

BOARD : LOCAL PENSIONS BOARD
DATE : 13 May 2025
TIME : 10am
VENUE : Hybrid – In person Room 1.6, HQ, Chester and Online – Microsoft Teams

LOCAL PENSION BOARD MEETING

10.00 – 12.30

AGENDA

1. PROCEDURAL MATTERS (Pages 3 - 8)

The Board will:

- a) Consider any Declarations of interest
- b) Receive the minutes of the meeting on 18 February 2025
- c) Review the Actions Tracker

2. REVIEW OF PENSION FUND COMMITTEE MINUTES

To receive the minutes from the Pension Fund Committee meeting which took place on 7 March 2025 and the Investment Sub-Committee minutes from 14 February 2025.

3. SERVICE DELIVERY PLAN UPDATE

The Board will receive a verbal update on progress with the Service Delivery Plan which replaces the Pensions Programme.

4. PERFORMANCE MANAGEMENT FRAMEWORK QUARTER 4 – 2024-25 (Page 9)

The Board will receive the Performance Management Framework covering the period 4 January to March 2025 (along with the quarter 3 comparator – October to December 2024).

5. UPDATE FROM THE SCHEME ADVISORY BOARD (Pages 10 - 20)

The Board will receive an update following the Scheme Advisory Board meetings outlined below:

Committee	Meeting Date
Scheme Advisory Board	24 Mar 25
Cost Management, Benefit Design and Administration Committee	24 Feb 25
Investment, Governance and Engagement Committee	3 Mar 25
Compliance and Reporting Committee	17 Feb 25

The Board will receive an overview of recent regulatory changes and events, along with an update on expected future consultations which will impact the Local Government Pension Scheme (LGPS).

The Board will also receive an update on the McCloud remedy and the Pensions Dashboards Programme which were presented to the Pension Fund Committee in March 2025.

6. **THE PENSIONS REGULATOR’S GENERAL CODE OF PRACTICE (Pages 21 - 24)**
The Board will receive a report providing an update on the Fund's self-assessment against the requirements of The Pension Regulator's General Code of Practice.
7. **LOCAL PENSION BOARD ANNUAL REPORT 2024-25 (Pages 25 - 37)**
The Board will approve the 2024-25 Annual Report including the forecast outturn against the Local Pension Board budget.
8. **RISK REGISTER (Pages 38 - 44)**
The Board will undertake a review of their register of interests and identify any required amendments. The Board will also review the strategic risk register for the pension fund.
9. **DATA QUALITY (Pages 45)**
The Board will receive an update on the data scores for common and scheme specific data.
10. **COMPLIANCE UPDATE (Pages 46 - 48)**
The paper also provides a summary of the Breaches Log for the period to 31 December 2024.
11. **FEEDBACK FROM EVENTS**
Board members/officers will feedback from recent conferences and seminars attended, including:
 - Joint Board and Committee Training – 215 February 2025
 - LOLA Online Training - Conflicts of Interest – 28 March 2025
12. **REVIEW AND DEVELOP THE WORK PLAN (Page 49)**
The Board will review the plan.
13. **AOB**
Dates for future meetings are included in the table below:

Date	Meeting
20 May 2025 – Statement of Accounts and Annual Report	Online
12 August 2025	In person - Winsford
21 October 2025	Online

MINUTES OF LOCAL PENSION BOARD – 18 February 2025

PRESENT

Board Members: Amanda Stott (Chair),
Geoff Wright (Member representative, Unison),
Kay Lennon (Employer Representative, CW&C)
Jason Lambert (Member Representative, CW&C)

CW&C Officers: Heidi Catherall and Aaron Thomas

Apologies: Cllr Robert Bisset (Employer Representative, CW&C)

1. PROCEDURAL MATTERS

- 1.1 No declarations of interest were received.
- 1.2 The Board reviewed the minutes from the meeting which took place on 22 October 2024 having previously approved them by email. The Board noted the minutes from the Pensions Employer Forum meeting which took place on 7 February 2025.
- 1.3 The action tracker was reviewed, and the contents noted. Officers will develop a programme to deliver training to Board members on administration processes. Recognising the challenging agenda facing the Fund this year, and the resources required to meet them, the training will be organised for early 2026.

2. REVIEW OF PENSION FUND AND INVESTMENT SUB COMMITTEE MINUTES

- 2.1 The Board reviewed the minutes from the Pension Fund Committee meeting held on 6 December 2024.
- 2.2 The Board also reviewed the minutes from the Investment Sub Committee meeting held on 15 November 2024.

RESOLVED that the Board: Noted the minutes of the Pension Fund Committee and Investment Sub Committee meetings.

3. PENSIONS PROGRAMME

- 3.1 The Board received a verbal update on the pension transformation programme and its workstreams for 2024-25.
- 3.2 Officers provided an update on progress with issuing Annual Benefit Statements, the introduction of the new website and branding and the rollout of the Cheshire Employer Hub portal.

- 3.3 At the meeting on 13 May Board members will receive an update on the Fund's progress in completing the self-assessment of compliance with The Pension Regulator's General Code of Practice.
- 3.4 Officers will keep the Board informed of progress in meeting the actions outlined in the pensions programme.

4. PERFORMANCE MANAGEMENT FRAMEWORK Qtr 3 – 2024-25

- 4.1 The Board reviewed the Performance Management Framework (PMF) for quarter 3 (October to December 2024), which contained updates on key areas of performance and comparator information from previous quarters.
- 4.2 The rating on administration casework remains red due to casework backlogs exceeding 10% of membership. Board members noted the position.
- 4.3 The rating for the business plan was classed as amber. The amber rating on the business plan simply denotes some actions which will be realigned to the next quarter. All other areas of the PMF were rated as Green.
- 4.4 Board members received a copy of a letter which had been sent to the Chair of the Pension Fund Committee and Chief Operating Officer from Councillor Roger Phillips of the Scheme Advisory Board. The letter outlined the obligations of Funds and asks that they are suitably resourced and remunerated to attract and retain staff so that all the obligations can be met.
- 4.5 Internal Audit had completed their report on the Fund's death processes and given a rating of 'substantial assurance', the highest rating available. The report included a recommendation for the Fund to introduce fraud training for staff members which is being explored with the Council's fraud manager. A fraud risk assessment may be carried out to ensure the training can be targeted to best effect.
- 4.6 The Board received two direct submissions during the quarter relating to IT issues, meeting with the Fund and the appointment of the new chair of the Board.

5. UPDATE FROM THE SCHEME ADVISORY BOARD

- 5.1 The Board noted the agendas from the recent Scheme Advisory Board meeting, and those from the sub committees.
- 5.2 The Board received a report setting out the regulatory changes that the Fund will need to address during 2024 and beyond and were provided with an update on the recent government consultation entitled 'LGPS: Fit for the Future'.
- 5.3 The Fund responded to the consultation on 16 January and are working with the pooling company, LGPS Central Ltd, to submit their plan to deliver the requirements set out in the consultation, by the 28 February deadline set by Government.

- 5.4 The Board also reviewed the Fund's updated Risk Management Policy which had been endorsed by the Pension Fund Committee at its meeting on 6 December 2024. The policy had been updated to align with The Pension Regulator's General Code of Practice.
- 5.5 The Board also received copies of the latest two reports which were presented to the Pension Fund Committee on 6 December 2024 regarding the McCloud remedy and the Pensions Dashboards programme.
- 5.6 Both the Board and the Committee will continue to receive regular updates on both McCloud and the Pensions Dashboards Programme at each meeting.

RESOLVED that the Board:

- a) Noted the regulatory changes that the Fund will need to address during 2024.
- b) Noted the position with regards to the McCloud remedy and the Pensions Dashboards programme.

6. INTERNAL AUDIT ASSURANCE

- 6.1 Board members received a report from Internal Audit which provided an overview of its role and approach to assessing the Fund's internal control framework.
- 6.2 The report covered all areas that the Pension Regulator's General Code of Practice expects from an independent assurance provider, which is demonstrating independence, managing conflicts of interests, and having suitable knowledge to undertake the assessments.

RESOLVED that the Board: Noted the report.

7. LOCAL PENSION BOARD ANNUAL REPORT 2024-25

- 7.1 Board members reviewed the format and content of the 2023-24 LPB Annual Report and outlined content to be included in the 2024-25 report.
- 7.2 As in previous years, officers will draft the 2024-25 report and send to Board members for comment via email ahead of the next meeting. The final version of the LPB Annual Report will then be approved at the next meeting on 13 May 2025.
- 7.3 The Board also confirmed that the budget of £5,000 will remain unchanged for the 2025-26 financial year to cover training and attendance at seminars and conferences. If any additional expenditure is required by the Board this can be reviewed as required.

RESOLVED that: Officers will produce a draft annual report reflecting the agreed content for Board members to review via email.

DATA QUALITY

7.4 The Board received a summary of the Data Scores which have been provided to the Pensions Regulator as part of the annual Scheme Return for the past five years, the latest of which were from 7 January 2025.

	TPR Scheme Return				
	10-Oct-22	9-Oct-23	2-Jan-24	1-Nov-24	7-Jan-25
Common Data	99.10%	99.17%	99.74%	96.00%	99.74%
Scheme Specific Data	77.17%	74.04%	85.62%	84.00%	85.62%

7.5 The common data scores have improved over the years due to the address tracing undertaken by the Fund. Scheme specific scores have also improved reflecting the ongoing work with employers on data cleansing.

RESOLVED that the Board: noted the position on the common and scheme specific data scores.

8. COMPLIANCE UPDATE

8.1 The Board were presented with a summary of the breaches log for the period to 30 September 2024, noting that thirty-one breaches had been logged over the period, thirty of which required no further action following investigation.

8.2 The Board noted the red breach relating to the Annual Benefit Statements (ABS) and the data improvements which the Fund has since made which resulted in the percentage of ABS for active members rising from 85% to 94%.

RESOLVED that: Board members noted the summary breaches log covering the period to 30 September 2024.

9. FEEDBACK FROM EVENTS

9.1 AS attended the LGA Fundamentals training, which was made up of 3 sessions across October to December 2024. AS felt there could have been more sessions targeted at Board members specifically. This has been fed back to LGA.

9.2 HC previously delivered such a presentation at day 3 of the Fundamentals course a few years ago. HC delivered a similar presentation at the CIPFA/Isio LPB event on 21 November 2024.

9.3 AS and GW attended the Joint Committee and Board training which took place on 25 October 2024.

9.4 AS attended a Joint Chairs meeting with the Chair of the Pension Fund Committee on 16 December 2024.

9.5 AS and JL attended the LGA Governance Conference in Bournemouth on 30/31 January 2025 as well as the Pensions Employer Forum meeting on 7 February 2025.

