  
Administration  
Manager

## 11. ADMINISTRATION UPDATE (standard item)

Mrs K Williams presented an update on administration matters.

### **Key Performance Indicators (KPIs)**

The KPI report pack has been revised since the meeting pack was circulated, due to some figures appearing lower than expected needing review. These have been amended in the revised version which Mrs K Williams shared on screen as part of the meeting.

**ACTION: The revised KPI report will be circulated for Board members after the meeting**

**ACTION**  
Pension  
Administration  
Manager

Mrs K Williams took the Board through the updated KPIs. Mr Latham highlighted his frustration that national reporting does not reflect member experience due to the way timescales are defined, however CPF continues to monitor the overall timescale from the date the case is initially opened as well as the required monitoring from the date all the relevant information is received. Work is being done to engage with employers to improve timeliness in employers sending their joiner and leaver notifications, as this does impact some of the overall KPIs.

Due to the hold on transfers while awaiting national guidance, the administration team now needs to catch up on transfers in and out, so performance fluctuations are expected for a number of months.

There has been a focus on internal targets for retirements, which has resulted in good internal performance, and this is one area where the employer engagement should help to improve performance, but it is recognised this is often beyond the control of the employer's payroll staff.

Mr Weigh asked if there is national KPI data to compare the Fund's performance to. Mrs K Williams said that there is a CIPFA benchmarking exercise, but this is voluntary and each fund records and reports performance differently so comparison is not reliable. The Chair said there may be more benchmarking information available in the coming years, but generally monitoring involves internal targets rather than legal requirements. The Fund has raised the issue of monitoring legal requirements and mandatory benchmarking nationally, however this has not yet been picked up.

The Chair said that the Fund's work with employers exceeds the majority of other funds and highlights the value of the local relationship with employers.

### **Pensions Dashboard**

Mrs K Williams said that Heywoods has now been appointed as the Integrated Service Provider and a testing plan is due to commence in March. She confirmed the dashboard project is progressing as intended.

### **Pension Scams**

There were no pension scams to report.

### **McCloud Project**

The hard deadline is approaching later this year due to the need to disclose if there is an underpin on each Annual Benefit Statement. The data collection/inputting part of the project is gradually coming to an end with only a small number of members not yet looked at, which are expected to be complete by the end of March. The next McCloud workstream meeting will take place at the end of the month and there will be an update on this at February Committee.

### **Data Improvement**

This has been incorporated into business as usual, and a Data Quality Policy is being worked on which will complement the Administration Strategy and document the Fund's approach to achieving and maintaining good quality data. This is expected to be brought for approval by Committee in February or March.

### **Compliments and complaints**

The Board noted the excellent compliments and that there had been no complaints.

### **Member Self Service (MSS)**

Over the next ten months, the Fund will transition to Heywoods' Engage facility, replacing the existing MSS. Furthermore the website platform provider will also need to change. The cyber implications of these changes will need to be considered. There will be an update on this at the April Board meeting.

### **Further discussions**

Mr Latham asked how the Fund's progress on the Dashboard project compares with other Funds. Mrs K Williams said that the Fund is working to the onboarding deadline at the end of October. Mrs Green said that there have been advance communications with members through the deferred and active newsletters, and this early engagement is a positive step. The date at which the dashboard will go live to the public is not yet known.



The Chair noted that at the last meeting, there were concerns regarding McCloud and manual input of data. She highlighted that KPIs were now better than expected and after the initial increase, outstanding case numbers have begun to decrease again, which was positive. Mrs K Williams clarified that the increase in case volumes in part was due to McCloud.

The Chair noted the take up of MSS was excellent compared to a number of LGPS funds and asked about the gap in MSS registration for deferred members. Mrs K Williams confirmed the Dashboard project and transition to Engage should help to increase the number of registrations for deferred members. The Chair suggested the Fund could also encourage employers to promote use of MSS to members.

## **12. HMT PENSIONS REVIEW (Standard Item)**

Mr Latham provided an update on the LGPS Fit for the Future consultation which covers pooling, local investments and governance. He explained that as well as a Fund specific response, the Fund has contributed to the WPP collaborative response. Mr Latham also fed into the PLSA Local Authority Committee response, which is available online and has some views which differ from the Wales view, including PLSA taking a more favourable view to consolidation. The Board noted the Fund's response which Committee and Board members were previously provided with and involved in the production of.

The Board discussed possible outcomes for the Wales Pension Partnership.

## **13. ASSET POOLING (Standard item)**

Mr Hughes took the Board through developments since the November Committee.

