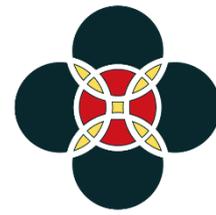


lgps

Local Government
Pension Scheme

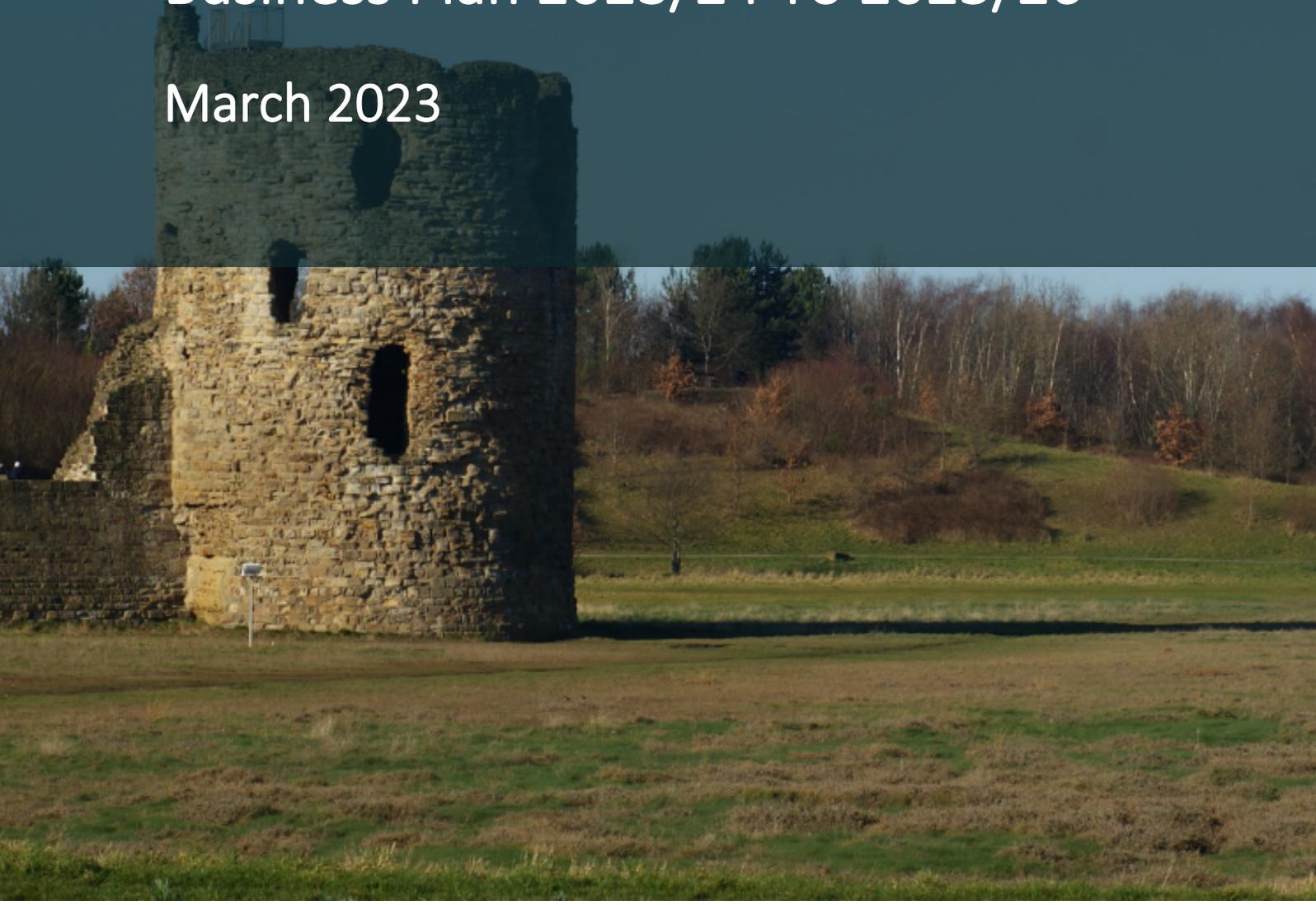


Cronfa Bensiynau
CLWYD
Pension Fund

Clwyd Pension Fund

Business Plan 2023/24 To 2025/26

March 2023



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DRAFT

Introduction

This is the business plan for the Clwyd Pension Fund, which is managed and administered by Flintshire County Council. The business plan details our priorities and areas of key focus in relation to the Clwyd Pension Fund for 2023/24, 2024/25 and 2025/26. This business plan was approved at the Clwyd Pension Fund Committee meeting on 29 March 2023. The business plan is formally reviewed and agreed every year. However, throughout the year it is monitored, and the Pension Fund Committee may be asked to agree to changes to it.

The purpose of the business plan is to:

- explain the background to and objectives for the management of the Clwyd Pension Fund
- document the priorities and improvements to be implemented by the pensions service during the next three years to help achieve those objectives
- enable progress and performance to be monitored in relation to those priorities
- provide staff, partners and customers with a clear vision for the next three years.

In addition, this business plan includes a budget for expected payments to and from the Clwyd Pension Fund during 2023/24 including the resources required to manage the Fund, as well as the expected cashflows over the period of this plan.

If you require further information about anything in or related to this business plan, please contact:

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Background to the Clwyd Pension Fund

The Clwyd Pension Fund ("CPF" or "the Fund") is a £2.2bn¹ Local Government Pension Fund which provides death and retirement benefits for local government employees (other than teachers, police and firefighters) in North East Wales and employees of other qualifying bodies which provide similar services.

Total Fund membership is 49,386² (49,079) with 17,641 (17,730) active contributors from 53 (52) contributing employers, 15,060 (14,395) retired and survivor members³, and 16,685 (16,954) deferred and other members.

Governance and Management of the Fund

The key decision making and management of the Fund has been delegated by Flintshire County Council ("the Council") to a formal Pension Fund Committee ("PFC"), supported by a Pensions Advisory Panel ("AP"). The Corporate Finance Manager is the Section 151 Officer and therefore has a statutory responsibility for the proper financial affairs of the Council including Fund matters.

A Local Pension Board is in place to assist in:

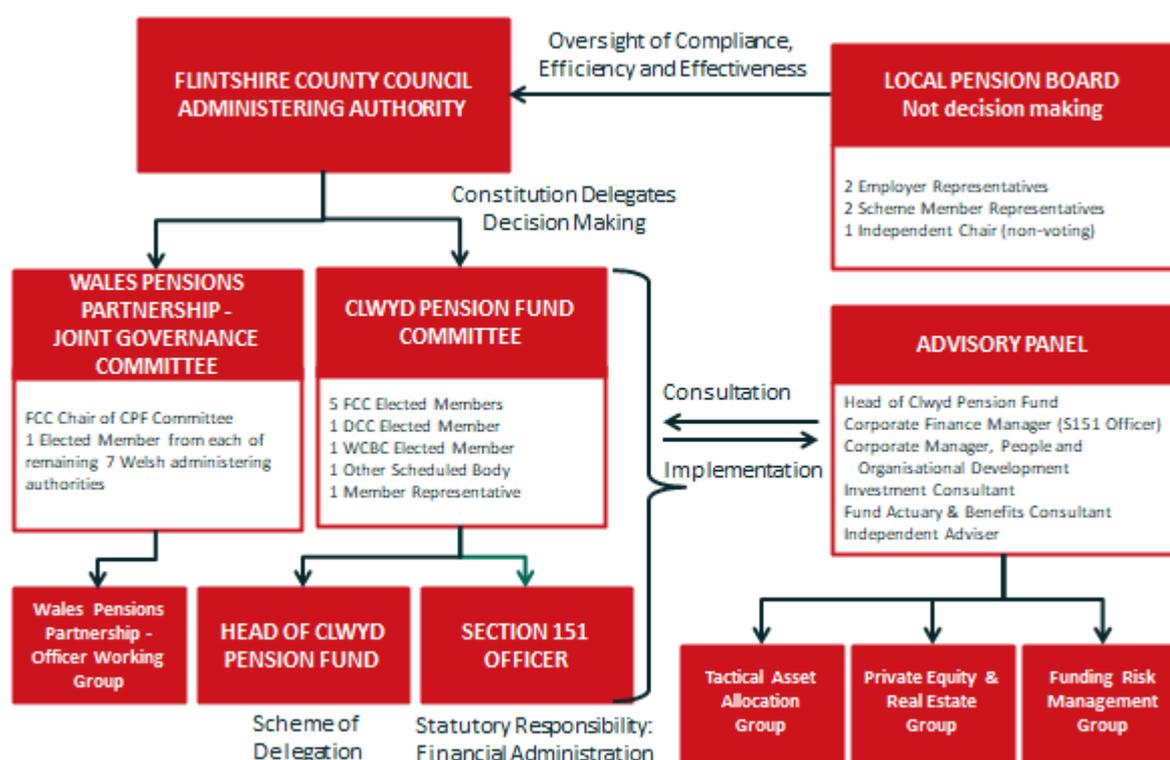
- securing compliance of Fund matters and
- ensuring the efficient and effective governance and administration of the Fund.

This structure is illustrated below.

¹ Information correct as at 31 December 2022.

² The figures related to members and employers as at 31 December 2022 and those in brackets were as at 31 December 2021.

³ In addition, approximately 990 teachers' compensation pensions are paid by the CPF team.



The Joint Governance Committee ("JGC") for the Wales Pension Partnership ("WPP" - the Wales asset pool) is a joint committee of the eight participating administering authorities and a non-voting scheme member representative. An inter-authority agreement has been agreed which delegates certain investment decisions to the JGC. The JGC will be advised by an Officer Working Group ("OWG") on which each of the administering authorities are represented. The WPP has its own suppliers and advisers, and its own business plan.