RESOLVED that: Board members will circulate copies of event slides.

10. REVIEW OF THE WORK PLAN

10.1 The Board reviewed the work plan.

10.2 The review of progress with compliance against the General Code of Practice will be added to the agenda for the 13 May meeting.

10.3 AS also suggested that Board members complete the 2025 training self-assessment during a meeting. This will be added to the workplan for the October 2025 meeting.

11. AOB

11.1 Dates for future meetings in 2025 take place as follows:

Date	Meeting
13 May 2025	In person - Chester
20 May 2025 – Statement of Accounts and Annual Report	Online
12 August 2025	In person - Winsford
21 October 2025	Online

Cheshire Local Pension Board – Actions Tracker

May 2025

Item Number / Date Raised	Topic	Action	Latest Position
Item 1 – Minutes of the Last Meeting 27 October 2020	Attendance of interested parties at future meetings	At the Board meeting in October 2020, members discussed whether there was an opportunity to invite interested parties to observe future meetings with a view to joining when a vacancy arises. The Board requested that this be included within the action tracker.	Board members will invite interested parties to attend future meetings.
Item 1 – Minutes of the Last Meeting 22 October 2024	Training on administration processes	Board members had previously attended the Pension Fund offices to see how administrators process casework. This was a useful learning experience for members which would be beneficial to repeat. Officers were asked to review the original agenda for the training and suggest a programme for the Board to review at the next meeting.	Officers provided an overview of previous training that had been delivered at the Board meeting on 18 February 2025. Officers will develop a programme to deliver training to Board members on administration processes. Recognising the challenging agenda facing the Fund this year, and the resources required to meet them, the training will be organised for early 2026.
Item 10 – Review of the work plan 22 October 2024	Internal Controls	Board members discussed the requirement to review the process for Internal Audit in assessing internal controls of the fund and external audit process for reviewing the Accounts and Annual Report.	Internal audit produced a report setting out the assurance process which was presented to the Board on 18 February 2025.

<p>This is the quarterly pack of Pension Fund performance information which is based on the period 1 January to 31 March 2025 and includes a comparison to the previous quarter - 1 October to 31 December 2024.</p> <p>The overall assessment for Quarter 4 is Red.</p> <p>A summary of performance for each area is shown below including a RAG status. There is also a detailed worksheet for each of the subjects which contains more detailed information.</p>	Qtr 4 (Jan-Mar 25)
	Summary position:
	This Quarter - 1 Jan to 31 Mar 25
	RED
	Previous Quarter - 1 Oct to 31 Dec 24
RED	

Subject	Comment	RAG Status
Administration Casework	<p>Overall administrators have completed 19,033 cases during the 3 month period to March 2025, compared to 17,063 cases during the 3 month period to December 2024.</p> <p>The status is RED because the number of pieces of casework outstanding exceeds more than 10% of the membership.</p>	RED
Breaches	<p>The Fund updates the Breaches Log on a monthly basis. All Breaches are reviewed by the LPB, with approval also provided by the Director of Governance where necessary, in accordance with the Breaches Policy. The PFC and LPB also receive a summary of all breaches (since inception), including identified trends, on a quarterly basis.</p> <p>There were 7 new breaches in quarter 4 of 2024/25 (compared to 14 in quarter 3 of 2024/25). All 7 of the breaches related to the collection of contributions income.</p> <p>During quarter 3 and 4, all breaches were recorded as Green (Closed) with the exception of 2 breaches which were Red (Report) and 6 breaches which were Amber (Monitor) breaches. The Red and Amber breaches were all in relation to two employers who had not paid their contributions.</p>	GREEN
Compliance	The Fund did not identify any material compliance issues during the quarter.	GREEN
Contributions Monitoring	<p>In accordance with regulations contributions should be received by the Fund by the 22nd of the month (if paid electronically) after they have been deducted from pay.</p> <p>The Fund also has an internal KPI to receive at least 98% of contributions income on time each month. The Fund collected over 99% of contributions income in each of the last six months.</p>	GREEN
Financial Performance	The Fund's 2024-25 budget for Administration/Oversight and Governance Costs is c£5.75m. The outturn for Quarter 4 2024-25 is an underspend of £153k.	GREEN
HR (absence)	<p>The service lost 34 days through sickness during quarter 4 (Jan-Mar 2025) of 2025-26 which equates to an annual average of 3%. This compares to 67 days lost in quarter 3 (Oct-Dec 2024) which is an annual average of 3%.</p> <p>There were no sickness days lost in the quarter relating to work related stress.</p>	GREEN
Debt Recovery	The Pension Fund has £1.6m of debt outstanding at the end of Quarter 4 of 2024/25, £21k of which relates to prior years. The RAG status is GREEN to reflect the fact that the value of debt outstanding over 90 days is 20%. Many of the invoices in the over 6 month period are being paid in monthly installments.	GREEN
Business Plan Progress	<p>The 2024-28 Business Plan was approved by the Committee in March 2024.</p> <p>An Action Plan Tracker has been produced for the 2024-25 year and sets out the milestones to be achieved during that year.</p> <p>A reporting framework summarises progress on each action and highlight issues on an exception basis.</p> <p>The reporting framework has an overall RAG rating of Amber for Qtr 4 denoting that actions under Administration and Communication will be slightly delayed.</p>	AMBER
Feedback from External Sources	The RAG status is GREEN to reflect the fact that the value of debt outstanding over 90 days is 20%. Many of the invoices in the over 6 month period are being paid in monthly installments.	GREEN
Investment Manager Qualitative and Quantitative Performance	The Fund monitors its overall investment performance over periods of at least 3 years. It believes that this is a reasonable period of time over which it can begin to meaningfully assess performance. Performance is monitored against the Fund's tailored benchmark, CPI and asset performance assumptions from the most recent valuation. This allows the Fund to monitor its investment performance both on a standalone basis, and relative to the long term funding plan. As shown by the accompanying chart, rolling 3 year investment performance is ahead of benchmark, CPI and the valuation assumption.	GREEN

Scheme Advisory Board

HYBRID MEETING – 24 March 2025

2.00pm – 4.00pm

Beecham Room, 7th Floor, 18 Smith Square and MS Teams

AGENDA

Item		Paper	Timings
1	Welcome, apologies and introductions		2.00
2	Meeting protocol and declarations of conflicts of interest		2.05
3	Interim arrangements in absence of Board Secretary	Verbal	2.10
4	Actions and Agreements from meeting of 25 November 2024	Paper A	2.15
5	LGPC update	Paper B	2.20
6	Local Government Reorganisation and the LGPS	Paper C	2.35
7	Fit for the Future consultation: next steps post consultation	Verbal	2.45
8	Summary of legal advice on fiduciary duty	Paper D Annex A (Confidential)	3.05
9	Scheme Annual Report 2023-24 – initial findings	Paper E	3.15
10	Website upgrade project and communications strategy (CONFIDENTIAL)	Paper F Annex A Annex B	3.25
11	Board and Committee Membership	Paper G Annex A	3.35
12	Compliance & Reporting Committee report	Paper H	3.40
13	Cost Management, Benefit Design and Administration Committee report	Paper I	3.45
14	Investment Committee report	Paper J Annex A Annex B	3.50
15	AOB and date of next meeting		3.55

Scheme Advisory Board Secretariat

18 Smith Square, London SW1P 3HZ

E SABSecretariat@local.gov.uk W www.lgpsboard.org

Cost Management, Benefit Design and Administration Committee (CMBDA)

DATE:	24 February 2025
VENUE:	Hybrid meeting (MS Teams and 18 Smith Square)
TIME:	11:00am to 1:00pm

AGENDA

Item		Paper	Timings
1	Welcome, introductions, apologies and declaration of interests		11:00
2	Meeting protocol		11:05
3	Actions and Agreements from 21 October 2024 meeting	Paper A	11:10
4	LGPC Update	Paper B	11:15
5	Ministry of Housing, Communities and Local Government (MHCLG) update	Verbal	11:25
6	2025 fund valuations and section 13	Verbal	11:35
7	Update from Gender Pensions Gap working group	Paper C Annex A Annex B	11:45
8	Update on Pensions Review – Phase Two	Verbal	11:55
9	New Fair Deal and the Two-Tier Code	Verbal	12:00
10	Normal Minimum Pension Age	Verbal	12:20
11	Committee Workplan	Paper D	12:30
12	Local Government Reorganisation	Verbal	12:40
13	AOB and date of next meeting		12:50

Investment Committee

DATE:	3 March 2025
VENUE:	Hybrid Meeting (MS Teams and 18 Smith Square)
TIME:	11:00 – 13:00

AGENDA

Item		Paper	Timings
1	Welcome, introductions, apologies and declaration of interests		11:05
2	Meeting protocol		11:10
3	Actions and Agreements from 11 November 2024	Paper A	11:15
4	Ministry of Housing, Communities and Local Government (MHCLG) Update	Verbal	11:20
5	Code of Transparency Compliance Update	Paper B	11:30
6	Code of Transparency Project Update	Paper C	11:40
7	Fit for the Future: next steps post consultation	Verbal	11:55
8	Responsible Investment Advisory Group (RIAG) Report	Paper D	12:10
9	Legal advice on fiduciary duty	Paper E	12:20
10	Committee Workplan	Paper F	12:30
11	Date of next meeting		12:40

Compliance and Reporting Committee (CRC)

DATE:	17 February 2025
VENUE:	Hybrid meeting – MS Teams & 18 Smith Square
TIME:	11.00am – 1.00pm

AGENDA

Item		Paper	Timings
1	Welcome, introductions, apologies and declaration of interests		11:00
2	Hybrid meeting protocol		11:05
3	Actions and Agreements from 21 October 2024 meeting	Paper A	11:10
4	Ministry of Housing Communities and Local Government (MHCLG) update	Verbal	11:15
5	Good Governance and Administration Working Group update	Paper B	11:30
6	Peer Support Offer	Paper C	11:40
7	Audit update	Paper D	11:55
8	Knowledge and skills	Paper E	12:10
9	Scheme annual report and annual report guidance update	Verbal	12:20
10	Workplan update	Paper F	12.35
11	AOB and date of next meeting - CRC Chair		12:45

Pension Fund Committee – 7 March 2025
REGULATORY UPDATE**Introduction**

1. This report provides an overview of recent regulatory changes and events, along with an update on expected future consultations which will impact the Local Government Pension Scheme (LGPS).
2. The report also provides an update on any significant changes in guidance which the Fund must have regard to.

