

**Cronfa Bensiynau Clwyd  
Clwyd Pension Fund**

Administered by



# Clwyd Pension Fund

McCloud Programme Update

Prepared for: Clwyd Pension Fund Pension Committee

Prepared by: Aon

Date: 16 August 2022

# High level Programme Plan

Key	Description
Complete	Complete
On track	On track
Overdue	Overdue
At risk	At risk
Not started	Not started

Workstream /key deliverables	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22 to Sep-23	Oct-23
<b>Regulations</b>																									
i. Submit Fund response (milestone 1)	x																								
ii. Consultation response & draft regulations from DLUCH (milestone 2)																								x	
iii. Ministerial statement								x																	
iv. Regulations made (milestone 3) – estimated																									x
v. Regulations come into effect (milestone 4)*																									x
<b>Communications workstream</b>																									
i. Pensions Saving Statements issued	x																								
ii. Pensions Extra issued	x																								
iii. Other McCloud communications (TBC)								x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
<b>Data workstream including Heywood McCloud data solutions</b>																									
i. Data collection template, decision process and collection protocol & employer questionnaire	x	x	x	x	x	x	x	x																	
ii. Employer engagement – pilots, 1to1s, monitor/manage timetables		x	x	x	x	x	x	x	x	x															
iii. Data collection from employers, review & validate data				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
iv. Data decision protocol – flowchart / roadmap – draft, finalise							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
v. Heywood confirm data solutions and timescales		x	x	x	x	x	x	x	x	x	x														
vi. Upload data, testing, final, further cleansing / manual input																						x	x	x	
vii. Further data cleansing / manual input																						x	x	x	
<b>Funding, accounting and cashflows workstream</b>																									
i. Agree plan with actuary regarding funding implications, contributions etc																									x
ii. Delivery - TBC																									x
<b>Ongoing administration</b>																									
i. Scoping workstream																									x
ii. Delivery																									x
<b>Benefits rectification</b>																									
i. Scoping workstream																									x
ii. Receive further details and patch releases of initial Heywood functionality, testing															x	x	x	x	x	x	x	x	x	x	x
iii. Delivery (other)																									x
<b>Programme meetings</b>																									
i. Workstream meetings including governance	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
ii. PMG / SG meetings		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

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

Key	Description
	Complete
	On track
	Overdue
	At risk
	Not started

**Programme background:** The Court of Appeal has ruled that changes to public service pension schemes, including the LGPS, for future service made in 2014 and 2015, were discriminatory against younger members. The Government eventually gave a commitment to make changes to all public service pension schemes to remove discrimination.

**Programme purpose:** To implement the regulations the Government will make to remedy the discrimination against younger members of the LGPS for the Clwyd Pension Fund.

*Key deliverables 1 January 2022 – 31 December 2022*

Programme workstream deliverables / Description	Responsibility	Sign-off	Deadline	Notes	Status
<b>1. Data collection – checking, validations &amp; uploading</b> i. Data collection ii. Data checking and quality analysis (data validation procedure) iii. Data uploading to Altair	Data workstream	PMG	December 2022	Full data collected for XX employers and part data for YY (includes FCC, DCC and Wrexham County Council). Data team to form a proposal around data validation process for PMG approval.	AW8
				Data validation expected to be complete by October 2022 for 90%* of in scope membership and loaded to Altair by the end of 2022. PMG sign off required before upload commences (*Data validation deadline moved from 100% to 90% by end October. This is not expected to have a detrimental impact on the programme deliverables / key milestones.)	In progress
<b>2. Heywood McCloud solutions</b> i. Heywood plans for benefits rectification and ongoing administration	Data workstream	PMG	December 2022	Timescale has been changed due to delays in consultation response. Ongoing consideration by Heywood – further consultation and decisions from DLUHC.	In progress
<b>3. McCloud communications</b> i. Clwyd catch up – McCloud article ii. Combined DBS / newsletter - McCloud wording iii. ABS / newsletter – McCloud wording	Communications workstream	PMG / SG	March 2022 May 2022 June 2022	Various communications including wording in respect of McCloud.	Complete
<b>4. Consultation outcome announcement / ministerial statement / regulations</b>	n/a	n/a	Autumn 2022 to Autumn 2023	Consultation announcement from DLUHC which was expected in July 2022, now expected later in 2022. It is expected to provide clarity in a number of areas and will be accompanied by a further set of draft regulations and further areas for consultation, which will be consulted on in early 2023.  The LGPS regulations will be made later in 2023 and come into force by 1 October 2023 (noting previously this was “on” 1 April 2023). In Autumn/Winter 2022 it is hoped draft guidance will be issued by SAB, which may be adopted as statutory guidance by DLUHC once it has been consulted on.	In progress
<b>5. Programme meetings</b> i. Data workstream (every 3 weeks) ii. Communications workstream (2 per quarter) iii. Other workstreams (TBC) iv. PMG (2 per quarter) v. SG (bi-annually)	Programme Manager	n/a	Ongoing	Agree appropriate time to commence other workstream meetings – benefits rectification workstream expected to commence in late Autumn 2022.  Update reports provided to SG where full meetings are not deemed required.	In progress

**Slide 3**

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**AW8**

KW to discuss with JT and update based on revised deadlines (discussed at July mini data w/s meeting)

Angela Whatmuff, 10/08/22

## Programme success criteria (SC)

SC1	Identify in-scope members with 100% accuracy
SC2	Obtain and load to the administration system all data required to calculate final salary underpin, adopting agreed assumptions where data cannot be reasonably obtained
SC3	Administration processes and systems are all amended and operate in line with the regulations from the effective date
SC4	Benefit rectification is completed accurately for all affected members by the required/agreed date
SC5	Member communications are effective, evidenced by few queries and complaints
SC6	Automation minimizes the impact on resources and SLAs/KPIs during implementation, rectification and ongoing administration
SC7	The programme is completed without unplanned disruption to business as usual and other Clwyd Pension Fund projects
SC8	The programme is completed within budget and timescale (subject to reasonable tolerances), noting that these will be agreed and reassessed from time to time throughout the programme.
SC9	The additional costs falling to employers transpire to have been reasonably estimated at the 2019 actuarial valuation

## Programme Risks (1 of 2) – current risks furthest from target

There are several risks that the programme's success criteria will not be achieved – these have been identified by CPF's programme management, are captured in a formal risk log and monitored on an ongoing basis. The current risks that are red and furthest from target are shown on in the table below.