The Pension Fund Management Team

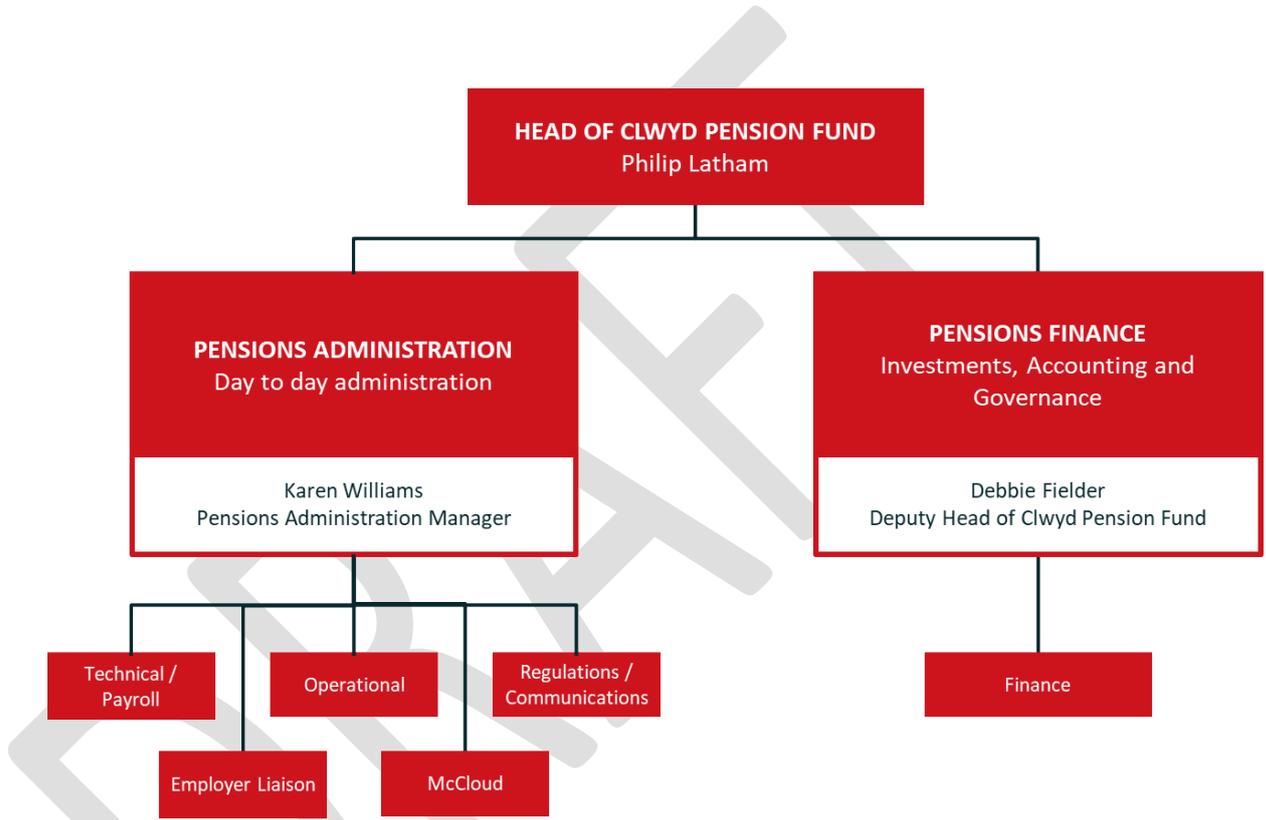
The day-to-day operations of the Fund are managed by the Head of Clwyd Pension Fund supported by the Deputy Head of Clwyd Pension Fund and the Pensions Administration Manager. There are two sections within the team:

- The Pensions Administration Section which is responsible for delivering the Fund's Administration and Communications Strategies. It is headed by the Pensions Administration Manager and has 40.4 permanent full time equivalent members of staff and 12.1 temporary full time equivalent members of staff.
 - Within the Pensions Administration Section there is an Employer Liaison Team that undertakes employer responsibilities which are recharged to the employer through their employer contribution rate. A number of the Fund's employers use this service.

- The Pensions Finance Section is responsible for delivering the Fund's Investment and Funding Strategies, as well as accounting matters. It also has overall responsibility for ensuring all governance matters are delivered. It is headed by the Deputy Head of the Clwyd Pension Fund and has 7 permanent full time equivalent members of staff.

More information about their day-to-day responsibilities is documented later in this Plan in the "Business as Usual" section.

The structure as at March 2023 is illustrated below.



The Pension Fund Management Team and Pension Fund Committee are assisted by a range of specialist consultants, suppliers and investment managers.

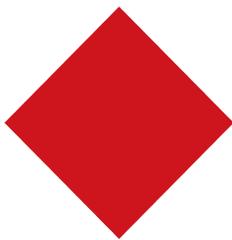
Aims and Objectives for the Management of the Fund

Our Mission Statement is:

- to be known as forward thinking, responsive, proactive and professional, providing an 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.

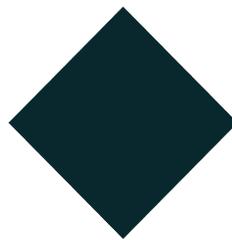
Our key strategies and policies which guide the management of the Fund are listed below and most can be found on our website at

<https://mss.clwydpensionfund.org.uk/home/investments-and-governance/strategies-and-policies/>



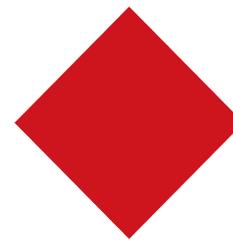
Governance

- Governance Policy and Compliance Statement
- Knowledge and Skills Policy
- Conflicts of Interest Policy
- Risk Management Policy and Reporting
- Business Continuity Policy
- Recording Breaches of the Law Procedure
- Cyber Strategy,
- Fraud Strategy



Investment and Funding

- Investment Strategy Statement
- Responsible Investment Policy
- Funding Strategy Statement



Administration and Communications

- Administration Strategy
- Communications Strategy
- Personal Data Retention Policy,
- Administering Authority Discretionary Policies,
- Voluntary Scheme Pays Policy,
- Policy on the Overpayment and Underpayment of Pension Scheme Benefits,
- Policy for Administration and Communications of Tax Allowances to Scheme Members

The key actions and areas of focus in our business plan (as shown in the appendix) are grouped into the areas of

- governance
- funding and investments
- administration, communications and employer liaison team

These align with the key aims and objectives of these strategies and policies. These aims and objectives are summarised below.

Governance

- Act in the best interests of the Fund's members and employers.
- Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies.
- Ensure the Pension Fund is managed, and its services delivered, by people who have the appropriate knowledge and expertise.
- Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based.
- Understand and monitor risk.
- 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.
- Clearly articulate our objectives and how we intend to achieve those objectives through business planning, and continually measure and monitor success.
- Ensure the confidentiality, integrity and accessibility of the Fund's data, systems and services is protected and preserved.

Funding and Investments

- Achieve and maintain assets equal to 100% of liabilities within the 12-year average timeframe, whilst remaining within reasonable risk parameters.
- Determine employer contribution requirements, whilst recognising the constraints on affordability and strength of employer covenant, with the aim being to maintain as predictable an employer contribution requirement as possible.
- Recognising the constraints on affordability for employers, aim for sufficient excess investment returns relative to the growth of liabilities.
- Strike the appropriate balance between long-term consistent investment performance and the funding objectives.
- Manage employers' liabilities effectively through the adoption of employer specific funding objectives.
- Ensure net cash outgoings can be met as/when required.
- Minimise unrecoverable debt on employer termination.
- Ensure that its future strategy, investment management actions, governance and reporting procedures take full account of longer-term risks and sustainability.

- Ensure that the Fund's investment and return targets are aligned with the transition to a low carbon economy through a commitment to achieving a net zero carbon dioxide emission's target by 2045.
- Promote acceptance of sustainability principles and work together with others to enhance the Fund's effectiveness in implementing these.
- Aim to use the Wales Pensions Partnership as the first choice for investing the Fund's assets subject to it being able to meet the requirements of the Fund's investment strategy and objectives (including environmental, social and governance requirements), within acceptable long-term costs to deliver the expected benefits and subject to ongoing confidence in the governance of the Partnership.

Administration

- 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 LGPS⁴ 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.

Communications

- Increase awareness and understanding of the Scheme and provide sufficient information so members can make informed decisions.
- Communicate in a clear, concise manner.
- 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.
- Look for efficiencies and environmentally responsible ways in delivering communications through greater use of technology and partnership working.
- Regularly evaluate the effectiveness of communications and shape future communications appropriately.

⁴ Local Government Pension Scheme.

There are also individual and specific objectives for communications with members and employers.

Employer Liaison Team

- 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.

Business as usual

The appendix to this business plan highlights what our key priorities are for the next three years. This focusses on areas of change and project-like tasks which are in addition to our day to day “business as usual” duties. On a day-to-day basis, our focus is on the following key elements of Fund management:

- Paying pension benefits to all our beneficiaries, as prescribed by the LGPS regulations.
- Communicating with our scheme members about their membership of the Fund.
- Ensuring we receive all the pension contributions paid by active members of the Fund, again as prescribed by the LGPS regulations.
- Ensuring all the employers in the Fund pay their pension contributions.
- Safeguarding the money in the Fund (the Fund’s assets).
- Investing any Fund assets that are not currently needed to pay benefits.
- Working with the actuary to determine, every three years, how much employers need to pay into the Fund to ensure we have enough money to pay pension benefits in the future.

Understanding the continuing pressure on resources and budgets for employers and Flintshire County Council (the Administering Authority), an Employer Liaison team is available which can provide assistance to employers by carrying out a number of the employer responsibilities on the employers' behalf.

Managing the Fund on a day-to-day basis involves a wide range of processes and procedures, some of which are outlined below and all of which have been designed around achieving our Fund’s objectives as outlined in our strategies and policies. The management of the Fund is significant, complex and highly regulated. As such, these processes and procedures require expert knowledge and experience from both officers and external advisors in several diverse areas as illustrated below.

