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Pension Fund

# Clwyd Pension Fund

McCloud Programme Update

Prepared for: Clwyd Pension Fund Committee

Prepared by: Aon

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Private and Confidential



**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 – 31 March 2025**

Programme workstream deliverables / Description	Responsibility	Sign-off	Deadline	Notes	Status
<b>1. Data collection – checking, validations &amp; uploading</b> 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 2025	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)  The data validation process commenced in September 2023 and will be loaded to Altair / fully validated by end March 2025. Various testing based on new software releases will be carried out. PMG approval has been given to upload data	In progress
<b>2. Heywoods’ tools</b> i. New Insights report (uploads check), Interface & McCloud data views	Data workstream	PMG	March 2025	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
<b>3. McCloud communications (McCloud wording)</b> i. DBS / ABS Pensioner / deferred / active newsletter ii. 2025 Active and deferred ABS's iii. Rectification settlement notifications	Comms workstream	PMG / SG	Q2 2025	Active and deferred ABS newsletter was sent in August 2024 requesting previous public service pension scheme membership 2025 ABS's must include the underpin where required. Heywood will be providing a template for use All members who are due an underpin amount must be notified and paid the addition	In progress
<b>4. Consultation outcome announcement / ministerial statement / regulations</b>	n/a	n/a	Autumn 2022 and ongoing	The regulations have now been made and came into force on 1 October 2023.  The final DLUHC McCloud implementation statutory guidance was published in June 2024 and provides the government’s view on the approach for a number of key issues to ensure a consistent application of the remedy period across the LGPS as well as providing additional guidance on how certain technical issues should be approached.  Further regulations are still needed on teachers excess service.	In progress
<b>5. Benefits rectification</b>	Benefits rectification workstream	n/a	August 2025	All statutory guidance and LGA guidance has been received and rectification is due to commence in Q1 2025.	In progress
<b>6. Programme meetings</b> 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 Q4 2024. Update reports provided to PMG and SG on exceptions/escalation 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
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"> <li>1. Thorough programme planning, scoping of work and recruitment programme at programme kick off to ensure resource not being taken from BAU</li> <li>2. Forward planning and ongoing monitoring of resource requirements to minimise reliance on BAU</li> <li>3. Actions taken as a matter of urgency where concerns are raised</li> <li>4. Flexibility to utilise resource (including training or physical resource) from consultants if required</li> <li>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</li> <li>6. Regular contact with software supplier leading to strong engagement looking for alternate efficiencies</li> <li>7. Consider interface process being carried out in McCloud team (after training)</li> </ol>	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"> <li>1. Monitor system functionality.</li> <li>2. Create a documented process for team to follow which will include appropriate peer review.</li> </ol>	Negligible	Unlikely (5%)	



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