Recommendation

3. The Committee is asked to note the position as set out in the report.

Ministerial Appointments

4. Torsten Bell MP was appointed Parliamentary Secretary at HM Treasury (HMT) and the Department of Work and Pensions (DWP) on 14 January 2025.
5. Emma Reynolds MP, who previously held this role from 9 July 2024, was appointed Economic Secretary to the Treasury.

Pensions Review / “Fit for the Future” Consultation

6. Following the report to this Committee on 6 December 2024 setting out Fund officers’ initial responses to the Government’s “Local Government Pension Scheme (England and Wales): Fit for the Future” consultation, officers continued to refine and develop the Fund’s response to the consultation, engaging with other stakeholders within the Central Pool region (such as LGPS Central Ltd and our fellow Partner Funds in the pool), and taking account of other views expressed by industry commentators in the lead up to the submission deadline.
7. The Fund’s response to the consultation was formally submitted on 16 January 2025 in line with the Government’s deadline. In the meantime, the Fund has worked with LGPS Central Ltd and our Partner Fund colleagues to develop, alongside our consultation response, a formal plan setting out how the pool would deliver a set of minimum standards in relation to asset pooling, aligned with the proposals described in the consultation. This “Fit for the Future” plan was submitted by LGPS Central Ltd on behalf of the Central Pool on 28 February 2025.
8. At the time of reporting, Fund officers do not have any information on the potential timescales for the Government to provide feedback on the consultation responses or the plans submitted by the eight pooling companies. It is unclear at this stage whether the outcome of the consultation process will be new primary legislation, new secondary legislation in the form of regulations, or a combination of both. We understand a Pensions Bill is expected to be laid before Parliament during 2025, but the specific scope and timescales for this Bill are unknown.

The Pensions Regulator's General Code of Practice

9. As reported to this Committee on 8 March 2024, the Pension Regulator's new General Code of Practice was launched in early 2024 and came into force on 27 March 2024.
10. Fund officers are in the process of undertaking a review of compliance with the General Code of Practice, so as to i) identify any compliance gaps and put in place an action plan to ensure these are addressed; and ii) report a self-assessment status, supported by evidence, to Committee and to the Local Pension Board, within 12 months of the new Code coming into force.
11. This activity is in hand and is expected to be completed such that a report of compliance gaps and overall self-assessment status will be presented to the Local Pension Board in May 2025 and then to this Committee at its meeting in late May 2025.

Extension of New Fair Deal to Further Education (FE) Colleges

12. HMT has confirmed in a letter to the Association of Colleges that New Fair Deal guidance applies to FE colleges that operate in the statutory sector in England from 14 November 2024.
13. The new Fair Deal guidance provides that compulsorily transferred employees must have continued access to the same public sector pension scheme with the new employer. It was published in 2013 and applies directly to central government departments, agencies, and other parts of the public sector under the control of central government eg academies.
14. It has been extended to FE colleges in England following the reclassification of FE colleges as public bodies in November 2022.
15. When a Fair Deal employer undertakes an outsourcing, the new employer must continue to provide the transferred employees with access to the LGPS in their new employment (where the employees were eligible to be members of the LGPS before the transfer).

Pension Fund Committee – 7 March 2025
McCLOUD REMEDY**Introduction**

1. This report provides the Committee with an update on the Fund's progress with implementing the changes required because of the McCloud remedy.

Recommendation

2. The Committee is asked to note the position on the McCloud remedy.

Current Position

3. The Ministry for Housing, Communities and Local Government (MHCLG) issued statutory guidance for the implementation of the McCloud remedy in June 2024.
4. The guidance aims to achieve a consistent application of the remedy across the LGPS and includes a deadline for implementation of 31 August 2025.
5. By this date the new underpin should be applied to all leavers, all retrospective changes to benefits for most members (who left since 1 April 2014) should have been made and annual benefit statements (ABSs) for 2025 should reflect the McCloud remedy.
6. The wording below is an extract from the MHCLG guidance confirming the requirements.

McCloud implementation phase - In a number of places, this guidance refers to the 'McCloud implementation phase', which we define as follows:

For most members, the period up until a fund's annual benefit statements (ABSs) for 2024/25 are issued, which must take place by the end of August 2025.

At the end of the implementation phase:

- a) all retrospective amendments to members' pensions and other rights needed as a consequence of the 2023 Regulations should have been concluded, and*
- b) a fund's records for members who qualify for McCloud remedy but have not yet taken their pensions should be accurate (so that the annual benefit statements issued to members for the 2024/25 scheme year consider the McCloud remedy in full).*

7. The guidance does allow for the implementation phase to be extended to 31 August 2026 for specific members or classes of members. Such cases are not defined in the guidance.
8. In order for the Fund to meet the deadlines set out for the implementation phase of McCloud we require the administration software functionality from Civica. As explained in the next section of this report, there have been considerable issues and delays with the functionality which leave the Fund at real risk of not being able to meet these deadlines.

9. To reflect this, an additional risk has been added to the risk register. The Fund is working with Civica who are developing a new delivery plan for the required functionality. The plan should be available in early March.

Administration System Developments

10. Members will recall that some functionality changes resulting from the McCloud remedy have already been delivered to date, which allows the Fund to implement the calculation of the new underpin for:
 - Retirement of active members aged under 65; and
 - Calculation of deferred benefits for members under age 65.
11. All remaining functionality, including that required to process all leavers using the new underpin, and to allow the possible rectification of casework which has been processed since 1 April 2014, was due to be delivered in two further tranches, the first in October 2024 and the second in January 2025.
12. The Fund received the first tranche of functionality and completed user acceptance testing. There were a number of issues with the functionality identified through testing which needed to be fixed before the Fund could promote the functionality to the live database. A further patch failed to correct the issues and identified some new issues.
13. As such, the Fund was unable to implement the tranche 1 functionality changes into the system by the end of February. The end of February was required because the Fund will now be completing the annual pensions increase (PI) process during March so would not be able to accept any upgrades to the functionality to ensure it did not impact upon the PI process.
14. In addition, from April the Fund will be commencing year-end processes which are required to prepare for the Annual Benefit Statements which must be issued by 31 August 2025. As 2025 is also a valuation year there is considerable work required to provide the necessary information to the actuary in the late summer of 2025.
15. Therefore, it seems unlikely that the Fund can meet the 31 August 2025 deadlines for the McCloud remedy and as such will need to make MHCLG aware of the position and report itself to the Pensions Regulator as this would represent a breach of the law.
16. This position is not unique to Cheshire, there are several LGPS clients across the country in a similar position and we have collectively shared our concerns with Civica.
17. Civica have provided a statement on the issues which is set out below:

The McCloud ruling has led to a challenging and complex implementation of the resulting software changes to our pensions system, UPM. This has not been helped by amendments in guidance at points throughout the project which has impacted the scope and delivery timescales.

Civica is aware that clients have 3 main objectives to meet:

- *Apply the new McCloud underpin to leavers.*
- *Rectify all casework since 2014.*
- *Add the McCloud underpin detail to all annual benefit statements.*

Whilst progress has been made in all areas, Civica understands that clients are required to meet a Legislative deadline to include the McCloud Underpin in the production of Annual Benefit Statements and issue them by 31 August 2025. Ideally, the project would have been phased to deliver the functionality in its entirety earlier and we are aware that our current projected delivery timescales will provide a challenge to clients in meeting the August deadline.

Civica is looking at all reasonable measures to accelerate our project delivery and is also considering how we can help clients in their discussions with the various Regulatory bodies. Further information on the progress of the project will be shared on Tuesday 4th March and our new interactive delivery plan will be available to allow you to track progress more closely.

Implementation and Rectification Plan

18. As the Committee are aware, the Fund needs to develop a detailed implementation and rectification plan to manage the work required because of the McCloud remedy.
19. Production of a plan was initially delayed while the Fund waited for remaining guidance and regulations to be finalised, and the remaining administration system functionality to be in place.
20. Full guidance has now been received, and although the Fund doesn't yet have the functionality in the administration system, the Fund is now preparing to develop this detailed plan.
21. A procurement process to commission the services of a third-party provider to assist with the production of the plan will conclude in quarter 4. The provider will assist the Fund with identifying all changes necessary to processes and procedures to correctly apply the McCloud remedy going forward and will assist with planning for rectification of cases processed since 1 April 2014.
22. The Committee will continue to receive update reports setting out progress on this matter at future meetings.

Pension Fund Committee – 7 March 2025
PENSIONS DASHBOARDS PROGRAMME**Introduction**

1. This report provides an update on the Fund's progress in preparing for the implementation of the national Pensions Dashboards Programme.

Recommendation

2. The Committee is asked to note the position on the Fund's preparation for the Pensions Dashboard Programme (PDP).

Integrated Service Provider – Volunteer Phase

3. The Fund previously appointed its administration software database provider, Civica UK Limited, as their Integrated Service Provider (ISP).
4. As previously reported to the Committee, before becoming an approved ISP, all such providers are required to go through a 'beta' testing phase managed by the PDP and be officially signed off by the national programme. This sign off process is now being referred to as the 'volunteer' phase.
5. Civica commenced their volunteer phase in December 2024 but have not been provided with a definitive deadline for when they will be officially signed off as an ISP, although it is expected that the process will conclude by April 2025.
6. That means the first Civica ISP client will not be able to 'onboard' until May 2025 at the earliest. The date for Cheshire to onboard has not yet been confirmed.
7. The deadline for all LGPS Funds, including Cheshire to connect to the national dashboards service is 31 October 2025. The national deadline for all dashboards to have gone live, as set out in regulations, is 31 October 2026.
8. Given the relatively short timeframe between May and the onboarding date of October there is little time available should any issues be encountered with the onboarding process.
9. The Pensions Dashboard Programme recognise these delays in the ISP sign off are beyond the Fund's control and have stated provided their ISP are in the 'volunteer' phase, Funds will not need to find an alternative way to connect to the dashboards by the October 2025 deadline. An extract from the PDP website confirms this position:

PDP expects the connection of pension providers and schemes in guidance to begin as planned from April. However, due to the agile way the programme is working with volunteer participants, there remains some uncertainty about when all the volunteer participants will have completed the connection process.

The guidance-based approach is designed to be flexible to recognise this potential uncertainty. Therefore, while providers and schemes must have regard to the

connection timetable in guidance, if they have appointed an integrated service provider (ISP) which is not able to connect them by their date in guidance, they can be reassured that they do not need to reconsider their route to connection.

PDP will work closely with the volunteer participants to reschedule connection slots if this becomes necessary. All providers and schemes will be able to connect far in advance of the mandatory connection deadline of 31 October 2026.

10. In the meantime, the Fund is working with our ISP on preparatory work, drafting policies required for dashboards and focussing on data cleansing.

