

CLWYD PENSION FUND COMMITTEE

Date of Meeting	Tuesday, 23 rd March 2021
Report Subject	Business Plan 2021/22 to 2023/24
Report Author	Head of Clwyd Pension Fund

EXECUTIVE SUMMARY

The Committee approves a three-year Business Plan in February or March of every year and receives updates each quarter on progress. The purpose of this report is to present the proposed Business Plan for 2021/22 to 2023/24. The Business Plan includes business as usual, other tasks or projects, risks and an estimate of the financial resources required.

Looking ahead, the next few years will continue to be challenging for those involved in the governance, management and operation of the Fund for a number of reasons including the remedy for the McCloud court case, implementing the Fund's Responsible Investment Policy and a new Code of Practice being launched by The Pensions Regulator. The Fund's Business Plan covering the period from 2021/22 to 2023/24, which the Committee is asked to approve, has been prepared with a view to ensuring that our legal responsibilities and strategic objectives are being met, and all our known risks are being managed and resourced appropriately.

RECOMMENDATIONS

1	That the Committee approve the Business Plan in Appendix 1 relating to the period 2021/22 to 2023/24, including the budget therein for 2021/22 which includes some changes to the existing staffing structure as noted therein.
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REPORT DETAILS

1.00	Review of the Fund's Business Plan
1.01	<p>The updated Business Plan for the three years commencing 2021/22 is attached as Appendix 1. It includes business as usual, main tasks or projects with descriptions, a current risk assessment and an estimate of the financial resources required.</p>
1.02	<p>The business plan for 2020/21 was approved using delegated powers for urgent matters due to last March's Pension Fund Committee being cancelled at the start of the COVID-19 pandemic. Despite the challenges presented by the pandemic, and particularly the rather abrupt and unexpected move to remote working, much of the business plan was delivered with a number of key achievements being accomplished including:</p> <ul style="list-style-type: none">• reviewing some of the appointments of representative members on the Board and Committee• commencing work on consideration of the Fund's cybercrime resilience• implementing the Fund's revised investment strategy involving transition to a number of Wales Pensions Partnership's (WPP's) and Blackrock sub-funds• evaluating the Fund's carbon exposure with a view to agreeing to agreeing carbon footprint targets in 2021/22• updating the Fund's cash management policy• establishing the Fund's McCloud programme and initial engagement with all employers to commence data collection, and• a fundamental increase in the use of employer data now received monthly using the i-Connect system. <p>Perhaps of more importance is that business as usual services provided by the Clwyd Pension Fund Team continued largely with no impact due to the pandemic during 2020/21.</p>
1.03	<p>Within the 2021/22 to 2023/24 business plan key tasks include:</p> <ul style="list-style-type: none">• implementing the remedy for the McCloud court case, and any further "cost cap" changes• implementing the Fund's Responsible Investment Policy including confirming the Fund's targets in relation to climate risk• carrying out compliance checks against The Pension Regulator's new Single Modular Code• implementing any governance changes as a result of the Scheme Advisory Board (SAB) Good Governance review• continuing to investigate any risk and developing controls relating to cybercrime and business continuity.
1.04	<p>Looking ahead, 2021/22 will no doubt continue to be challenging for those involved in the governance, management and operation of the Clwyd Pension Fund not least due to the ongoing impact of the pandemic. The Plan has been updated to ensure that all our known risks are being managed and resourced.</p>

2.00	RESOURCE IMPLICATIONS
2.01	The resources required for managing the Fund and delivering this Business Plan are included in the budget section of the Business Plan and assume no vacancies in the current staffing structure and an increase of 1.7 FTE members of staff during 2021/22.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None directly as a result of this report.

4.00	RISK MANAGEMENT
4.01	The key risks are considered as part of the business planning process and articulated within the draft Business Plan.

5.00	APPENDICES
5.01	Appendix 1 – Business Plan 2021/22 to 2023/24

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Previous Business Plans including Clwyd Pension Fund Business Plan 2020/21 to 2022/23 (March 2020 PFC agenda pack).</p> <p>Contact Officer: Philip Latham, Head of Clwyd Pension Fund Telephone: 01352 702264 E-mail: philip.latham@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>(a) CPF – Clwyd Pension Fund – The Pension Fund managed by Flintshire County Council for local authority employees in the region and employees of other employers with links to local government in the region.</p> <p>(b) Administering authority or scheme manager – Flintshire County Council is the administering authority and scheme manager for the Clwyd Pension Fund, which means it is responsible for the management and stewardship of the Fund.</p> <p>(c) PFC – Clwyd Pension Fund Committee - the Flintshire County Council committee responsible for the majority of decisions relating to the management of the Clwyd Pension Fund.</p>

(d) **LPB or PB – Local Pension Board or Pension Board** – each LGPS Fund has an LPB. Their purpose is to assist the administering authority in ensuring compliance with the scheme regulations, the Pensions Regulator requirements and efficient and effective governance and administration of the Fund.

(e) **LGPS – Local Government Pension Scheme** – the national scheme, of which Clwyd Pension Fund is part.

(f) **SAB – Scheme Advisory Board** – the national LGPS Scheme Advisory Board is established under primary legislation. Its purpose is to make recommendations for policy and legislative change to the Secretary of State and to provide guidance and advice to LGPS administering authorities.

NB: Other terms used in the report and its appendix are explained within Appendix 1.