Governance

- Ensuring decisions relating to the management of the Fund are made in accordance with agreed delegated responsibilities
- Setting the agenda, reporting and presenting to the Pension Fund Committee, Local Pension Board and Advisory Panel, and ensuring those bodies carry out their delegated responsibilities
- Implementing and monitoring the achievement of other governance areas such as the knowledge and skills policy, conflict of interest policy, risk management policy, breaches of law procedure, fraud strategy, and The Pension Regulator’s Code of Practice

- Ensuring the Fund's business plan is regularly updated, agreed and delivered
- Ensuring we adhere to Council and legal requirements for procurement, health and safety and data protection
- Procurement of and payment for, advisers and other services
- Assisting internal and external audit in their role
- Replying to Freedom of Information requests
- Participation at the Joint Governance Committee and Officer Working Group of the WPP
- Ensuring business continuity arrangements are in place and regularly tested
- Managing the risk of cybercrime and ensuring our data and systems are safeguarded

Accountancy

- Preparing and publishing the Fund's Annual Report
- Completing the Annual Accounts and assisting external auditors
- Preparing and quarterly monitoring of the Annual Budget
- Preparation of statutory and non-statutory returns as required
- Monthly bank reconciliations
- Quarterly cash flow and treasury management
- Monthly monitoring of income and expenditure including employer and scheme member contributions
- Quarterly invoicing of employers for pensions strain and added years

Funding

- Agreeing the funding strategy with the actuary every three years, consulting with employers, and annual monitoring of its appropriateness
- Assisting the actuary with the triennial Actuarial Valuation by providing membership data and presenting results and explanations to employers of future employer contributions and deficit payments
- Arranging through the Actuary, data required by the Government Actuary's Department (GAD)
- Monitoring the employers' funding positions and covenants including their ability to pay contributions and managing any employers who wish to join or leave the Fund

Investments

- Carrying out a fundamental review of the investment strategy every three years
- Appointing, monitoring and dismissing of fund managers including within a pooling environment
- Quarterly monitoring and reporting on investment performance
- Monthly monitoring and reporting on the Fund's funding position and implementation of our cash and risk management strategy (Flight-path) with annual 'health checks'
- Working with other LGPS funds in Wales and nationally to pool investments through our role within the Joint Governance Committee and Officer Working Group
- Monthly monitoring and implementation of the tactical asset allocation decisions
- Developing, implementing, and monitoring the Fund's approach to Responsible Investment
- Identifying sustainable investments that aim to make a positive social or environmental impact
- Transitioning the Fund's investment strategy in line with its net-zero targets
- Monitoring of over 100 investments in private markets including cashflow deployment.
- Ensuring costs are fully disclosed in line with the LGPS Investment Code of Transparency.
- Working with WPP to ensure that it can support the Fund in delivering the Fund's Responsible Investment and Climate Change beliefs and requirements
- Review Additional Voluntary Contributions ("AVCs") provision on a regular basis to ensure it continues to remain appropriate

Administration

Operations

- Providing relevant individual information to scheme members and their beneficiaries, including:
 - Calculating and notifying entitlement to pension and death benefits
 - Providing quotations of retirement benefits including any additional costs to employers
 - Providing information on how scheme members can increase their pension benefits
- Maintaining scheme member records

- Responding to scheme members' ad-hoc enquiries
- Providing Annual Benefit Statements to all active and deferred scheme members, and annual Pensions Increase statements to pensioner and dependant members
- Providing Annual Pensions taxation information to all affected and at risk members
- Managing ad-hoc projects such as implementing major scheme changes.

Pensioners' Payroll

- Calculating and paying monthly pensions to all pensioners and beneficiaries
- Issuing payslips (where net pay has changed)
- Processing annual pensions increases
- Issuing P60s
- Investigating returned payments and dealing with any under or overpayment of pensions
- Updating and maintaining accuracy of pensioner and beneficiary member details.

Communications

- Providing information to members via newsletters, shorter news alerts and workshops
- Maintaining the Fund's website and members' self-service facility, and promoting their use
- Developing the Fund's communications with stakeholders to ensure information is accessible to all
- Managing employers joining or leaving the Fund and providing them with information about their Fund responsibilities
- Providing ongoing training and technical updates to employers
- Running an Annual Meeting and engagement events with employers and members' representatives
- Administering the Fund's Internal Dispute Resolution Procedure.

Technical

- Maintaining and updating the pensions software system, including overseeing the monthly employer returns
- Providing guidance on changes in processes following legislation updates
- Developing reports on progress against key performance indicators and daily work management

- Monitoring timescales for employers submitting information
- Providing information to the Fund's actuary as required for new alternative delivery models for employer services
- Providing reports and extracts for the Fund Actuary and GAD
- Reporting and making payments to HMRC

Employer Liaison Team

- Providing notifications regarding new starters, personal/employment changes and leavers/retirements in the Fund
- Undertaking estimates of benefits for scheme members and the employer
- Responding to outstanding requests for information to cleanse the pension records
- Undertaking work as necessary to clear outstanding year-end or other data queries.

The plan for the next three years

Key Challenges and Influences

The significant number of legislative changes and external influences continue to impact the work relating to the Fund. The following are just some of the key areas of focus for the Fund over the next three years:

- Carrying out compliance checks against The Pension Regulator's General Code.
- Implementing any governance changes as a result of the Scheme Advisory Board Good Governance review.
- Finalising the development of controls relating to cybercrime and business continuity.
- Implementing further changes to meet and monitor the Fund's targets in relation to climate risk and further developing our approach to stewardship.
- Responding to the Government's new guidance on pooling of assets.
- Integration with the National Pensions Dashboards.
- Implementing the remedy following the McCloud court case.
- Continuing to implement the refreshed communications strategy.

These, and other priorities for the next three years, are articulated in more detail in the appendix to this business plan, split into three sections;

- governance
- funding and investments
- administration, communications and employer liaison team.

Budget

All the costs associated with the management of the Fund are a charge to the Fund and not to the Council. The following shows the expected income and expenditure to the Fund (cash flow) as well as the expected operating costs.

Cash flow projection for 2023/24 to 2025/26

	Estimated	Budget	Budget	Budget
	2022/23	2023/24	2024/25	2025/26
	£000s	£000s	£000s	£000s
Opening Cash	(79,645)	(96,470)	(27,227)	(121)
Payments				
Pensions	70,449	76,800	80,800	85,140
Lump Sums & Death Grants	18,068	16,000	16,000	16,000
Transfers Out	6,641	6,000	6,000	6,000
Expenses (excluding investments)	5,349	5,900	5,900	5,900
Tax Paid	42	100	100	100
Support Services	133	135	135	135
Total Payments	100,683	104,935	108,935	113,275
Income				
Employer Contributions	(56,735)	(60,000)	(62,800)	(65,200)
Employee Contributions	(19,871)	(20,200)	(21,000)	(21,800)
Employer Deficit Payments	(15,000)	9,200	11,600	12,000
Transfers In	(6,648)	(6,000)	(6,000)	(6,000)
Pension Strain	(600)	(1,200)	(1,200)	(1,200)
Income	(342)	(200)	(80)	(80)
Total Income	(99,195)	(78,400)	(79,480)	(82,280)
Cash-flow Net of Investment Income	1,488	26,535	29,455	30,995
Investment Income	(14,180)	(12,000)	(12,000)	(12,000)
Investment expenses	7,235	6,000	6,000	6,000
Total Net of In House Investments	(5,458)	20,535	23,455	24,995
In House Investments				
Draw downs	76,480	131,210	147,151	171,795
Distributions	(82,376)	(82,502)	(73,500)	(73,300)
Net Expenditure /(Income)	(5,896)	48,708	73,651	98,495
Total Net Cash-Flow	(11,354)	69,243	97,106	123,490
Rebalancing Portfolio	(5,471)		(70,000)	(131,000)
Total Cash Flow	(16,825)	69,243	27,106	(7,510)
Closing Cash	(96,470)	(27,227)	(121)	(7,631)

Operating Cost Budget 2023/24

	Actual	Budget	Estimate	Budget
	2021/22	2022/23	2022/23	2023/24
	£000s	£000s	£000s	£000s
Governance Expenses				
Employee Costs (Direct)	299	397	280	413
Support & Services Costs (Administering Authority)	23	29	19	17
Other Supplies & Services	65	95	52	95
Audit Fees	41	45	41	45
Actuarial Fees	493	879	939	722
Investment Consultant Fees	1,066	1,627	1,432	1,087
Governance Advisor Fees ^a	533	517	565	598
Legal Fees	113	100	74	30
Pension Board ^a	101	113	97	111
Pooling (Host and Consultant Costs)	144	197	197	215
Total Governance Expenses	2,878	3,999	3,696	3,333
Investment Management Expenses				
Fund Manager Fees	19,490	16,275	19,000	19,755
Custody Fees	106	112	112	192
Performance Monitoring Fees	53	53	44	46
Wales Pension Partnership Investment Costs	998	500	500	885
Total Investment Management Expenses	20,647	16,940	19,656	20,878
Administration Expenses				
Employee Costs (Direct) ^a	1,242	1,433	1,351	1,636
Support & Services Costs (Administering Authority)	150	158	114	114
Outsourcing	41	0	0	0
IT ^a	488	715	517	718
Other Supplies & Services) ^a	102	146	96	146
Total Administration Expenses	2,023	2,451	2,078	2,614
Employer Liaison Team				
Employee Costs (Direct) ^a	218	363	360	396
Total Employer Liaison Team	218	363	360	396
Total Costs	25,766	23,753	25,790	27,221

Notes relating to proposed budget:

- 1) Items marked "a" include estimates for additional costs relating to McCloud. Please see below for detail.

McCloud Budget 23/24	£000s
Employee Costs (Direct) *	282
Governance Advisor Fees	258
Pension Board	13
IT (Support & Services)	100
Other Supplies & Services)	10
Total	663
* Of the employee costs £86k is allocated to ELT	

- 2) The costs incurred by the Employer Liaison Team will be recovered from the participating employers making use of the service through their employer contribution rate.
- 3) The actuarial, consultancy and adviser costs include increases in line with the contracts. Some costs have been carried forward from previous year to complete certain projects on Private Markets and process documentation.
- 4) The above estimates assume pay inflation of 5% where appropriate.
- 5) IT costs include additional costs in relation to Dashboard project work
- 6) Actuarial costs include contingency for assistance with Finance functions until recruitment of Accountant is complete
- 7) Employee costs in Governance Expenses covers the approved establishment for the Governance and Finance Team. Given current recruitment and retention issues it is likely that some of this budget will be used on a temporary basis to cover the cost of external support.
- 8) Employee costs in Administration Expenses include additional costs of £64,207 in total (including on-costs) relating to temporary increases in the staffing establishment for 2023/24 for:
 - a Lead Pension Officer acting up to a Principal Pensions Officer to ensure appropriate cover in the run up to the existing Principal Pensions Officer's maternity leave and
 - a separate Principal Pensions Officer managing projects, to assist in protecting business as usual operational tasks.