He explained that other Welsh funds have received communications from Unite regarding investment in Pemberton Asset Management and Oscar Mayer, noting that Clwyd Pension Fund has no investments in Oscar Mayer. The Fund discussed the issue publicly at its November Committee, including confirming no plans for future direct investment with Pemberton Asset Management, and has not subsequently received any further correspondence from the union on the matter.

He highlighted some of the Fund's local and impact investments, including investments with Bridges and Octopus, are likely to fall under the WPP Real Estate Allocator's remit going forward.

Fund officers have been asked to join a meeting with the WPP Host Authority regarding exposure to deforestation, which may lead towards future Taskforce for Nature-related Financial Disclosures (TNFD) considerations. Mr Latham noted there will be training on TNFD at the session after the February Pension Fund Committee.

**14. PENSION BOARD BUDGET MONITORING**

The proposed Pension Board budget for 2025/2026, along with an update on the 2024/2025 budget, will be circulated for Board members to agree between late February and early March.

**ACTION: The Board agreed the proposed 2025/2026 budget and 2024/2025 budget monitoring update should be circulated once available.**

**ACTION**  
Mr Bateman

**15. RISK REGISTER (Standard item)**

There were no changes to the risk ratings within the Investment and Funding or Administration and Communications risk registers since they were last reported at November Committee.

A further review of the Governance risks is scheduled next week to consider raising two further risks to red status, as a result of national developments.

**16. BREACHES LOG (Standard item)**

There were no new breaches of law to report other than the KPIs which were discussed at item 11.

**17. UPDATES FROM RECENT EVENTS ATTENDED BY BOARD MEMBERS (Standard item)**

The Chair reminded the Board that the summary of the WPP Pension Board Chairs' Engagement meeting was circulated via email in advance of the meeting.

**ACTION: Add to the work plan WPP Chair's Engagement Session summary papers for inclusion in future meeting papers.**

**ACTION**  
Ms  
Nancarrow

Mrs E Williams highlighted that she and Mrs Sutton Postlethwaite both attended the CIPFA Annual Autumn Pension Board training on 21 November 2024, which was held online due to weather conditions. She highlighted key areas covered including:

- Updates from SAB and MHCLG
- The changing political landscape – this was her first insight into the ongoing national changes
- Risks and de-risking

- The function of pension boards
- The March 2025 valuation and issues surrounding surpluses

Mrs E Williams said that the online format reduced the opportunity to communicate and network, but she has since spoken with Mrs Sutton Postlethwaite, and they agreed that it was a useful and focused training day overall.

The Chair thanked Mrs E Williams for this helpful update.

## 18. **CONSIDERATION OF RECENT COMMITTEE PAPERS (standard item)**

The Chair highlighted that since the last Board meeting, there has been a formal Committee meeting on 27 November 2024, as well as a short briefing session on 14 January 2025 for members to discuss the Fund's response to the Fit for the Future consultation.

There were no matters raised relating to these meetings,

## 19. **INPUT INTO ADVISORY PANEL AND CLWYD PENSION FUND COMMITTEE (standard item)**

The next Advisory Panel is on 20 January 2025 and the next Clwyd Pension Fund Committee meeting is on 19 February 2025.

The Chair noted the action at item 7 regarding the review of job descriptions which should be escalated to Advisory Panel. She also suggested raising the impact of the HMT Pensions Review on officers to the Advisory Panel for discussion.

**ACTION: The Chair will ask the Advisory Panel to ensure appropriate support is in place for officers given the increased workload and pressures as a result of the Pensions Review.**

**ACTION**  
Chair of  
Pension  
Board

## 20. **FUTURE WORK PLAN (Standard item)**

The Chair explained that an update on the annual report and audit will be brought to the next Board meeting in April. She noted the HMT Pensions Review is now included as a standard item, however it may be renamed 'Project Snowdon' to better align with WPP.

## 21. **FUTURE DATES**

Future dates were noted including:

- Proposed Pension Board meeting dates and times, for discussion:
  - Tuesday 1 April 2025 – 10.30am to 3.30pm

- September 2025 (TBC in May)
- December 2025 (TBC in May)
- Future Committee dates:
  - February 19 2025
  - March 19 2025
  - June 18 2025
- Training and other upcoming events (see training plan and calendar) including:
  - 30-31 January 2025 – LGA LGPS Annual Governance Conference, Bournemouth / online (hybrid)
  - 27-28 March 2025 – LGC investment Seminar, Carden Park
  - Afternoons of PFC dates

## **22. ANY OTHER BUSINESS**

The Chair said that this could be Mrs E William's final Board meeting if she is not reappointed to her position and highlighted her work with the Board over the years. She noted Mrs E William's excellent attendance and the invaluable insight she brings to the meetings including from her experience of working with the elderly. The Board thanked her for dedication and commitment.