Data Cleansing

11. The Fund will need to baseline and assess the quality of the data required to support the dashboard programme and cleanse any records as necessary ahead of our onboarding deadline.
12. The Fund have appointed Intellica, via our existing Civica contract, to complete the data baselining and cleansing work.
13. Civica have now developed the connection between the software used by Intellica, known as Pyxis, to the administration system, so that we can commence the data baselining and cleansing work.
14. Work will commence in March to assess the quality of data held by the Fund which is required for dashboard purposes. It will also assist with the prioritisation of any data cleansing work.

GENERAL CODE OF PRACTICE – SELF ASSESSMENT 2024-25

Introduction

1. This report provides the Board with the outcome of the Fund's first self-assessment against the requirements of The Pension Regulator's General Code of Practice.

Recommendation

2. The Board are requested to note and endorse the outcome of the General Code of Practice 2024-25 self-assessment and the resulting improvement action plan for 2025-26.

Background

3. Board members will be aware that The Pensions Regulator (TPR) launched their new General Code of Practice (GCoP) in 2024, coming into force on 27 March that year. It replaces a number of more specific codes of practice, including the "Public Service Code 14" which the Fund has previously reported compliance against.
4. Through briefings at the time of launch, TPR indicated that Funds would be expected to complete a first self-assessment against the GCoP's requirements during the first twelve months following the GCoP coming into force, with an action plan being set out for closure of any compliance gaps identified during the assessment. This report therefore presents the outcomes arising from the Fund's first self-assessment.

Approach to self-assessment

5. When the GCoP was initially launched in early 2024, Fund officers carried out an initial "first pass" self-assessment, identifying which areas of the GCoP requirements were felt to be in hand, and which presented potential compliance gaps where action could be taken to resolve such gaps in advance of the outcomes of our first self-assessment. Fund officers sought to close as many such compliance gaps as possible during the course of 2024.
6. Officers have built an in-house compliance assessment tool, containing all of the GCoP's content, broken down by module and categorised based on our view of whether the content is explanatory text, a requirement for LGPS funds, a good practice recommendation, or not applicable to the Fund. The tool allows commentary to be recorded against each requirement and also evidence to be attached as required to support the self-assessment commentary. This approach will effectively support any subsequent independent reviews of our compliance position.
7. Towards the end of 2024 and into 2025, Fund officers shifted activity from compliance gap closure to formal self-assessment and evidence gathering, with a focus at this stage on those GCoP expectations deemed to be mandatory requirements rather than those indicated as being good practice.

Summary of self-assessment outcomes

8. Fund officers' analysis of the GCoP requirements have identified just over 500 individual requirements which as an LGPS fund we are required to comply with.
9. At the time of reporting, the evidence gathering process is drawing to a close. Around 12% of these requirements have not yet been fully assessed with evidence in place to support the

assessment. These mainly relate to the GCoP modules covering transfers out, contribution refunds, scam prevention, general principles for member communications, and benefit information statements (ie Annual Benefit Statements). These assessments are well in hand and are expected to be complete by the time of the next Board meeting.

10. Fund officers have assessed that around 80% of the GCoP requirements are “fully compliant”, with no improvement actions required. The remaining 8% of requirements are either assessed as “partially compliant” or “not compliant”, with “partially compliant” meaning some of the relevant requirements are already met but improvement actions are required to achieve full compliance.

Action plan

11. Based on those requirements which are assessed as “not compliant” or “partially compliant”, an action plan has been produced which sets out the outcomes which the Fund must achieve in order to close these identified compliance gaps.
12. A summary of the key themes in this action plan is provided at Appendix A to this report.
13. This action plan forms part of the Fund’s Strategic Deliverables for 2025-26, and as such progress in delivering this plan will be reported as part of overall business plan reporting to the Board and to the Pension Fund Committee.

Next steps

14. The Fund’s self-assessment against the GCoP requirements and the resulting action plan forms a key element of our overall programme of work in relation to governance. The anticipated next steps in this area are as follows:
 - Work will continue to finalise the self-assessment for those areas currently not completed, with any additional action plan items in these areas being included in the overall action plan and reported accordingly;
 - The findings in this report will also be presented to the meeting of the Pension Fund Committee in May 2025;
 - Regular updates will be brought to the Board and to the Pension Fund Committee on delivery of the action plan arising from this self-assessment, through regular business plan progress reports;
 - Fund officers have engaged with the Administering Authority’s Internal Audit team to schedule a first independent review during 2025 of the Fund’s self-assessment findings and supporting evidence, to provide assurance that the findings in this report are supported appropriately with sufficient narrative and evidence – the outcome of this review will be reported to the Board upon completion;
 - Fund officers await updates from the Government following the recent “Fit for the Future” consultation, which included proposals for a potential independent biennial governance review – the conclusions on this aspect of the consultation will inform the Fund’s approach to future independent reviews of our GCoP compliance position;
 - If necessary, Fund officers will also investigate the option of commissioning our own independent compliance review, to be carried out by a third party specialist – this option to be progressed if conclusions on the Government’s proposals are not finalised in a timely manner; and
 - As capacity allows, Fund officers will extend this self-assessment approach to those GCoP expectations which are deemed “good practice” rather than “requirements”, with the potential for the resulting action plan to be extended accordingly in order to meet this extended target.

Appendix A
General Code of Practice – Compliance Action Plan – key themes

General Code module	Action theme
Role of the Governing Body	Ensure any knowledge and skills requirements arising from the “Good Governance” review, once finalised, are put in place
Meetings and decision-making	Review the Pension Fund Committee terms of reference to ensure full GCoP compliance and also with reference to emerging “Good Governance” requirements once these are finalised
Risk management	Having completed a full operational risk assessment, determine any additional controls required to reduce assessed risk levels
Conflicts of Interest	Update Fund’s existing Conflicts of Interest policy to ensure compliance with GCoP and “Good Governance” requirements
Planning and maintaining administration	Develop a workforce plan to ensure the right resources and skills are in place now and into the future to deliver the Fund’s outcomes
Planning and maintaining administration	Enhancements to processes to ensure staff understand the scope of their responsibilities and have the knowledge and skills to deliver these, including formalising outputs from supervisory processes, developing performance reporting tools to support overall performance management processes, and improving training records
Planning and maintaining administration	Improvements to reporting of achievement of service levels as set out in the Administration Strategy
Planning and maintaining administration / Receiving contributions	Ensure process descriptions and guidance are up to date and regularly reviewed
Planning and maintaining administration	Ensure business continuity plans are appropriately tested
Financial transactions	Review identified processes within the UPM administration system and more widely to improve efficiency and ensure appropriate authorisation controls where necessary
Financial transactions / Record-keeping	Work with Civica and other third parties to improve data quality reporting and user access rights management
Data monitoring and improvement	Work with ICT and Civica to improve facilities for record deletion in line with data retention policies
Data monitoring and improvement	Work with Administering Authority subject matter experts to deliver data protection training to Fund officers and ensure supporting information is available to staff to support operational delivery
Data monitoring and improvement	Work with Administering Authority subject matter experts to assess data protection training to Committee and Board members, and supplement as required
Maintenance of IT systems	Work with Civica to ensure supplier compliance with a number of contractual obligations in relation to statutory compliance, upgrade testing, business continuity testing, and support arrangements
Maintenance of IT systems	Work with the Administering Authority’s ICT service to ensure the current action plan arising from a recent independent review is delivered, and that policies and processes relating to data backups and hardware / software support are confirmed

Receiving contributions	Work with Civica to introduce automated assessments of Annual Allowance compliance for Fund members
Dispute resolution procedures	Ensure communications from the Fund and from Fund employers make suitable references to the Fund's complaints and dispute resolution processes
Dispute resolution procedures	Review the Fund's current internal dispute resolution process to ensure compliance with all GCoP requirements and to address any improvements arising from external reviews
Dispute resolution procedures	Perform an annual review of the effectiveness of the Fund's disputes process

LPB 2024-25 ANNUAL REPORT and OUTTURN**Introduction**

1. This Board will be requested to approve the LPB Annual Report for 2024-25 which includes a summary of the expenditure incurred during the year. A copy of the Annual Report is attached as Appendix A.

Recommendation

2. The Board are requested to approve the LPB 2024-25 Annual Report.

Annual Report

3. Board members reviewed the 2023-24 LPB Annual Report at the last meeting in February and discussed and agreed the content to be included within the 2024-25 report.
4. A draft of the 2024-25 report was previously circulated to Board members via email and the final version is presented today for the Board to approve.
5. Included within the Annual Report is a summary of the expenditure incurred by the Board during the year against the allocated budget of £5k. The total expenditure for the year was £2,870, the majority of which was spent on attending training events, conferences and seminars to maintain knowledge and understanding of Board members.
6. The LPB report which be published as part of the wider Cheshire Pension Fund Annual Report and will be available on the website.

Cheshire Pension Fund

Local Pension Board

Annual Report 2024-25

INTRODUCTION

Welcome to the tenth annual report for the Local Pension Board (“the Board”) for the year ending 31 March 2025.

The Board assists Cheshire West and Chester Council, as Administering Authority and Scheme Manager to the Cheshire Pension Fund (“the Fund”), with the efficient governance and administration of the Fund.

The Board said goodbye to Peter Raynes, who had chaired the Board for over 9 years from inception in August 2015 through to September 2024.

The Board and the Fund are grateful for Peter’s contribution over the years and wish him well for the future.

I took over as Chair in September 2024 and am pleased to have joined the Board.

The Board met five times in the year and Board members also attended three joint training sessions with the Pension Fund Committee to maintain and develop their knowledge and understanding.

The Board places great importance on being open and transparent. A wealth of information relating to the Board, including minutes of meetings, can be found on the Fund’s website. There is also a facility for members to contact the Board for any questions / issues relating to the Board’s role:

<https://www.cheshirepensionfund.org/members/resources/forms/contact-the-pension-board/>

A summary of the work undertaken by the Board in the past year, along with information about the work plan for the year ahead, is included in this report.

Amanda Stott
Local Pension Board Chair

1. Board Membership

- 1.1 The Board currently consists of five members - two scheme members and two employer representatives - and an independent Chair. All members are unpaid volunteers.
- 1.2 Terms of office are staggered to ensure business continuity.
- 1.3 Further information, including biographies of each member, is available on the Fund's website.