Delivering the Business Plan

Monitoring and Reporting

In order to identify whether we are meeting our agreed business plan we will:

- continue to monitor progress of the key priorities and the agreed budgets on an ongoing basis within the Pension Fund Management Team and the Pension Fund Advisory Panel
- provide updates on progress against these key priorities on a quarterly basis to the Pension Fund Committee, which will be shared with the Pension Board
- as part of these quarterly updates:
 - highlight any areas where we are exceeding or failing to achieve our targets and the reasons why, and identify any changes to the planned priorities as a result of this
 - highlight any significant additional spend or underspend in relation to the agreed budget as it becomes apparent.

Current Significant Risks

The Clwyd Pension Fund has embedded risk management into the governance of the Fund. The Committee has approved a Risk Management Policy and a detailed Risk Register is maintained. Changes to the level of risk are reported at each Committee.

Given that many pension fund risks are outside of our control, our risk management focusses on measuring the **current** risk against the Fund's agreed **target** risk (which may still be relatively high) and identifying the further controls and actions that can be put in place. This risk management process is integral in identifying actions that are then included in the Fund's Business Plan.

Overall, the next few years will be challenging for those involved in the governance, management and operation of the Fund. The risks discussed below are documented in the Risk Register which will continue to be updated at each Committee meeting as circumstances change. The risks shown are those risks which are currently identified as red i.e. with major consequences that are considered a possible occurrence, or higher, and where we are not currently meeting the target risk exposure.

Key:

Risk Exposure	Impact/Likelihood
Black	Catastrophic consequences, almost certain to happen
Red	Major consequences, likely to happen
Amber	Moderate consequences, possible occurrence
Yellow	Minor consequences, unlikely to happen
Green	Insignificant consequences, almost very unlikely to happen

Governance

Risk Description (if this happens)	Risk Overview (this will happen)	Current Risk Status	Target Risk Status	Further Action
Externally led influence and change such as scheme change (e.g. McCloud, potential exit cap, Pensions dashboard, national reorganisation, cybercrime, asset pooling, levelling up and boycotts / divestments / sanctions, Climate lobbying, Operator contract with WPP)	The Fund's objectives/legal responsibilities are not met or are compromised: external factors	Red	Orange	<ol style="list-style-type: none"> 1: Deliver final aspects of cybercrime risk mitigations into BAU 2: Refresh and document business continuity assessments / procedures 3: Establish formal project for Pensions Dashboard 4: Ongoing engagement with WPP in relation to the WPP Operator 5: Ongoing consideration of resource requirements to meet external demands
Insufficient staff numbers (e.g. sickness, resignation, retirement, unable to recruit): current issues include age profile / FCC pay grades versus other LAs, asset pools, private sector / cost of living.	Services are not being delivered to meet legal and policy objectives	Red	Green	<ol style="list-style-type: none"> 1: Recruit to vacant administration, Fund accountant and trainee Fund accountant roles. 2: Ongoing consideration of business continuity including succession planning 3: Action plan being developed for recruitment, retention, succession planning including consideration of future work levels

Funding & Investment

Risk Description (if this happens)	Risk Overview (this will happen)	Current Risk Status	Target Risk Status	Further Action
<ul style="list-style-type: none"> ▪ Markets perform below actuarial assumptions ▪ Fund managers and/or in-house investments don't meet their targets ▪ Market opportunities are not identified and/or implemented. ▪ Black swan event e.g. global pandemic such as Covid-19 ▪ Wales Pension Partnership (WPP) does not provide CPF with portfolios to deliver the Investment Strategy ▪ Internal team do not have sufficient knowledge in order to challenge the investment managers on the advice given or understand the implications of all investment choices issues on the fund 	<p>Investment targets are not achieved therefore materially reducing solvency / increasing contributions</p>			<p>1: Continue to monitor market conditions, underlying asset classes and investment managers either directly or via WPP</p> <p>2: Ongoing consideration of officer succession planning, including maintaining local investment knowledge</p>

<p>1. Responsible Investment (including Climate Change) is not properly considered within the Fund's long-term Investment Strategy meaning it is not sustainable and does not address all areas of being a Responsible Investor</p> <p>2. WPP does not provide CPF with the tools to enable implementation of RI policies</p>	<p>The Fund's long term Investment Strategy fails to deliver on its ambition and objectives as a Responsible Investor.</p>			<p>1: Implement strategic RI priorities as detailed in the business plan, including ongoing analysis of the Fund's carbon footprint. Identify sustainable investment opportunities and improve disclosure and reporting</p> <p>2: Work with WPP to ensure the Fund is able to implement the Fund's RI Policy and ambitions effectively via WPP</p>
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Administration & Communication

Risk Description (if this happens)	Risk Overview (this will happen)	Current Risk Status	Target Risk Status	Further Action
<p>That there are poorly trained staff and/or we can't recruit/retain sufficient quality of staff, including potentially due to pay grades.</p>	<p>Unable to meet legal and performance expectations (including inaccuracies and delays) due to staff issues</p>			<p>1: Ongoing recruitment of vacant posts</p> <p>2: Action plan being developed for recruitment, retention, succession planning including consideration of future work levels</p> <p>3: Ongoing training of recent recruits</p>

Risk Description (if this happens)	Risk Overview (this will happen)	Current Risk Status	Target Risk Status	Further Action
Big changes in employer numbers or scheme members or unexpected work increases (e.g. severance schemes or regulation changes including McCloud, Pensions Dashboards and potential exit cap, backdated pay awards)	Unable to meet legal and performance expectations due to external factors	High	Medium	1: Ongoing consideration of the impact on resources of backdated pay awards, likely national changes and Pensions Dashboards

DRAFT

Training Plan

A Clwyd Pension Fund Knowledge and Skills Policy has been established to aid Pension Fund Committee, Pension Board members and senior officers in performing and developing personally in their individual roles, with the aim of ensuring that Clwyd Pension Fund is managed by individuals who have the appropriate levels of knowledge and skills. The following training plan has been developed for 2023/24 to assist in meeting that aim. Training is complemented by attendance at various external events and conferences, including by WPP. This training plan will be updated following a training needs analysis being carried out at the beginning of 2023.

Title of session	Type of session	Training Content
TPR General Code	Essential	Includes the role and powers of The Pensions Regulator, as well as the Code requirements
Tactical asset allocation and responsible investing	Essential	An overview on the Best Ideas tactical asset allocation portfolio and consideration of other responsible investing matters
CIPFA – Annual Local Pensions Board Conference	Desirable	Pension Board Event: CIPFA’s Annual Local Pensions Board Conference
Administration considerations	Essential	Overview of Goodwin court case affecting widowers
Governance update - Various	Essential	<ul style="list-style-type: none"> ▪ MIFID2 knowledge and skills requirements and the impact on the Fund around investment restrictions ▪ Changes to be introduced as a result of the national SAB good governance project
Governance considerations: Myners Principles	Essential	To include reviewing the effectiveness of the Pension Fund Committee
Investment considerations - various	Essential	To include the expected new Pooling Guidance, levelling up and any other investment related developments.

Appendix: BUSINESS PLAN 2023/24 to 2025/26: Key Tasks

Governance

Ref	Key Action: Task	2023/24 Period				Later Years	
		Q1	Q2	Q3	Q4	2024/25	2025/26
G1	Committee and Board knowledge and skills	x	x				
G2	Appointments of Local Pension Board and Pension Fund Committee Members	x	x			x	x
G3	Review against TPR new General Code	x	x	x			
G4	Ongoing developments in business continuity arrangements including managing cyber risk	x	x	x			
G5	Succession planning and ongoing resource requirements	x	x	x	x		
G6	Implement government changes relating to Scheme Advisory Board good governance review		x	x	x	x	
G7	Review of governance related policies			x	x	x	x
G8	Review/tender key supplier contracts					x	x

G1: Committee and Board Knowledge and Skills

What is it?

The Fund has put into place a Knowledge and Skills Policy which covers members of the Pension Fund Committee, members of the Pension Board and Senior Officers. The ultimate aim of this policy is to ensure that those responsible for the management, delivery and governance and decision making in the Clwyd Pension Fund have the appropriate levels of knowledge and skills.

Induction training is completed by all new members at the beginning of their role, with the most recent round of induction training taking place over the summer and autumn of 2022 for new members of the Pension Fund Committee.

A key element of delivering the Knowledge and Skills Policy objectives is ensuring that the level of knowledge and skills is monitored, and gaps in knowledge or skills are determined. We will do this in a number of ways:

- We will carry out a training needs analysis for the members of the Pension Fund Committee and Pension Board customised appropriately to the key areas in which they should be proficient (including the CIPFA competencies). This or an alternative questionnaire will also include questions relating to relevant skills.
- We will regularly ask Pension Fund Committee members and Pension Board members to highlight training needs.
- We will monitor attendance at training and events to ensure any lack of attendance is followed-up.

The output from these will be key in updating the Clwyd Pension Fund Training Plan.

Now that the induction training for the new members of the Pension Fund Committee is complete, a training needs analysis will be carried out and the Fund’s training plan will be adapted accordingly.

Timescales and Stages

Conduct a training needs analysis for Pension Fund Committee members, Pension Board members and for Senior Officers	2023/24 Q1
Consider the training plan and schedule key sessions where gaps in knowledge are highlighted	2023/24 Q1 to Q2

Resource and Budget Implications

It is expected this will mainly involve the Head of Clwyd Pension Fund and the Independent Adviser. Estimated costs are included in the budget.

G2: Appointment of Local Pension Board and Pension Fund Committee Members

What is it?

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

- Two scheme employer representatives – July 2023 (three-year point)
- Scheme member representative (trade union) – October 2025 (three-year point)
- Scheme member representative (non-trade union) – February 2025 (five-year point)

For information, 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. The existing representative members were appointed in July 2020 and may be reappointed for further terms. Therefore, their existing appointments will need to be reviewed by July 2026 (which is outside the period of this business plan).

When considering Committee and Board appointments, the aspiration for diversity will be considered, albeit it is recognised that for elected members, this is largely out of the Fund’s control as (a) the Councils decide who are to be on the Committee and (b) pool of elected members is subject to local elections.

Timescales and Stages

Review Pension Board representatives (two scheme employer representatives) – already commenced	2023/24 Q1 to Q2
Review Pension Board representatives (two scheme member representatives)	2024/25 to 2025/26

Resource and Budget Implications

It is expected this will mainly involve the Head of Clwyd Pension Fund taking advice from the Independent Adviser. All costs are being met from the existing budget.