Risk no	Risk overview (this will happen)	Risk description (if this happens)	Programme Group	Owner	Success criteria at risk	Current risk impact	Current risk likelihood	Current risk status	Proposed controls in place	Target risk impact	Target risk likelihood	Target risk status
3	Unable to load data efficiently and accurately, and in a timely manner	Data cannot be loaded onto the system in an efficient, accurate and timely manner, leading to project delays or issues with the underpin calculation. Risk covers inappropriate data format provided from employer as well as issues with uploading the data into the interface.	Data Workstream	Jayne Taylor	SC1, SC2, SC8	Critical	Very High (65%)		<ol style="list-style-type: none"> <li>1. Early engagement with Heywood on a one to one basis.</li> <li>2. Initial virtual meeting and ongoing one-to one meetings with employers to highlight strict data requirements/formats.</li> <li>3. Full instructions, including checklist provided to all employers at initial engagement stage.</li> <li>4. Ongoing discussions around resourcing including upskilling and flexibility of employees.</li> </ol>	Negligible	Unlikely (5%)	
5	Insufficient or inappropriate resources	Inability to source appropriate resources required to deliver the programme deliverables (including data uploading) in the required timescales	Programme Management Group	Karen Williams	SC8	Critical	Significant (50%)		<ol style="list-style-type: none"> <li>1. Thorough programme planning, scoping of work &amp; recruitment programme (recruitment is currently underway at June 2020, and further recruitment from March 2021).</li> <li>2. Forward planning and ongoing monitoring of resource requirements.</li> <li>3. Concern raised and action taken as matter of urgency.</li> <li>4. Flexibility to utilise resource (including training or physical resource) from consultants if required.</li> <li>5. Refer all stakeholders to roles and responsibilities document to ensure resources are matched with correct roles alongside regular reminder at points throughout the programme.</li> <li>6. Strong engagement with software supplier looking for alternative efficiencies.</li> <li>7. Build resourcing plan (discussed &amp; agreed with ERs) &amp; understanding staff skill</li> <li>8. Monitoring resource of Alicia Howells' team once more info on toolkit provided / Consider interface process being carried out in McCloud team (after training).</li> <li>9. Consideration of external resource.</li> </ol>	Negligible	Very Low (15%)	
30	Heywood toolkit – not fit for purpose or delay in provision or service	Inability to identify aggregation cases leading to inaccurate benefit calculations and / or delay to provision of toolkit resulting in programme delays or detrimental impact on programme resourcing	Data Workstream	Jane Taylor	SC2, SC3, SC8	Critical	Significant (50%)		<ol style="list-style-type: none"> <li>1. Pressure on Heywood client manager to come up with a feasible solution</li> <li>2. Stop deleting status 8s</li> <li>3. Try to identify cases to come up with an action plan if Heywood cannot come up with a workable solution (potentially liaise with other funds)</li> <li>4. Work out overlapping cases.</li> </ol>	Negligible	Unlikely (5%)	
39	Adhering to the new communications strategy	Objectives of the Communications strategy are not met by McCloud Communications	Communications Workstream	Kath Meacock	SC5	Critical	Very High (65%)		<ol style="list-style-type: none"> <li>1. Development of an implementation plan.</li> <li>2. Comms officer to be added to comms workstream.</li> </ol>	Negligible	Unlikely (5%)	

## Programme Risks (2 of 2) – current risks furthest from target

There are several risks that the programme's success criteria will not be achieved – these have been identified by CPF's programme management, are captured in a formal risk log and monitored on an ongoing basis. The current risks that are red and furthest from target are shown on in the table below.

Risk no	Risk overview (this will happen)	Risk description (if this happens)	Programme Group	Owner	Success criteria at risk	Current risk impact	Current risk likelihood	Current risk status	Proposed controls in place	Target risk impact	Target risk likelihood	Target risk status
6	Other external interference	Work on other projects including GMP Equalisation / cost cap / Goodwin case / pensions dashboard leading to resource constraints on McCloud programme unable to be delivered.	Programme Management Group	Karen Williams	SC7	Critical	Significant (50%)		<ol style="list-style-type: none"> <li>1. Thorough programme planning linking in with BAU planning.</li> <li>2. Attendance of VB and KM on working groups allowing stakeholders to keep abreast of developments.</li> <li>3. Data cleansing can still be done and staff to be side-tracked temporarily to assist with work on the other projects where appropriate.</li> </ol>	Critical	Very Low (15%)	
13	Final regulations	Regulations are delayed, do not meet objectives or are subject to further challenge, leading to programme delays (including delay in toolkit production) and impact on budgets	Programme Management Group	Karen Williams	SC7, SC8	Critical	Extremely High (80%)		<ol style="list-style-type: none"> <li>1. Thorough project planning.</li> <li>2. Attendance of VB &amp; KM on working groups allowing stakeholders to keep abreast of developments.</li> <li>3. Ongoing engagement with Heywood, volunteered as testing site.</li> <li>4. Manual uploads with some of the smaller employers.</li> </ol>	Critical	Very Low (15%)	

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