Role	Name	Organisation	Date Appointed	Term End Date
Employer representative	Kay Lennon	Cheshire West and Chester Council	26/06/23	25/06/26
Employer representative	Cllr Robert Bisset	Cheshire West and Chester Council	26/06/24	25/06/27
Member representative	Geoff Wright	UNISON	26/06/24	25/06/27
Member representative	Jason Lambert	Cheshire West and Chester Council	26/06/23	25/06/26
Chair	Amanda Stott	Independent (non-voting)	26/09/24	25/09/27

- 1.4 During the year, Peter Raynes, Chair, reached the end of his tenure and was replaced by Amanda Stott. Peter held the role until 25 September 2024.

2. Review of 2024-25

- 2.1 Below is a summary of key areas of activity for the Board during the year and an outline of the plans for the year ahead.

Joint Chairs Meetings

- 2.2 The Chair of the Board and the Chair of the Pension Fund Committee (“the Committee”) continue to meet quarterly to discuss common issues.
- 2.3 These meetings provide the Chairs with a regular opportunity to discuss important topics and to ensure that their work is complimentary and avoids duplication of effort.

Pensions Employer Forum

- 2.4 The Pensions Employer Forum (“the Forum”) is made up of representatives from the main employers and employer groups within the fund. Members of the Board regularly attend Forum meetings, providing an important link between the Board and the Forum.

- 2.5 The Forum works with the Fund to ensure an efficient service is delivered for all stakeholders, with particular emphasis on administration and communication.
- 2.6 The Forum is key to assisting the Fund in developing new ways of working which improve efficiency for both the Fund and its Employers, and to assist the Fund in developing its transformation agenda which aims for services to be delivered with a ‘digital first’ ethos.

LGPS Central Board Chairs / Scheme Advisory Board Engagement

- 2.7 The Board’s Chair meets with Chairs from the Local Pension Boards of the other LGPS funds within the Central Pool (these are Derbyshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, West Midlands and Worcestershire LGPS funds).
- 2.8 These meetings allow the respective Board Chairs to discuss important topics, share ideas and receive first hand updates on national regulatory developments.
- 2.9 The Scheme Advisory Board (“the SAB”) plays an important role in this group. A SAB representative attends the meetings and provides regular updates on regulatory and other relevant issues. The updates are helpful as they provide an overview of the upcoming issues that all Local Pension Board members need to consider.
- 2.10 Two meetings of this group took place during the year, on 21 October 2024 and 2 April 2025 (moved from 24 March 2025).

Knowledge and Skills

- 2.11 The Committee endorsed the Fund’s training policy at its meeting on 13 March 2020. The policy was effective from 1 April 2020 and covers the collective training requirements for Committee and Board members.
- 2.12 A joint training plan was developed for the 2024-25 year. This was based upon the results of CIPFA knowledge and skills self-assessment questionnaires which had been completed by Committee and Board members.
- 2.13 In addition, the Fund maintained a record of any additional training and development opportunities which were attended by individual members of the Board and Committee to further their own knowledge and understanding.
- 2.14 Individual training opportunities are available through attendance at conferences and seminars, along with online learning facilities, such as The Pensions Regulator’s (TPR) Trustee Toolkit and the Hymans Robertson LGPS Online Learning Academy (LOLA).

- 2.15 In the autumn the Board and Committee Chairs again undertook their review of the collective training which had been delivered to members, the summary of the individual training and development, and the results from the further self-assessment questionnaire which had been completed by members.
- 2.16 The training plan for 2025-26 was derived from these results and approved by the Chairs.

Terms of Reference and Conflicts of Interest Review

- 2.17 The Board undertook its annual review of the Terms of Reference at its meeting on 22 October 2024. The Board did not identify any required changes.
- 2.18 The Board also reviewed the Fund's Conflicts of Interest Policy at the same meeting, and again did not identify any required amendments.
- 2.19 The Board note that there may be changes required to the Conflicts of Interest Policy once the outcomes from the SAB's Good Governance review are published. A further review of the policy will be undertaken during 2025 and in response to any required changes.

Regulatory Changes

- 2.20 The Board continued to receive detailed briefings on regulatory changes during the year with a specific focus on the two main developments (explained in 2.21 – 2.28 below), which the Fund is currently working on.

McCloud Judgement

- 2.21 The McCloud judgement refers to a legal ruling which found that transitional protections introduced in public sector pension schemes, when they changed from final salary to career average in 2014-2015, amounted to age discrimination to younger workers.
- 2.22 This regulatory change presents a significant challenge and will require input from all areas of the Fund. The McCloud remedy regulations came into effect from 1 October 2023.
- 2.23 The Fund is developing a plan to implement any necessary changes required because of the regulatory change, including the rectification of casework processed since 1 April 2014.
- 2.24 The Fund's progress on implementing the McCloud remedy has been delayed due to issues with receiving the necessary functionality from the administration system provider. The functionality is expected to be implemented in 2025.
- 2.25 The Board regularly monitor the Fund's progress in preparing for and meeting the requirements of this significant regulatory change.

Pensions Dashboard Programme

- 2.26 The Pensions Dashboard Programme requires all pension funds in the UK to onboard to a centralised dashboard service to allow members to view all of their pensions, including their LGPS membership, in one place.
- 2.27 The onboarding date for the LGPS is October 2025 and the Fund is working on the steps required to register for the dashboard service, to ensure all data is ready for use with the dashboards, and to implement back-office systems to accommodate any operational changes required as a result.
- 2.28 Again, the Board receives regular progress updates from the Fund in preparing for this significant regulatory change.

Risk Register

- 2.29 The Board undertakes regular reviews of its own risk register several times per year.
- 2.30 The Board risk register contains six risks that relate specifically to the Board itself. The register identifies additional actions which could be taken in future to further mitigate the risks. The Board seek to implement these where possible.
- 2.31 A high-level summary of the risks outlined in the Board's risk register along with their current rating is shown below:

Risk	RAG Status
Conflicts of Interest	Green
Maintaining knowledge and skills	Amber
Changes to Board membership	Amber
Monitoring compliance effectively	Green
Support to the Board	Green
National developments	Green

- 2.32 The Risk Register was reviewed at the Board meeting on 30 July 2024 and it was agreed that it contained all necessary risks.
- 2.33 At the July meeting Board members also undertook a review of the Fund's overall strategic risk register. The Board did not recommend any changes to the register.

The Pensions Regulator – General Code of Practice

- 2.34 On 10 January 2024 TPR published their General Code of Practice ("the GCoP"). The GCoP replaced ten specific Codes of Practice, including Code 14 The Public Services Pensions Code of Practice, which the Board has monitored the Fund's compliance against since 2015.

2.35 The Fund assessed compliance with the new GCoP during 2024-25 and developed an action plan to close identified gaps between required elements of the GCoP and current practice. Work continued on closing these compliance gaps during 2024-25.

2.36 The Board received regular updates on the Fund's compliance with the GCoP during 2024-25 and will continue to receive further updates in 2025-26.

Cyber Security

2.37 The Board have received regular updates on the Fund's progress of assessing and mitigating cyber security risk.

2.38 The Fund commissioned external support to assist with this work and has been providing regular updates to the Board throughout the year.

Internal Audit Reports

2.39 Another role of the Board is to review the outcomes from reviews carried out on Fund activities by the Administering Authority's Internal Audit ("IA") service. During 2024-25 there was one report completed by IA.

2.40 This related to the Fund's processes for managing deaths of members. The report assessed that there is 'Substantial Assurance' in the deaths process, the highest rating available.

2.41 The report did include one recommendation which centred around additional training relating to fraud. The Fund is developing a training course for staff members to meet this recommendation.

2.42 At the meeting which took place on 18 February 2025, the Board also received a report from IA which provided an overview of its role and approach to assessing the Fund's internal control framework.

2.43 The IA report covered all areas that TPR's General Code of Practice expects from an independent assurance provider, which is demonstrating independence, managing conflicts of interests, and having suitable knowledge to undertake the assessments.

Data Quality

2.44 The Board has a key role in managing oversight of the Fund's essential work to improve the quality of data held in relation to our members.

2.45 A quarterly report is presented to the Board confirming the Fund's TPR "common" and "scheme specific" data scores.

2.46 The Fund has a workstream in its transformation programme dedicated to improving data quality and continues to provide progress updates to the Board on a regular basis.

Transformation Programme

2.47 The Board undertake a quarterly review of the Fund's progress in meeting targets set within the transformation programme. This includes workstreams to tackle historic casework backlogs, improve data quality and further develop tools to progress the Fund's "digital first" agenda.

2.48 The Fund implemented the first phase of the new Cheshire Employer Hub, which is an online portal that allows employers to send member data to the Fund securely.

2.49 Further phases of development are planned for the future, which are expected to transform the way the Fund engages with our employers, furthering our "digital first" agenda.

2.50 The Fund introduced its first digital Annual Benefit Statements (ABS) for active members during 2024. Members can log on to the member portal, "My Cheshire Pension", and view their ABS digitally. "Digital ABS" will be implemented for deferred members in 2025.

2.51 As part of the Business Planning process for 2025-26, Fund officers identified that actions required to meet key objectives have been captured in different ways, many being held as actions within the transformation programme, and others being captured elsewhere within the overall Business Plan and supporting action plan.

2.52 This makes it more complicated to keep the Board, and the Committee, up to date on progress in delivering these multiple actions. Therefore, from 2025-26 the Fund will be implementing a Service Delivery Plan which will include all key objectives from across the Fund, in one place.

2.53 Both the Board and Committee will receive regular updates on meeting the objectives set out in the plan.

Breaches Policy / Log

2.54 With the introduction of the GCoP, the Fund has reviewed the requirements for logging and reporting breaches and has made a number of changes to the process. These changes were approved by the Board at its meeting on 30 July 2024.

2.55 The changes streamline the role of the Board to approving only those which require reporting to TPR.

2.56 The Board will continue to undertake a quarterly review to identify any trends which require further investigation.

2.57 The Breaches Policy is available on the Fund’s website.

Member Engagement

2.58 The Board has a dedicated facility on the Fund’s website to allow members to contact the Board with any questions.

2.59 The Board received three questions from the same group during the year, and provided a response to each. The subjects covered included:

- Pension Fund Committee attendance
- The September 2024 Pension Fund Committee meeting summary
- Appointment of the new Local Pension Board Chair
- Meeting the new Local Pension Board Chair
- IT issues associated with contacting the Board

3. Board Attendance at Meetings 2024-25

3.1 The terms of reference for the Board state that there should a minimum of four meetings per year. There were five meetings held during 2024-25.

3.2 The table below summarises the meetings which have taken place including attendance by members of the Board. (A tick denotes the Board member was present).