G3: Review against TPR new General Code

What is it?

The Pensions Regulator (TPR) is expected to introduce a new code of practice (to be called the “General Code”) in 2023 with expectations that this will be laid in Parliament in April and come into force shortly after. The first iteration of the new General Code will include Code of Practice No.14 (the relevant Code for Public Service Pension Schemes) as part of the merger of 10 of the 15 codes currently in place. This is expected to result in changes to the requirements placed on Public Service Pension Schemes, including the LGPS. Once the code has been laid before parliament, work will be undertaken to review whether the Fund complies with the requirements within the new General Code. After the initial review, ongoing compliance checks will be carried out on a regular basis.

Timescales and Stages

Start reporting the Fund's compliance and activity against the new General Code from TPR	2023/24 Q1 to Q3
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Resource and Budget Implications

This work will be performed by the Deputy Head of Clwyd Pension Fund and Pensions Administration Manager working with the Independent Adviser. Estimated costs of the review are included within the budgets shown.

G4: Ongoing developments in business continuity arrangements including managing cyber risk

What is it?

The Fund has been carrying out a fundamental review of their business continuity arrangements, which has included developing their cyber resilience given that cybercrime is a key risk to the Fund. Whilst the focus of the last few years has been developing new or enhanced ongoing internal controls, as this development is largely complete, the key focus for the next few years will be ensuring this has become embedded within the Fund's business as usual activities. In order to ensure that this can become business as usual there are some key areas where further work is required including:

- developing a Fund specific cybercrime incident response plan in partnership with FCC.
- documenting processes where gaps were identified as part of the Business Impact Analysis and developing a plan for further staff training.
- creating a testing schedule (covering both general business incidents as well as cyber-attacks).

Timescales and Stages

Produce a cyber incident response plan	2023/24 Q1 to Q2
Develop Testing Schedule	2023/24 Q2 to Q3
Finalise schedule of cybercrime resilience testing for suppliers: already commenced	2023/24 Q1
Document key processes (where not already documented): already commenced	2023/24 Q1 to Q2
Identify ongoing officer training needs and produce a training schedule: subject to recruitment: already commenced	2023/24 Q1 to Q2

Resource and Budget Implications

To be led by the Deputy Head of Clwyd Pension Fund and the Pensions Administration Manager with input from the Head of Clwyd Pension Fund and guidance from the Independent Adviser. All expected costs are included within the existing budgets.

G5: Succession Planning and Ongoing Resource requirements

What is it?

The Fund is aware of a number of senior members of staff who are approaching retirement age or have plans to retire over the next two to five years. In order for the Fund to continue to offer the current levels of service and meet their statutory requirements, it is important that suitable succession plans are in place to ensure these roles can be filled with individuals who have the appropriate level of expertise and skills.

Further, there has been and continues to be quite significant increases in the Fund's work, mainly due to national changes such as McCloud, National Pensions Dashboard, back-dated pay awards and TCFD. Some of the increases in workloads are temporary, but in many there are longer term implications. In addition, there appears to be an increase in the amount of administration case work in certain areas, such as the number of deferred members deciding to take payment of their benefits. This is being investigated further to try to forecast likely future case workloads.

In the short term, officers have increased the establishment with temporary members of staff with contracts that are due to cease in March 2024, and the temporary resource needs will continue to be monitored.

Longer term, work is being carried out to consider the resource requirements and whether any changes should be made to the team structure. This may include creating a project team within the Administration Team as a potential solution to assist with peaks in workload whilst also ensuring that external factors and ad-hoc projects do not impact on business as usual. In the meantime, it is proposed that a new temporary position of Principal Pensions Officer – Projects is created to assist in managing projects until the new team structure is determined.

This will also prepare the Fund to put in place the Workforce Policy that is to be introduced as part of the government's response to the Good Governance review (see next point).

Timescales and Stages

Consider the roles that are most at risk and ensure succession planning is in place: already commenced	2023/24 Q1 to Q2
Forecast future levels of work and consider if any further recruitment is required: already commenced	2023/24 Q1 to Q2
Develop proposed changes to resources and team structure	2023/24 Q3 to Q4

Resource and Budget Implications

To be led by the Pensions Administration Manager and Deputy Head of Clwyd Pension Fund in relation to their respective teams, with input from the Head of Clwyd Pension Fund and the Independent Adviser. All expected costs are included within the existing budgets including provision for a temporary Principal Pensions Officer – Projects until 31 March 2024.

G6: Implement government changes relating to outcome of Scheme Advisory Board good governance review

What is it?

The national LGPS Scheme Advisory Board (SAB) carried out a project which considered the structure of LGPS pension funds and their relation to the Host Authority. This review then evolved to focus on the elements of good governance aiming to ensure those responsible for managing funds met best practice. A number of recommendations were made including ensuring appropriate conflicts of interest management, knowledge and skills and having a designated LGPS lead officer in each administering authority.

In 2021 the SAB made a number of formal recommendations to DLUHC, including the request for DLUHC to issue statutory guidance relating to the areas of best practice identified by the project. SAB may also issue guidance in due course. The DLUHC consultation on draft regulations and statutory guidance has been delayed due to other national priorities. It is currently expected that this will be issued during 2023/24. DLUHC has announced that it also intends to require funds to put in place a Workforce Policy as part of the requirements.

Timescales and Stages

Respond to DLUHC consultation	2023/24 Q2 to Q3 (estimated)
Expected period to review existing arrangements against new statutory guidance and/or guidance	2023/24 Q4 and 2024/25 (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.

G7: Review of Governance Related Policies

What is it?

The Fund has several policies focussing on the good governance of the Fund, all of which are subject to a fundamental review, usually at least every three years. The policies that is due for review in 2023/24 are Risk Policy and Business Continuity Policy.

Timescales and Stages

Policy	Last reviewed	Next review due	Timescales for review work
Risk Policy	October 2020	October 2023	2023/24 Q3
Business Continuity Policy	March 2021	March 2024	2023/24 Q4
Conflicts of Interest Policy	September 2021	September 2024	2024/25
Knowledge and Skills Policy	September 2021	September 2024	2024/25
Procedure for Recording and Reporting Breaches of the Law	March 2022	March 2025	2024/25
Cyber Strategy	March 2022	March 2025	2024/25
Governance Policy and Compliance Statement	November 2022	November 2025	2025/26
Fraud Policy	March 2023 (expected)	March 2026	2025/26

Resource and Budget Implications

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

G8: Review/Tender Key Supplier Contracts

What is it?

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 and independent adviser reach the end of their respective contracts 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.

For information, the contract for the Fund's Administration Software has been extended until February 2028 (which is outside the period of this business plan).

Timescales and Stages

Conduct tenders for investment consultancy services and independent adviser	2024/25
Consider extension of actuarial and benefits consultancy contract	2024/25
Conduct tender for actuarial and benefits consultancy services (assuming extension has been applied)	2025/26

Resource and Budget Implications

To be led by the Deputy Head of Clwyd Pension Fund within existing budget

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Funding and Investments (including accounting and audit)

Ref	Key Action: Task	2023/24 Period				Later Years	
		Q1	Q2	Q3	Q4	2024/25	2025/26
F1	Investment Strategy Implementation	x	x				
F2	Climate Change, TCFD and TNFD	x	x	x	x	x	x
F3	UK Stewardship Code	x	x	x		x	x
F4	LGPS Investment Related Developments (later timescales unknown at this time)	x	x	x	x		
F5	Asset Pooling	x	x	x	x	x	x
F6	Interim Funding Review					x	
F7	Funding Strategy Statement Review and Triennial Actuarial Valuation						x
F8	Review of Investment Strategy Review						x

F1: Investment Strategy Implementation

What is it?

This relates to the implementation of the recently agreed changes to the Investment Strategy of the Fund.

The investment strategy review took place concurrently with the review of the Funding Strategy Statement in 2022/23. The outstanding actions now are implementing the agreed changes to the investment strategy. The implementation of the revised investment strategy will occur over a period of time in order to manage transition risks.

Timescales and Stages

Implementation of any changes	2023/24 Q1 to Q2
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Resource and Budget Implications

The work will be led by Deputy Head of Clwyd Pension Fund, working with the Fund's Investment Consultant. The Investment Consultant's estimated costs in relation to this exercise are included in the 2023/24 budget.

F2: Climate Change, TCFD and TNFD

What is it?

Climate change has been identified as a significant investment risk by the Committee. As such a Responsible Investment Implementation Plan has been developed. The RI plan for the year ahead includes:

- a review of the Fund's underlying carbon reduction targets
- investment into Wales Pension Partnership's ("WPP") Sustainable Equity Fund
- a review of the Tactical Asset Allocation portfolio and setting specific RI objectives for the portfolio
- implementation of climate aligned synthetic equities (where applicable)
- incorporation of the Hedge Fund mandate into carbon reporting a reduction targets
- RI & Climate data collection on private markets
- continued commitments to sustainable private market funds.

This will have regard to non-investment related factors e.g. life expectancy which will be considered as part of the required Funding Strategy Statement review in F6 and F7 below as well as updates to the Climate Change scenario analysis.

The Task Force on Climate-Related Financial Disclosures ("TCFD") have released climate-related financial disclosure recommendations to help organisations provide better information to support informed capital allocation. In 2022/23 the Fund drafted an initial report on a TCFD basis to ensure transparency of the work the Fund is undertaking with respect to climate change. This included reporting on the various commitments the Fund has made relating to meeting its net zero target, and any other climate related targets set by Committee.

The DLUHC consultation on climate risk was launched in Q3 2022, which the Fund responded to. The Fund had regard for the consultation when it developed its initial TCFD report noting that at this stage it was not compulsory and the report was likely to evolve over time to ensure that the reporting meets the necessary LGPS requirements.

The Taskforce on Nature-related Financial Disclosures ("TNFD") aims to replicate the success of the TCFD. It seeks to understand the interactions between business and natural capital, with the aim of agreeing a framework to monitor nature impacts, and to encourage businesses and investors to minimise negative impacts and maximise positive impacts on

nature. TNFD will seek to create a toolkit for business leaders and the financial community to allocate capital away from nature-negative and towards nature-positive outcomes. Nature based solutions are one of the few investment opportunities that are net negative in terms of carbon emissions and natural capital opportunities will form a vital and increasingly important part of investment portfolios as investors seek to realise their net zero ambitions. The Fund will be considering how to integrate TNFD into its investment strategy.