Members	14-May-24	21-May-24	16-Jul-24	22-Oct-24	18-Feb-25	Percentage
		SoA/AR				
Peter Raynes	✓	✓	✓			100%
Amanda Stott				✓	✓	100%
Cllr Rob Bisset		✓		✓		40%
Kay Lennon	✓		✓		✓	60%
Geoff Wright	✓	✓	✓	✓	✓	100%
Jason Lambert	✓	✓		✓	✓	80%

3.3 The meeting on the 21 May was dedicated to the review of the fund’s draft Statement of Accounts and Annual Report for 2023-24, so that the Board could ensure these had been produced in accordance with statutory and best practice requirements. This is an important part of the Fund’s governance process to produce the Statement of Accounts and Annual Report.

3.4 The Board’s review provided assurance to the Committee that they could recommend the draft accounts to be presented to the Council’s Audit and Governance Committee.

Skills and Development Activities

- 3.5 The Board and Committee have attended joint training sessions during the year which, as well as developing Board members' knowledge, have helped the Board to gain assurance that the Committee decision making processes are robust and properly informed, and are in accordance with regulations and best practice.
- 3.6 A summary of the training provided for the Board, including attendance, during 2024-25 is shown below.

Date	Topic	Delivered by	Board Attendees
12 July 2024	Financial Markets and Products	Mercer	Peter Raynes Geoff Wright
	Cheshire Pension Fund Annual Report 2023-24	Officers	
	Actuarial Valuations	Hymans Robertson	
	Valuation 2025	Hymans Robertson	
25 October 2024	Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management	Mercer	Councillor Bisset Jason Lambert Kay Lennon
	Climate Risk Report	LGPS Central Limited	
	Valuation 2025	Hymans Robertson	
	Breaches Policy	Officers	
	Training Plan Update 2025-26	Officers	
21 February 2025	Pensions Legislation and Guidance	Hymans Robertson	Geoff Wright Jason Lambert Kay Lennon
	Valuation 2025 – Council Contribution Modelling	Hymans Robertson	
	Valuation – Longevity Assumptions	Hymans Robertson	
	Business Plan 2025-29	Officers	
	Managing Cyber Risk	Officers	

External training events

- 3.7 Board members also attended a number of conferences, seminars and other training events in order to maintain knowledge and keep up to date with current issues facing the LGPS.

Event Date	Organised by	Topic
16 August 2024	Officers	Induction to LGPS
October – December 2024	LGA	Fundamentals
30-31 January 2025	LGA	Governance Conference

Budget

- 3.8 The Board agreed a budget of £5,000 for 2024-25 to assist with its operation. This included costs for training, external advice, expenses and travel costs.
- 3.9 The Board incurred costs of £2,870, which was spent on attending conferences and seminars (£1,994), hospitality for meetings (£55), and travel and accommodation costs (£821). Budgeted provisions for external advice were not required in 2024-25.

4. 2025-26 Work Plan

- 4.1 The Board already has a detailed work plan for 2025-26 which includes a number of key tasks for the Fund, as outlined below.
- 4.2 During the autumn of 2024 the Government launched a consultation: “Local Government Pension Scheme (England and Wales): Fit for the Future”. The consultation had a closing date of 16 January 2025.
- 4.3 The consultation largely focussed on the future of pooling of investment assets, but did also contain proposals aimed at implementing the findings from the SAB’s “Good Governance” review.
- 4.4 The response to the consultation is expected in the summer of 2025, and the Board will monitor the Fund’s progress in complying with any statutory and/or regulatory changes that may arise from it.
- 4.5 The Government have committed to introducing a new Pensions Bill in the summer of 2025. This Bill is expected to include regulatory changes aimed at removing any remaining aspects of discrimination in LGPS regulations, as well as outcomes from the “Fit for the Future” consultation.
- 4.6 The Board will ensure that the Fund adheres to any statutory / regulatory changes which may come into effect during the year, as well as those already in progress, and will ensure that the Fund introduces clear and timely communication of those changes with members, employers and other stakeholders.
- 4.7 The Board will also keep a close eye on any changing guidance from TPR and SAB and ensure the Fund implements any recommendations as prescribed.
- 4.8 The Board will continue to monitor progress in delivering the Fund’s Service Delivery Plan, including the ongoing work to improve data quality ahead of the introduction of the Pensions Dashboard.

- 4.9 The Board will continue with its compliance role in ensuring Fund policies and publications are produced and updated in line with statutory requirements and best practice guidance.
- 4.10 The Board will undertake the annual review of its own policies, such as the Terms of Reference, to ensure that they remain fit for purpose.
- 4.11 The Board’s activity will support the Administering Authority and the Pension Fund Committee in making decisions, safe in the knowledge that the Fund is compliant with statutory and best practice, and that any areas for development will be highlighted to them by the Board.
- 4.12 Board members will attend external conferences and seminars, and undertake online learning, to maintain knowledge and to keep up to date with current issues facing the LGPS.

5. Further information

- 5.1 If you would like to further information regarding the Cheshire Pension Fund Local Pension Board or have any questions, please visit our website:
<https://www.cheshirepensionfund.org/members/about-us/how-we-manage-the-fund/governance-structure/>

RISK REGISTER

Introduction

1. The Board undertake regular reviews of their risk register to ensure that all risks associated with the Board are captured and mitigating actions are considered and implemented.
2. The Board also undertake a detailed review of the Pension Fund Risk Register.

Recommendation

3. The Board are requested to:
 - a) Undertake a review of the Local Pension Board's Risk Register and identify any required amendments.
 - b) Undertake a review of the Pension Fund's Risk Register which was updated in March 2025.

Risk Register

4. The risk register for the Board is attached in Appendix A. The register outlines the risks, mitigating actions for those risks, and the planned actions identified to further mitigate some of the risks.
5. The Board last reviewed the register in July 2024 and are requested to undertake a further review to identify any required amendments.

Pension Fund Risk Register

6. As well as undertaking a regular review of their risk register the Board also review the Pension Fund's risk register as well.
7. The Pension Fund risk register, which was last reviewed by the Pension Fund Committee in March 2025, is attached in Appendix B. Board members are invited to review the detail of the register and feedback any comments to the Committee.

Risk Register Completed:

Objective / Priority	Risk No	Risk / Opportunity	Gross (without any)			Current Mitigating Controls (in place and effective mitigation of risk)	Current / Net (as)			Risk Owner	Planned Risk Actions	Timescale	Target / Aspiration			Status of Risk (←, ↑, ↓, ☀)	Next Review Date
			Likelihood	Impact	Total Risk Score		Likelihood	Impact	Total Risk Score				Likelihood	Impact	Total Risk Score		
Securing compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS	1	Failure to identify Board members' conflicts of interest results in failure to act in the best interests of the Fund leading to challenge/cost.	2	4	8	<ul style="list-style-type: none"> The Fund has a conflict of Interest Policy The Conflict of Interest policy is reviewed on an annual basis All Board members sign a declaration upon appointment to confirm there are no conflicts which would prevent them from undertaking the role Annual declarations of interest are completed by Board members and are published on the Fund's website Declarations of Interest are requested at the start of each Board meeting Information supplied to the Board is anonymised to allow them to make recommendations free from any unconscious bias 	1	4	4				1	4	4		
	2	Failure to maintain a Competent Board with adequate skills and knowledge, results in failure of Board members to properly exercise their functions as a member of the Pension Board.	3	4	12	<ul style="list-style-type: none"> All Board members receive an induction upon joining the Board and are required to read all statutory Fund documents within a short timeframe of being appointed Board members attend training events delivered by Pensions Experts such as the LGA, PLSA and CIPFA All Board members have access to accurately maintained core documents and policies Board members attend quarterly joint training sessions with the Pension Fund Committee in accordance with the Fund's Training Policy Each member has agreed to adopt the knowledge and understanding policy framework The Chair of the Board has a role to ensure that the terms of reference are adhered to by all Board members Board members regularly network with Board members from other Funds 	2	4	8		<ul style="list-style-type: none"> The knowledge and skills of the Board will be regularly reviewed and any training requirements will be addressed Board members will take every opportunity to attend external events and training sessions Board members will complete the modules of the Hymans Robertson LGPS Online Learning Academy (LOLA) training tool. 		2	4	8		
	3	Change of membership of the Board leading to loss of knowledge and skills, resulting in inability to fulfil its obligations under the Terms of Reference	3	4	12	<ul style="list-style-type: none"> 5 Board members are appointed for a term of 3 years, with the option to extend where a member leaves during that term a recruitment process is undertaken by the Fund to replace them Every 3 years the Fund will seek expressions of interest for suitably qualified and experienced members to join the Board and/or extend the tenure of existing members Terms of office have been staggered to avoid a cliff edge scenario of all members leaving on the same date. 	2	4	8		<ul style="list-style-type: none"> The Board will consider whether they can introduce any steps to assist with succession planning The Board also has the option of co-opting additional members to provide support on either specific issues, or general matters. 		2	4	8		
	4	Failure of the Board to implement the correct mechanisms in order to effectively monitor the compliance of the Fund leading to the inability to undertake their role efficiently	2	4	8	<ul style="list-style-type: none"> The Pension Fund's Governance Policy clearly outlines the role of the Board and the Pension Fund Committee Board members review the Pension Fund Committee papers and minutes and attend joint training sessions so have a detailed understanding of the decisions the Committee are asked to make The Board's Terms of reference provides the framework for how the Board should perform their duties The Board receive a comprehensive set of standard performance reports on a regular basis which allow them to monitor the performance of the Fund The Chair of the Board also holds regular liaison meetings with the Chair of the Committee and Board minutes are a standing item on the Committee agenda allowing any recommendations by the Board to be escalated The Board continually review systems and processes and implement regular changes to improve efficiency The Board constantly review their systems and processes and make incremental changes throughout the year or at annual reviews The Board adhere to national guidance from The Pensions Regulator and the Scheme Advisory Board and ensure that they are monitoring performance against high risk areas. 	1	4	4		<ul style="list-style-type: none"> Board members will monitor progress of the fund in implementing their own cyber risk policy 		1	4	4		
	5	Failure of the Board to receive the required support from the Fund resulting in the inability of the Board to carry out its functions	2	4	8	<ul style="list-style-type: none"> A key officer is appointed to provide support to the Board Additional officer support is available from within the Fund Officers attend network groups in order to share ideas to help facilitate the Board The Board has its own budget and so can appoint external advisers if required Board meetings are typically held online with one physical meeting each year 	1	4	4				1	4	4		
6	Failure of the Board to be aware of national developments or have inadequate links with outside bodies resulting in failing to assist the Fund with efficient and effective management.	4	2	8	<ul style="list-style-type: none"> LGPS Central - Local Pension Board Chairs meetings take place twice a year - where common issues are discussed and maintaining links with the Scheme Advisory Board Regular attendance by Board members at national conferences and seminars Undertaking additional training such as the TPR Trustee Toolkit and LOLA Officers provide regular briefings on regulatory changes and consultations 	1	2	2				1	2	2			