Timescales and Stages

Responsible Investment Implementation Plan	2023/24 Q1 to Q4
Review TCFD reporting template (if required) in line with LGPS requirement	2023/24 Q2 to Q3
Produce the Fund’s TCFD report	2023/24 Q3
Initial training on TNFD	2023/24 Q4 (or later)

Resource and Budget Implications

This work will be led by the Deputy Head of Clwyd Pension Fund, supported by the Investment Consultant. Estimated costs for the development of the reporting are contained within the 2023/24 budget.

F3: UK Stewardship Code

What is it?

Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

The UK Stewardship Code 2020 comprises a set of 12 ‘apply and explain’ Principles for asset owners. As part of the Fund’s desire to demonstrate its good governance and stewardship of its assets, the Fund submitted its first report in October 2022. The Fund was successful in its submission and is now a signatory to the UK Stewardship Code. The Fund has received feedback from the FRC on its submission and the Fund will develop its submission following this feedback.

The Fund will submit a report annually to the Financial Reporting Council (“FRC”) in order to maintain its status as signatories to the Code.

As part of the work on the Stewardship Code the Fund will review its approach to stewardship and engagement to ensure that it continues to meet the requirements of the Committee. The review will also include an evaluation of WPP’s policy and procedures to ensure that reporting lines and processes are fully understood.

Timescales and Stages

Review of approach to stewardship and engagement and WPP's policy and procedures	2023/24 Q1 to Q2
Consider and implement actions from 2022 Stewardship Code feedback from FRC and develop 2023 Stewardship Code submission	2023/24 Q2
Stewardship Code submission (pre October 2023 deadline)	2023/24 Q2

Resource and Budget Implications

This work will be led by the Deputy Head of Clwyd Pension Fund, supported by the Investment Consultant. Estimated costs for the development of the submission are contained within the 2023/24 budget.

F4: LGPS Investment Related Developments

What is it?

The Government (“DLUHC”) will continue to produce guidance for the LGPS community. It is expected that, the Fund will be asked to consider a number of significant consultation exercises (though these may also be issued within a single “consolidated” consultation). The Fund intends to respond to the consultation(s) in respect of all areas covered.

Further detail will be provided in due course but it is anticipated the various consultation(s) will encompass the following areas:

- Levelling up – it is expected this will eventually result in the publication of a mandatory plan on investing in the UK by all LGPS Funds.
- Asset Pooling Guidance - DLUHC undertook an informal consultation on new asset pooling guidance during early 2019. DLUHC has since confirmed its intention to carry out a formal consultation which is expected in 2023.
- Competition and Markets Authority Order 2019 – covering the requirement to set strategic objectives for investment consultants.

Timescales and Stages

Respond to consultations	2023/24
Respond to changes in requirements	Unclear

Resource and Budget Implications

This work will be led by the Deputy Head of Clwyd Pension Fund, supported by the Investment Consultant. Estimated costs for the development of the reporting are contained within the 2023/24 budget albeit this may need revisited when the requirements are better understood.

F5: Asset Pooling

What is it?

To enable the Wales LGPS funds to pool assets an operator is required to provide the investment infrastructure and advice for the WPP. The current operator contract will end during 2025 and the WPP plan to have a new contract in place by December 2024 to allow for a period of transition. A full public procurement will commence organised by the WPP Host Authority. However, the scoring criteria for the tender and appointment of the operator are reserved matters for Constituent Authorities (“CA”) - i.e. the participating Welsh LGPS administering authorities - and a WPP Procurement Sub-Group has been established with representatives from the eight CAs.

During 2023/24 new commitments made by Clwyd Pension Fund for private credit, infrastructure and private equity will be made through WPP allocators for the first time, although precise details are uncertain on how this will operate and updates will be provided to Committee. Research has also commenced on how to pool property assets. The Deputy Head of CPF is a member of the WPP Private Markets sub-group who lead on this work and updates will provided to Committee.

The Deputy Head of CPF is also a member of the WPP RI sub-group and works continues to be developed based on views on stewardship and managing climate risk from CAs.

The launch of Global Equity Sustainable Fund, in which the Fund will invest in, is planned for Q1 2023/24 and the transition of assets will need to be managed by the Fund’s officers via a transition manager.

Further details are contained within the WPP Business Plan.

Timescales and Stages

Transition of assets to Global Sustainable Equity Fund	2023/24 Q1 to Q2
Committee approval of scoring criteria for the Operator tender	2023/24 Q1
Committee approval of Operator appointment	2023/24 Q4
Agree arrangements for Private Market commitments	2023/24 Q1 to Q4
Participate in further development on WPP Stewardship and managing climate risk and providing CPF policy input	2023/24 Q1 to 2025/26

Resource and Budget Implications

This work will be led by the Deputy Head of Clwyd Pension Fund, supported by the Head of Clwyd Pension Fund and the Investment Consultant. All expected costs are included within the 2023/24 budget.

F6: Interim Funding Review

What is it?

In advance of the 2025 actuarial valuation, the Actuary will assess the funding position as at 31 March 2024 in order to prepare the Fund and employers for the potential contribution outcomes from the 2025 valuation.

The 2024 interim review will be carried out in the same way as a full actuarial valuation process. It would allow the Fund to update the contribution requirements in the same way as a statutory valuation for some employers where appropriate and permissible under the LGPS Regulations and Funding Strategy Statement.

This analysis will assist the Fund to understand employer contribution affordability and budgets so that plans can be made considering the funding position at that point and the outlook for returns. It will also involve discussions with the Fund's employers.

Timescales and Stages

Carry out interim funding review	2024/25
Results and discussion with employers	2024/25

Resource and Budget Implications

This exercise will be performed by the Fund Actuary. It will involve input from both the Clwyd Pension Fund Administration and Finance teams.

F7: Funding Strategy Statement Review and Triennial Actuarial Valuation

What is it?

The next formal triennial actuarial valuation of the Fund is due to be undertaken as at 31 March 2025. This considers the solvency position and other financial metrics and is a legal requirement of the LGPS Regulations. It determines the contribution rates payable by the employers to fund the cost of benefits including the impact of any shortfall or surplus. These

aspects are driven by the contents of the separate Funding Strategy Statement which is approved by the Committee and which is reviewed and consulted on as part of the process.

This is considered in conjunction with the employer risk management framework implemented by the Fund. Employers will be required to provide financial statements and evidence of affordability and security before contributions can be agreed. The exercise will include cash flow projections to input into the Cash and Risk Management policy framework.

Timescales and Stages

Effective date	31 March 2025
Initial whole Fund results (expected)	2025/26 Q2
Individual Employer results (expected)	2025/26 Q2 to Q3
Deadline for agreement of all contributions and sign-off valuation report	31 March 2026

Resource and Budget Implications

The exercise is led by the Deputy Head of Clwyd Pension Fund and will be performed by the Fund Actuary. It will determine contribution requirements for all participating employers from 1 April 2026. It is a major exercise for the Fund and will involve considerable resource from the Administration and Finance teams over 2025/26. Employers will be formally consulted on the funding strategy as part of the process.

F8: Review of Investment Strategy

What is it?

This relates to the triennial review of the Investment Strategy having regard to the findings of the actuarial valuation and the review of the Funding Strategy.

This is expected to take place concurrently with the review of the Funding Strategy Statement in 2025/26.

Timescales and Stages

Review of Investment Strategy	2025/26 Q2 to Q3
Approve Investment Strategy (with consultation if required)	2025/26 Q4
Implementation of any changes	2026/27

Resource and Budget Implications

The work will be led by Deputy Head of Clwyd Pension Fund, working with the Fund's Investment Consultant.

Administration, Communications and Employer Liaison Team

Ref	Key Action: Task	2023/24 Period				Later Years	
		Q1	Q2	Q3	Q4	2024/25	2025/26
Essential Regulatory-Driven Areas							
A1	Change to CARE revaluation and changes affecting pensions tax	x	x				
A2	McCloud judgement	x	x	x	x	x	
A3	National Pensions Dashboard	x	x	x	x	x	
A4	Implement Survivor Benefits Changes (dates unknown)						
A5	Other Expected National Changes (dates unknown)						
A6	Preparation of Member Data for Interim Valuation, Triennial Valuation and Funding Reviews					x	x
Priority Fund-Driven Projects							
A7	Review Administration & Communications Related Policies and Strategies	x				x	x
A8	Implement the new Communications Strategy	x	x	x	x	x	
Employer Liaison Team (ELT) Projects							
E1	McCloud ELT Services	x	x	x	x	x	
E2	Expand ELT to more employers						x

Essential Regulatory Driven Areas

A1: Change to CARE revaluation and changes affecting pensions tax

What is it?

With effect from April 2023, the date at which career average pension accounts in the LGPS are revalued will change from 1 April to 6 April. The aim of the change is to lessen the impact of high inflation on pensions growth when compared against the annual allowance. Before the change, LGPS career average accounts would have increased by 10.1% in April 2023 but the allowance for inflation in the pension growth calculation would be only 3.1%. This would have led to a significant increase in the number of members breaching the annual allowance threshold and potentially incurring a tax charge, despite the revaluation not representing a 'real terms' increase in pension.

The Fund will need to ensure that calculations of member benefits (including annual benefit statements) are amended accordingly. It is expected that the software will be updated in May/June 2023 which will involve retrospective correction of part-year revaluation for members who retired within 2022/23, and an update for the Fund's annual allowance exercise. If any individual members request annual allowance calculations before then, manual calculations will be required.

In addition, the Budget on 15th March 2023 announced that:

- the Annual Allowance will be increased from £40,000 to £60,000 from April 2023 and
- the lifetime allowance (LTA) will be abolished completely from April 2024, with lifetime allowance charges removed from April 2023

These changes will be relevant for the Fund's Annual Allowance/Pension Saving Statement project in Autumn 2024 as this assesses the growth for the period 6 April 2023 to 5 April 2024.

Further guidance is expected on the options available for members taking benefits in excess of the LTA in 2023/24 and on how members with existing protections may be affected.

Timescales and Stages

Retrospective correction of April 2023 PI	2023/24 Q1
Manual calculations for individuals requesting annual allowance calculations	2023/24 Q1
Update processes, including communications for PSS exercise	2023/24 Q1 to Q2

Resource and Budget Implications

This will be led by the Pensions Administration Manager. All costs for the updates to the 2023 revaluation exercise will be met from the existing budget. There may be additional software costs for the 2024 Pensions Increase process.

A2: McCloud judgement

What is it?

The McCloud judgement relates to an age discrimination case brought by a member of the Judicial Pension Scheme challenging the protections for older members introduced when the Government reformed public service pension schemes in 2014 and 2015. The Court of Appeal ruled that the transitional provisions gave rise to unlawful age discrimination. Government subsequently confirmed that there would be changes to all the main public service pension schemes, including the LGPS, to remove the discrimination.

When the LGPS changed from a final salary to a career average pension scheme in 2014, members who were within ten years of their Normal Pension Age (NPA) on 1 April 2012 were given a “better of both” promise, i.e. when a protected member takes their pension, the benefits payable under the career average and final salary schemes are compared and the higher amount is then paid. This protection is called the underpin.

To remove the discrimination, the Government proposes to provide all qualifying members with protection based on a remedy period from 1 April 2014 to 31 March 2022. It consulted on the proposed changes to the LGPS to do this in 2020, and in May 2021 issued a statement confirming the key changes it will make to the LGPS to remove the discrimination. The Department for Levelling Up Housing and Communities (DLUHC) recently published its response to the consultation, providing clarity on the remedy which enables the Fund to take further steps towards implementation.

Draft LGPS remedy regulations are currently being consulted upon and are expected to be made in the coming months, before coming into force on 1 October 2023.

Implementation of the McCloud remedy involved a large-scale retrospective data collection exercise, which is drawing to a close. Guidance on missing/unreliable member data has been provided by the Scheme Advisory Board (SAB), enabling the McCloud data collection exercise to be completed.

Additionally, it has a significant impact on administration processes and systems, and requires a robust communication exercise with employers and scheme members. The additional resource requirements are significant.

Whilst final regulations are awaited, the focus is on:

- finalising the collection of data to calculate the new statutory underpin
- liaising with the pensions administration software supplier to ensure software is updated in line with the new regulations
- planning which processes and calculations will need to change to implement McCloud into ongoing administration
- planning for the recalculation of leavers' benefits
- planning communications, particularly to scheme members.

The Fund established the McCloud programme to implement the remedy for Clwyd Pension Fund in 2020, including some team members who are 100% dedicated to this work for the duration of the programme.

Timescales and Stages

Data collection from all employers, validation and upload to Altair (ongoing)	2023/24 Q1
Review of leavers' benefits (benefit rectification) – planning, process recalculations and prepare letters to members	2023/24 Q1 to Q2
Review of and updating ongoing administration processes, calculations and letters to comply with regulations coming into force on 1 October 2023	2023/24 Q1 to Q2
Communications with members (and employers as appropriate)	2023/24 Q1 to Q4
Final regulations come into force, including retrospective changes to members' benefits	01/10/2023
Implement new regulations: <ul style="list-style-type: none"> • new administration processes, calculations and letters • issue benefit rectification letters and pay updated benefits 	2023/24 Q3 to Q4

Resource and Budget Implications

Although the work is being led and managed by a separate Fund McCloud programme team, it impacts across all of the Administration Team. The additional internal resource allocated to the dedicated McCloud programme team is expected to continue throughout 2023/24. There continues to be additional costs relating to consultancy (including programme management which being provided by Aon), incidentals such as postage and printing, and system costs. The budget for 2023/24 is £270k in total.

A3: National Pensions Dashboard

What is it?

The National Pensions Dashboard is a Government initiative first announced in the Budget 2016. The idea behind the dashboard is to allow all pension savers in the UK access to view the values of all of their pension pots, including state pension, through one central platform. The Pension Schemes Act 2021 provides 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 was 30 September 2024. However, the DWP issued a written ministerial statement on 2 March 2023 announcing a delay, allowing additional time to ensure that the dashboard infrastructure is safe and secure and works for both pension schemes and the end users of the service. Legislation is expected soon which will amend the timings and provide further clarity. However, the Fund intends to continue with its existing dashboard project. The reason for this is the significance of dashboards and the steps required to becoming ‘dashboard ready’ and, because the staging date for LGPS was already significantly later than the earliest date for private sector schemes, the delay to the Fund’s staging date may not be significant.

Due to the ongoing work for McCloud, some of the requirements in relation to the data which must be able to be viewed through the dashboard have a later deadline of 1 April 2025 (known as the “value” data) which displays the current value of the member’s pension benefits and projections for active members.

A formal Fund Pensions Dashboard project to implement the dashboard will be established in early 2023/24. Key elements of the project will include:

- appointing an Integrated Service Provider (ISP) who will collect dashboard data from the Fund and provide it to the National Pensions Dashboard so members can see it.
- testing the functionality provided by the ISP including the interfaces between the Fund’s administration system and the ISP
- ensuring data is in a fit state for sharing - work had already commenced in 2022 in this area (for example, a bulk exercise to pay outstanding refunds has been undertaken)
- agreeing what fields of data will be used to “match” scheme members which will then allow the ISP to release Fund members’ information to the National Pensions Dashboard
- determining what reporting needs to be developed and testing it
- identifying and implementing changes to ongoing administration processes
- identifying the impact on resources in the long-term
- communicating with scheme members.

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

Although the Fund will be relying on its 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, appointing ISP, initial engagement with AVC providers, data cleansing	Already commenced 2022/23 to 2023/24 Q1
Agree the Fund's staging date and finalise detailed project plan	2023/24 Q1 to Q2
Consider and agree data matching criteria	2023/24 Q1 to Q2
Ongoing data cleansing and system functionality testing (including reporting)	2023/24 Q1 to September 2024
Review and update administration processes, and consider impact on future resources/budget	2023/24 Q1 to Q4
Develop and issue various member communications	2023/24 Q2 to 2024/25
Latest staging date	Unknown
Final work on value data post McCloud benefit rectification and data updates	2024/25

Resource and Budget Implications

The proposed 2023/24 budget includes estimated additional system costs for the ISP (including set up costs) and consultancy costs for project management set up and 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 2024/25 budget.

A4: Implement Survivor Benefit Change: Amendment LGPS Regulations & Elmes versus Essex High Court Ruling

What is it?

The LGPS (Miscellaneous Amendment) Regulations 2018 (SI2018/1366) came into force with effect from 10 January 2019. These included changes that impact on the calculation of and entitlement to surviving partner pensions in respect of Civil Partners or same sex marriages. As a result, it is necessary for the Fund to carry out a major review to identify any members who are affected and to ensure the correct benefits are paid. In addition, LGPS funds need to action the outcome of the Elmes versus Essex case where it has been ruled in the High Court that for any LGPS members who left the scheme between 1 April 2008 and 31 March 2014, and who subsequently died leaving a Cohabiting Partner, that partner could have a survivor's pension paid to them even without a completed nomination form in place so long as they still meet the eligibility criteria. Any potential cohabiting partners need to be contacted and surviving partner pensions put into payment if applicable. Guidance is awaited from LGA to finalise the work on these changes.

Furthermore, a June 2020 Employment Tribunal ruling (the "Goodwin ruling") relating to the Teachers' Pension Scheme concluded that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female member in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. The Chief Secretary to the Treasury announced in a written ministerial statement on 20 July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements. It is expected that it will be necessary to contact any male dependant members affected by this ruling to recalculate their benefits. The Scheme Advisory Board has confirmed that a consultation paper from DLUHC is expected in 2023 proposing changes to the LGPS regulations to implement recent court judgements in this area.

It is possible there are other elements relating to the inequality of survivor benefits that need incorporated into amending legislation.

The work in relation to these changes commenced during 2019/20 but is now on hold awaiting Regulations.

Timescales and Stages

Tracing, contacting, verifying entitlement and recalculating benefits for affected surviving partners	Unclear
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Resource and Budget Implications

This project is being absorbed by the Operations Team within Pensions Administration to ensure benefits for all surviving partners are reviewed and amended where applicable.

A5: Other Expected National Changes

There are a number of further changes that are expected but the final details of their impact and the timescales are not yet available. These include the following changes detailed below based on the situation in early 2023.

Harpur Trust Vs Brazel Supreme Court Judgement

On 20 July 2022 a Supreme Court Judgement case Harpur Vs Brazel was published. This case relates to the calculation of holiday pay for part-year employees and employees who work irregular work patterns, with the final judgement meaning that employers should now consider revising how pay is calculated for part-year employees. Part-year employees are expected to include employees on term-time only and zero hours contracts.

While this is primarily an issue for employers, there will be some implications for the LGPS. Firstly, it seems likely that part-year only employees will see an increase in their pay, and it would appear this increase will fall within the definition of pensionable pay. This could have knock-on implications for the calculation of employer and employee pension contributions, particularly for education-based employers who are likely to have large numbers of term-time employees, increasing CARE pay. Secondly, increases in pay could also increase the amounts of final salary benefits for those employees affected. Thirdly, there's the possibility that affected employees will be able to submit claims in relation to previous years, which could lead to pension benefits (including career average benefits) having to be further recalculated.

There are potential resource implications for administration teams (and employers in collecting historical contributions and providing historical information to the administering authorities).

Cost Management

When the Public Sector Pension Schemes (including the LGPS) were reformed in 2014/15 the scheme design included a cost management mechanism. At the first cost cap valuations as at 31 March 2016 the lower threshold within that mechanism (i.e. the cost floor) was deemed to be breached by more than 2% of pay which meant member benefits would need to increase or their contributions reduce. Following the McCloud judgement, Government announced that any additional McCloud costs would fall to be deemed "member costs" within the cost management mechanism and in June 2022 the Government Actuary's Department finalised the 2016 valuation confirming that no changes to member benefits or contributions are required for the LGPS. The LGPS Scheme Advisory Board (SAB) also confirmed that no changes will be needed by virtue of its separate mechanism which applies to the LGPS in England and

Wales in addition to the HMT mechanism which applies across all of the public service pension schemes. However, in October 2021 the SAB set out its determination to revisit third tier ill health and contributions for the lowest paid members with the view to making recommendations in these areas separately to the cost management process. These recommendations have not yet been made.

It should also be noted that the Trades Unions were granted a Judicial Review of the decision to allocate McCloud costs to members as part of the 2016 cost management process. It is not yet known what the outcome will be but until the issue is resolved we cannot say with certainty that no changes will be required following the 2016 process.