Title	Theme	Risk description	Leading to	Impact	Current mitigating actions	Current likelihood	Current impact	Current risk score	Planned risk actions	Planned risk actions target date	Target likelihood	Target impact	Target risk score
Data Quality	Admin & Comms	Failure to achieve the quality of data required by the Fund, clear backlogs of casework, resolve historic data issues and collect accurate and timely data from employers	Inability to meet regulatory changes, poor customer service, benefit calculation errors, processing delays, failure to meet statutory disclosures, adverse impact on employer contributions, inability to produce ABS	Service delivery failures, negative resource impact, avoidable complaints from members, increased audit costs, regulatory breaches and penalties, regulatory intervention from The Pension Regulator	<p>Final rollout of monthly interfacing to streamline and standardise data collection from employers and to ensure timely receipt of data.</p> <p>Dedicated project workstreams within a formal programme management structure, on monthly data collection, data quality and backlogs.</p>	4	4	16	<p>Introduction of a Data Improvement Plan which uses exception reporting to target areas for improvement. Use of the TPR common and scheme specific measuring report is embedded within our administration system, allowing us to identify and rectify all data anomalies in accordance with SAB requirements. Preparation for the Pensions Dashboard will further improve the quality of data held by the Fund and allow members to view their own record online (onboarding deadline is in October 2025). Introduce monitoring reports to assess compliance with employers submissions of MI reports. Support to the Transactional Shared Services plan to improve data quality for CW&C / CE. Preparation for the 2025 triennial valuation involving a targetted data cleansing exercise in conjunction with the Fund Actuary ahead of supplying the data cut in late summer 2025.</p>	31/03/26	3	4	12
Employer exits	Admin & Comms	Not having a robust and transparent process for dealing with employers exiting the Fund.	Employers may formally challenge an exit credit determination through legal avenues which could ultimately end up in court.	Significant resource (internal and external) to respond to challenge. Could lead to legal claim. Reputational risk.	<p>Internal governance decision making - goes through Head of Fund and s151 Officer.</p> <p>Consistent approach applied each time. Standard actuarial methodology agreed with Fund Actuary.</p> <p>Funding Strategy Statement (FSS) recently revised (after employer consultation) to be more transparent about exiting employer process.</p> <p>Employers issued with cessation report and determination decision (and rationale).</p>	4	4	16	<p>Keep FSS under constant review and further refine if required (after consultation) to reflect new experiences.</p> <p>New FSS guidance is expected in the near year.</p> <p>Implement any recommendations from external review by Pinsent Maons of internal processes and documentation when making exit credit determination.</p>	31/03/26	2	4	8
Service capacity	Overarching	Insufficient staff capacity, competing priorities, external imposition of deadlines and targets and new and emerging regulatory and guidance changes	Failure to achieve planned service delivery outcomes	Reduced overall ability to deliver on Fund vision and outcomes	<p>Resource requirements continually evaluated and supplemented as required with additional resources within wider team when required</p> <p>Detailed service delivery objective plans agreed at the start of each year and regularly reviewed to flex with demand.</p>	4	4	16	<p>Service structure to be reviewed in line with best practice and peer organisations to ensure roles and skill requirements are aligned to current demands.</p> <p>Ongoing progress with the service delivery plan on achieving the objectives aim to increase staff capacity (eg backlogs reduced / cleared, employers submitting data via MI and data quality improved, new support channels e.g. My Cheshire Pension member portal and online videos)</p> <p>System developments aim to reduce manual work required for some processes and free up capacity through process automation.</p> <p>Shift to "digital first"; e.g. online Annual Benefit Statements - reduce manual processes / release staff time for business improvement - electronic ABS will be launched for deferred members in 2025.</p>	31/03/26	2	3	6

Title	Theme	Risk description	Leading to	Impact	Current mitigating actions	Current likelihood	Current impact	Current risk score	Planned risk actions	Planned risk actions target date	Target likelihood	Target impact	Target risk score
Cyber Risk	Governance	Failure to protect the Fund's technology devices, services and networks, and the information held on them, from theft or damage via electronic means	Failure to prevent cyber attack and/or poorly planned response to cyber attack	Financial or non-financial loss, service disruption, potential fines, and reputational damage.	Delivery of cyber risk action plan with actions arising from Cyber Risk Strategy and historic cyber risk and vulnerability reviews.	4	3	12	Key ongoing actions include: i) completion of cyber risk reviews into key service providers; ii) testing of Cyber Incident Response Plan, iii) continued delivery of training and education to staff and Committee / Board members. These are required to maintain the current risk score.	31/03/26	4	3	12
Key person risk	Governance	Key person risk at Officer, Committee and Local Pension Board	Inability to maintain service delivery due to capacity and/or knowledge and skills gaps	Ineffective governance and management / administration of the Fund should key person(s) depart	<p>Training and induction plans in place for existing and new Committee and Board members in line with CIPFA guidance.</p> <p>Officer training programmes in line with CIPFA guidance.</p> <p>Staff training needs identified and addressed through the training and development plans linked to the appraisal process.</p> <p>Collective and shared knowledge embedded through team meetings, internal staff bulletins, written procedure notes and internal training etc.</p> <p>Career grade posts are included within the structure to retain staff and develop their skills.</p>	3	4	12	<p>Develop and implement a workforce plan identifying succession plans, key person risks, staff loss risks (eg recruitment, retirement), and mitigations.</p> <p>Review and update the training policy in line with the SAB Good Governance outcomes - Good Governance included in broad terms in LGPS consultation November 2024, more detail required.</p> <p>Review of knowledge and skills framework against new General Code of Practice.</p>	31/03/26	3	3	9
Administration system	Admin & Comms	Failure to make full use of existing functionality and implement technological developments to the administration database	Inability to maximise efficiencies from available existing functionality and harness technology led opportunities to make processes more efficient and increase capacity	Reduced overall ability to deliver on Fund vision and outcomes, impact on resource and poor customer service	<p>Continued delivery of rolling two year roadmap of development with administration system provider, appropriately supported with sufficient Fund resources to ensure delivery of agreed proposals.</p> <p>Ongoing liaison with administration system provider to maximise usability of existing functionality.</p>	3	4	12	<p>The Fund will liaise with the administration system provider to ensure the full benefits of existing functionality are realised.</p> <p>The Fund will continually seek opportunities to develop the administration system so as to take advantage of technological advancements which can benefit the Fund .</p> <p>The Fund will develop the functionality available to members through the My Cheshire Pension and Employer Hub portals resulting in improved business processes and reduced demands on staff.</p>	31/03/26	3	4	6

Title	Theme	Risk description	Leading to	Impact	Current mitigating actions	Current likelihood	Current impact	Current risk score	Planned risk actions	Planned risk actions target date	Target likelihood	Target impact	Target risk score
McCloud	Admin & Comms	Failure to meet the requirements set out in government guidance for the McCloud remedy	Inability to apply the new underpin to leavers, rectify casework already processed since 1 April 2014 and confirm the McCloud position in Annual Benefit Statements by the 31 August 2025 deadline as a result of system developments not being implemented	Inability to calculate benefits correctly, further increasing the backlog of cases requiring rectification, leading to potential member complaints and the requirement to manual calculate the impact of McCloud, adding further pressure on resources	Ongoing liaison with administration system provider to test functionality and highlight issues for resolution.	4	4	12	<p>The Fund will liaise with the administration system provider to ensure the full functionality is implemented as soon as possible.</p> <p>The Fund will engage third party support to develop a plan to implement all changes required for the McCloud remedy so we are in a position to commence the work as soon as the functionality is available.</p> <p>Engage with national bodies to ensure they are aware of the Fund's position.</p> <p>Update our website and other communications to ensure stakeholders are clear on the position.</p>	31/03/26	3	4	6
Fund cashflow	Investment	Changing composition of employers impacts on risk profile and cashflow projections	Concentration of investment risk on smaller number of continuing employers, and greater reliance on investment income to meet cashflow requirements	Potential failure of investment strategy to generate necessary cashflow to support ongoing pension payments	<p>Quarterly monitoring and reporting of Fund's cashflow position.</p> <p>Cashflow modelling undertaken by the Fund actuary, including sensitivity analysis, to evaluate potential impact of e.g. changes to inflationary assumptions, contribution rates.</p> <p>Regular review of investment strategy.</p>	3	3	9	<p>The Fund's cashflow position will inform the investment strategy including increased allocations to more cash generative assets.</p> <p>Conversion of assets to income distributing rather than accumulating if required/where appropriate.</p>	31/03/26	2	3	6
Member engagement	Admin & Comms	The move to online communication with members, including online provision of Annual Benefit Statements, may result in loss of contact with members	Disengagement with members, deterioration of data quality, inability to maintain timely communication	Service delivery failures, decreased customer satisfaction, increased administration and communication costs	<p>Paper write out to all deferred members in June / July 2025 to encourage take up for deferred members as 2025 will be first digital deferred ABS.</p> <p>Refreshed materials produced to relaunch marketing campaign for active members.</p>	3	3	9	<p>Regular cycle of employer engagement to be included in revised 2025/26 communications plan.</p> <p>Introduce evidence based targeting and support for employers with low active member take up.</p>	31/08/26	2	3	6