In relation to the 2020 cost management process, on 24 June 2021 the Chief Secretary to the Treasury published a Written Ministerial Statement announcing publication of a consultation on proposed reforms to the cost control mechanism for Public Service Pension Schemes following the publication of the Government Actuary's review of the mechanism. On 4 October 2021, HM Treasury released their response to the consultation confirming that there will be changes to the mechanism from the 2020 scheme valuations. On 30 January 2023 DLUHC published a consultation to amend the LGPS SAB cost management process which operates in addition to the Treasury process. The consultation closed on 24 March 2023. Whilst the Government Actuary's Department has begun collecting data for the 2020 cost management valuations it is not yet known if any changes to member benefit or contributions flowing from the 2020 exercise will be required. The widening of the corridor in the HMT process is intended to reduce the likelihood that changes will be required, and the proposals for the LGPS SAB process include introducing greater flexibility for the SAB in determining its recommendations on cost (the current Regulations require that recommendations to bring the cost back to the target must be made under the SAB process if costs have changed by 2% of pay or more).

From an administrative perspective, should there be changes to member benefits and/or contributions as a result of the 2016 or 2020 cost management process, this could have a significant impact on administration processes and systems as well as requiring a robust communication exercise with employers and scheme members.

Fair deal

In May 2016, DCLG (now DLUHC) proposed that the New Fair Deal be extended to the LGPS. This would mean that any staff being outsourced would remain in the LGPS and their 'new' employer would gain admission body status, rather than using the previous option of being able to offer a pension scheme that is broadly comparable to LGPS.

On 10 January 2019, a consultation document was published - Fair Deal – Strengthening Pension Protection. The consultation confirmed the 2016 proposal of service providers offering LGPS membership to individuals who have been compulsorily transferred from an LGPS employer, even if the contract is outsourced a second time (and removal of the option of a broadly comparable scheme). Within the 2019 consultation, there were also proposals

about automatically transferring LGPS assets and liabilities when scheme employers are involved in a merger or takeover. This consultation closed on 4 April 2019. The Scheme Advisory Board has sought to ensure this remains on DLUHC's agenda, most recently writing to then Minister Paul Scully on 19 October 2022 following an update to the government website suggesting the Fair Deal was being reconsidered in light of the earlier consultation. However, there has not yet been a response to the 2019 policy consultation from Government.

Exit Payment Reform

With effect from 4 November 2020 a £95k cap on exit payments made by public sector employers came into effect and this included the cost of early payment of LGPS pensions. However, in the face of legal challenge, HMT issued a direction to disapply the £95k exit cap with effect from 12 February 2021 and the regulations were subsequently revoked. At that time HMT confirmed it will bring forward proposals to tackle unjustified exit payments in the near future. In August 2022, HMT issued their consultation on Public Sector Exit Payments which closed on 17 October 2022 seeking views on a new administrative control process for public sector exit payments over £95,000, and amendments to the process for special severance payments. The outcome of the consultation response is not yet known but whilst the consultation related to staff working in central government some LGPS employers could be affected. It is unclear at this stage when we may hear more on wider reform of exit payments and conditions around how LGPS benefits are paid. Bodies under the devolved administrations were not covered by HMT's most recent consultation and Welsh Government might implement a different approach to meeting any exit cap requirements for public sector employers in the Fund.

Increase in minimum retirement age

In February 2022 the Finance Act 2022 received Royal Assent. The Act implements previous proposals to increase the normal minimum pension age from 55 to 57 in April 2028. This change is designed to maintain a 10-year gap between minimum retirement age and state pension age, as confirmed as part of Government policy in 2014. The Finance Act does provide for protected pension ages for members meeting certain conditions, but for this protection to apply the LGPS regulations must be amended accordingly and currently there has been no indication from DLUHC whether they intend to make these changes.

In the meantime, the Fund needs to keep a note of any protected pension ages to which new members may be entitled, which will generally be due to existing scheme membership or a transfer-in from another pension arrangement.

Death Grants

Along with the consultation paper from DLUHC that proposes to amend the LGPS regulations to implement recent court judgements relating to survivors' benefits this is also expected to remove the upper age limit on entitlement to death grants (which is currently age 75).

Timescales and Stages

Liaising with employers, re-calculation of both final salary and CARE benefits for affected members	Unclear
Implement changes to member benefits and/or contributions if required as a result of the 2016 or 2020 cost management process	Unclear
Update admissions processes in light of new Fair Deal	Unclear
Implement changes to calculation of early retirement benefits and associated strain payments if an exit cap is introduced	Unclear
Monitor protected retirement ages and communicate with members and employers as appropriate if the minimum retirement age is increased	Unclear
Implement removal of upper age limit on death grants	Unclear

Resource and Budget Implications

In relation to the Harpur v Brazel judgement and review of the calculation of holiday pay for part-year employees it is expected that this project will be resourced by the Employer Liaison Team to ensure that employers are aware of their responsibilities in this area and that the Fund is provided with any relevant data to re-calculate benefits for those members in scope.

In relation to other expected national changes, the Fund is increasing headcount within the Pensions Administration Team in anticipation of the additional work these changes are likely to require.

A6: Preparation of Member Data for Interim Valuation, Triennial Valuation and Funding Reviews

What is it?

An interim valuation (as at 31 March 2024) may be completed during 2024/25 which may require the pension administration team 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 the pension administration team to provide data to the actuary. This involves an additional year end cleansing exercise post 31 March 2024 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	2024/25
Preparation of data for 31 March 2025 triennial valuation, and investigating and responding to data queries from Fund Actuary	2025/26

Resource and Budget Implications

This will be carried out by the Technical Team in the main with assistance from the rest of the Operations Team depending on the requirements. All internal costs are being met from the existing budget. The work by the Fund Actuary will be included in proposed budget for 2025/26.

Priority Fund Driven Projects

A6: Review Administration and Communication Related Policies and Strategies

What is it?

Due to the changes announced in the budget the Policy for Administration and Communications of Tax Allowances will need to be reviewed in advance of the scheduled review date of March 2025. The Fund Administration Strategy was last approved at the May 2021 PFC and the Fund Communications Strategy was last approved at the June 2022 PFC. The strategies state that they will be reviewed at least once every three years to ensure they remain relevant and up to date.

There are a number of other administration and communications related policies that also need to be reviewed regularly as shown in the table below.

In addition, it is proposed that the Fund will develop a Data Improvement Policy at the same point as reviewing the existing Administration Strategy.

Timescales and Stages

Policy for Administration and Communications of Tax Allowances to Scheme Members (approved March 2022)	2023/24 Q1
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Review of Administration Strategy (last approved May 2021)	2024/25 Q1
Approve first Data Improvement Policy	2024/25 Q1
Review of Under / Overpayment Policy (approved September 2021)	2024/25 Q2
Personal Data Retention Policy (reviewed March 2022)	2024/25 Q4
Review of Communications Strategy (last approved June 2022)	2025/26 Q1
Review of Scheme Pays Policy (assumed last approved January 2023)	2025/26 Q4
Review of Administering Authority Discretionary Policy (assumed last approved January 2023)	2025/26 Q4

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 new Communications Strategy

What is it?

The Fund approved a new Communications Strategy in June 2022 and since then officers have been working on implementing the strategy including developing the Fund's new logo and branding. The new Strategy is focussed on increasing awareness and understanding of the scheme, encouraging stakeholders to take ownership and providing positive experiences including through embracing technology for greater accessibility as well as efficiencies. All communication materials are being updated to make them clearer and more concise, and hence improving readability.

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

Timescales and Stages

Launch redesigned communications with new logo and branding	2023/24 Q1
Gather feedback via scheme member and employer surveys, focus groups and employer engagement discussion. Establish test review group for new communications (already commenced)	2023/24 Q1
Create communication plan for 2023/24	2022/23 Q4
Update the communication plan post survey results, focus groups and feedback	2023/24 Q1

Update for future years and to implement wider segmentation, videos and other improvements	Q4
Review and update the branding, structure and content of the Fund's website (already commenced)	2023/24 Q1 to Q4
Videos and webcasts - Develop initial phase of videos and webcasts for the website (already commenced)	2023/24 Q1 to Q4
Agree plan and create wider suite of videos and webcasts	2023/24 Q4 to 2024/25
Investigate options to improve telephony – monitoring and user experience – and agree a plan for implementation	2023/24 Q1
Review and update content in communications (e.g. lower reading age) and develop messaging and branding guidelines.	2023/24 Q1 to Q4
Continue to develop the range of online processes within MSS	Ongoing as functionality becomes available
MSS promotional communications to active and deferred members not already registered/stated communication preference	2023/24 Q3 and ongoing
Create and deliver a visual roadmap (the journey to retirement)	2024/25
Ongoing development and delivery of communications relating to new communication plan	2024/25 and 2025/26

Resource and Budget Implications

These projects are 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. Aon are 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 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.

Employer Liaison Team Projects

Understanding the continuing pressure on resources and budgets for employers, the Fund offers assistance to its Employers in providing accurate and complete notifications to the Fund (and other Employer duties) in a timely manner. The Employer Liaison Team (ELT) mainly assists in providing notifications regarding new starters, personal/employment changes and leavers/retirements in the LGPS. It undertakes 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. Resources continue to be reviewed to meet demand depending on ongoing employer uptake albeit there is no planned increase in the FTE posts already in place. The total budget allocated for 2023/24 is £363k. £60k of this total budget relates to temporary McCloud services.

E1: McCloud ELT Services

What is it?

Provide and continue developing ELT services in relation to data provision and other ongoing support to assist with the impact of the McCloud Judgement.

Timescales and Stages

Assisting employers with data collation for McCloud	2023/24
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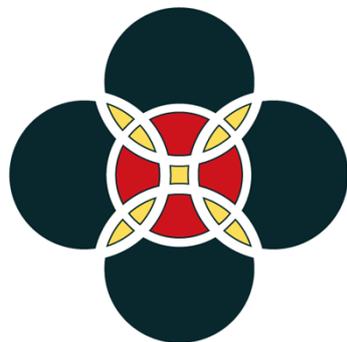
E2: Expand ELT to more employers

What is it?

Consider expanding the ELT service to a wider range of employers and generally making employers more aware of the facility that is available, particularly to those employers that are not meeting their KPIs.

Timescales and Stages

Start discussions with other employers	2024/25
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