Title	Theme	Risk description	Leading to	Impact	Current mitigating actions	Current likelihood	Current impact	Current risk score	Planned risk actions	Planned risk actions target date	Target likelihood	Target impact	Target risk score
Knowledge and Skills	Governance	Failure to instil appropriate knowledge and skills at Senior Officer, Committee and Board	Reduced capacity / quality of decision making at Committee, Board and Fund officer level	Reduced quality of governance and management / administration of the Fund and suboptimal outcomes for members	<p>Training and induction plans in place for new staff, Committee and Board members in line with CIPFA guidance, supported by annual self-assessment of knowledge and skills.</p> <p>Split cycle of tenure and re-nomination for Pension Board members with not all members being on the same cycle - Board and Committee membership reviewed and refreshed in line with election cycle and agreed tenures.</p> <p>Online learning facility for all members in line with CIPFA Knowledge & Skills Framework.</p>	3	3	9	<p>Scope of s151 training requirements and delivery to be reviewed as part of implementation of SAB Good Governance outcomes - Good Governance included in broad terms in LGPS consultation November 2024, more detail expected.</p> <p>Training plan for 2025-26 will be developed based on self-assessment responses received.</p> <p>Corporate training events will take place three times during the year. Members will be given the opportunity to attend conferences, seminars and other training & development opportunities.</p>	31/03/26	2	3	6
LGPS Central / asset pooling / Pensions Review	Investment	Failure to effectively engage with central government and LGPS Central to ensure the Fund's assets are appropriately transitioned and managed to ensure delivery of our investment strategy and investment return targets	Asset pooling arrangements which are suboptimal and which lead to a deterioration in our funding position	Suboptimal investment returns putting increased pressure on employer contributions and requiring additional effort to hold LGPS Central to account	<p>Ongoing engagement with LGPS Central and our Central Pool partner funds to develop responses to Government proposals and to influence Central's own proposals to Government to take forward pooling requirements.</p> <p>Ongoing briefings to s151 officer and shareholder representative to ensure Cheshire responses are aligned and supported.</p> <p>While asset pooling remains to a limited extent voluntary, continued review and scrutiny of LGPS Central products to ensure Fund assets are transferred at the right time to the right investment products in order to demonstrate ongoing commitment to the concept of pooling.</p>	2	4	8	Future actions to be determined once the outcome of the Pensions Review consultation are known.	tbv following Pensions Review outcomes	2	4	8
Communication and Engagement Strategy	Admin & Comms	Failure to effectively engage with central government and LGPS Central to ensure the Fund's assets are appropriately transitioned and managed to ensure delivery of our investment strategy and investment return targets	Poor member and employer decision making and poor customer service	Not meeting expectations of the Pensions Administration Strategy, failure to meet statutory requirements, and possible reporting of breaches to the Pension Regulator	<p>Communications Strategy and employer engagement strategy in place.</p> <p>Annual Communications and employer engagement plan and calendar published - delivery against plan measured and reported to Committee, Local Pensions Board and Pensions Employer Forum.</p> <p>Pensions Employer Forum acts as sounding board and engagement with employers.</p> <p>Member / employer customer satisfaction and monitoring with defined key performance indicators introduced as part of business plan.</p>	2	3	6	<p>Rollout of My Cheshire Pension (MCP) portal as default mechanism to communicate with registered members - underway with Active members and planned for 25/26 for Deferred members.</p> <p>Relaunch of Cheshire Pension Fund website - now due spring 2025.</p> <p>Implement Employer Hub and transition to this as default communication channel for employers - will commence during 25-26.</p> <p>Employer monitoring dashboard being introduced via new Employer Hub facility - 25-26.</p>	31/03/26	2	3	6

Title	Theme	Risk description	Leading to	Impact	Current mitigating actions	Current likelihood	Current impact	Current risk score	Planned risk actions	Planned risk actions target date	Target likelihood	Target impact	Target risk score
Compliance with statutory / regulatory requirements	Governance	Failure to comply with current and emerging statutory and regulatory requirements	Potential non-compliance with statutory / regulatory requirements	Impact on service delivery, reputational risk and penalties	Regular monitoring of compliance against all statutory, regulatory and best practice requirements with reporting to Committee and Board. Engage with the Local Government Association / Scheme Advisory Board / Fund Actuary and other networking groups / conferences / seminars to keep abreast of emerging issues.	2	3	6	Review of compliance with new General Code of Practice and action plan to rectify any gaps with required practice - planned Internal Audit review of self assessment during 25-26. Expectation of a Government consultation on a scheme-wide independent assessment regime.	31/03/26	2	3	6
Climate Change	Investment	Failure to effectively manage the risk from climate change	The adoption of an investment approach which fails to place sufficient emphasis on the importance of strong financial returns to meet pension obligations	Failure to achieve investment return targets and increased pressure on employer contributions	Annual (currently voluntary) publication of a Fund Climate Risk report, fully compliant with the requirements of the industry best practice Taskforce on Climate Related Financial Disclosures (TCFD). Annual stewardship and engagement plan to manage investment holdings with high carbon footprint.	2	3	6	Plan and ambitious targets to decarbonise the Fund's investment holdings. Continue to implement new investments in green, low carbon and sustainable assets offering suitable financial returns. Develop and implement the Fund's approach to net zero transition and communicate progress with stakeholders effectively. Push for improved carbon data metrics for all asset classes in the Fund's portfolio.	31/03/26	1	3	3
Investment Risk	Investment	Failure to effectively manage financially related investment risk from Environmental, Social and Governance factors	The adoption of an investment approach which fails to place sufficient emphasis on the importance of strong financial returns to meet pension obligations	Failure to achieve investment return targets and increased pressure on employer contributions	Continue to develop the Fund's proactive approach to the management of Responsible Investment issues Reporting on Responsible Investment issues to every meeting of the Fund's Investment Sub Committee LGPS Central production of Sustainable Investment monitoring reports for the Fund. Leverage support of LGPS Central to proactively manage all financially material Responsible Investment related risks - work with Partner Funds and LGPS Central to embed Responsible Investment approach and processes in investment products. Maintain a proactive approach to engaging with all key stakeholders on RI issues e.g. regular meetings with Chief Execs of four Cheshire councils. Ongoing challenge to legacy managers to improve RI metrics.	1	3	3	Continual improvements to reporting and communication on Responsible Investment issues with Committee and Board members. Preparation for adoption of Taskforce on Nature related Financial Disclosures (TNFD) reporting requirements.	31/03/26	1	3	3

DATA QUALITY

Introduction

1. This report provides the Board with the quarterly update on the Pensions Regulators (TPR) data quality scores for common and scheme specific data.

Recommendation

2. The Board are requested to note the position on the common and scheme specific scores.

Data Scores

3. As Board members are aware, each year the Fund is required to report data quality scores to the Pensions Regulator (TPR) as part of the Scheme Return.
4. The scores submitted for the TPR Scheme Return submitted for the last 3 years are included within the table below along with the scores as at 7 January and 1 April 2025.

	TPR Scheme Return				
	9-Oct-23	2-Jan-24	1-Nov-24	7-Jan-25	1-Apr-25
Common Data	99.17%	99.74%	96.00%	99.74%	96.46%
Scheme Specific Data	74.04%	85.62%	84.00%	85.62%	74.62%

5. There is a slight reduction in the common data scores between January and April. This is expected to improve as the Fund processes year-end updates from employers.
6. There is also a reduction in scheme specific data scores between January and April reflecting the ongoing work with employers on data cleansing following the March 2025 year-end.
7. Work is ongoing to improve both common and scheme specific data scores, aligned with the data cleansing work required to prepare for the Pensions Dashboards Programme.

COMPLIANCE UPDATE

Introduction

1. This report provides the Board with a summary of the Breaches Log for 1 April to 31 December 2024.

Recommendation

2. The Board are requested to note and comment on the summary of the Breaches Log for 1 April to 31 December 2024.

Breaches Log

3. The Pension Fund Committee approved the updated version of the Fund's Breaches Policy at its September 2024 meeting. The categorisation of breaches has been updated within this report to be in line with the new policy.
4. "Report" breaches are those which require reporting to The Pensions Regulator (TPR). "Monitor" breaches are where the Fund has highlighted an issue with the employer which requires further monitoring but are not material enough to require reporting to the Pensions Regulator. "Closed" breaches are those where, following investigation, no further action is deemed necessary.
5. A summary of the breaches included on the log between 1 April and 31 December 2024 are listed below in Table 1. For comparison purposes the total numbers of breaches for the prior year have also been included.

Table 1: Summary of the Breaches Log

	Total 2023-24	Total 2024-25	Status 2024-25		
			Report	Monitor	Closed
Contributions	44	37	2	5	30
ABS	1	1	1	0	0
Administration	4	7	0	0	7
AVC	1	0	0	0	0
Total	50	45	3	5	37

Contribution Breaches – 37

6. The thirty closed contribution breaches mainly relate to employers who have small numbers of staff and so are easily affected by unexpected staff absences. All these breaches have been quickly rectified by the employer.
7. The Report and Monitor breaches relate to two small employers in the Fund who have both now been reported to the Pensions Regulator.

Employer 1

8. This is a small employer with one active member, and has been subject to Monitor breaches in the past. Due to cash flow difficulties, the employer failed to pay both employee and employer pension contributions to the Fund for the period November 2022 to November 2023 totalling £14,387.38. In July 2024 the employer agreed to pay the outstanding debt in monthly instalments of £500. The first three instalments were received, along with the current monthly contributions for the active member each month.
9. Since the the end of October 2024 the employer has made no further payments to the Fund, therefore £12,887.38 remains outstanding in relation to the period November 2022 to November 2023. In addition to this, the monthly contributions for October to December 2024 have not been paid totalling £2,079.63, giving a total overdue debt of £14,967.01.

Employer 2

10. This is a small employer with one active member. The Fund was notified that the member had joined the pension fund as an active member in February 2024. It was requested that the member's contributions were backdated to February 2021, when the member started their employment. The contributions for April 2024 to September 2024 were received in full but were paid late in one lump sum received in November 2024. Since this date, no further payments have been received.
11. Contributions totalling £1,435.66 are outstanding for the period October 2024 to December 2024. In addition, the Fund is awaiting contribution data and payment for the backdated period of employment February 2021 to March 2024.
12. The Fund considers that both these employers have made materially significant payment breaches, and has reported them to TPR. Officers will continue to liaise with these employers and take action to recover the outstanding contributions.

Administration Breaches - 7

13. Members were briefed at the February meeting about one administration breach, which was identified as part of a process review, where 2,420 members who left the Fund within the period June 2022 to May 2024 were not notified of their rights and options when leaving the Fund, in the form of a Deferred Holding Letter, within two months of leaving the Fund.
14. Following the retirement of a member of staff in pensions, the usual process to identify these members had been missed, resulting in the affected members not receiving the letter notifying them of their rights and options. All members have since received a letter explaining the position. The impact on them was assessed as minimal, as the majority are not within 12 months of their Normal Pension Age (NPA) or are ineligible to transfer for other reasons, so their pension rights are unaffected.

15. The remaining six administration breaches relate to ongoing activity to progress legacy administration casework. In these cases this processing has triggered breaches, as scheme members are now receiving notification of their benefits who were not notified at the time within the specified limits.

Annual Benefit Statements - 1

16. Full details of this breach were presented to the Board at the February meeting. Under LGPS Regulations all active and deferred members are required to receive an Annual Benefit Statement (ABS) by 31 August each year. In addition, TPR sets a requirement that pension funds must self-report a breach if they do not provide ABSs to 100% of eligible members by this deadline.
17. The Fund has reported itself to TPR for a breach relating to the 2024 ABS. Due to a combination of missing data issues, combined with a number of lost contact addresses, particularly for deferred members, the Fund was not able to send 100% of ABSs on time. The Fund has received a response from TPR which confirms that they do not intend to take any enforcement action as a result of this breach.
18. The Board will recall the Fund delivered 85% of ABSs to active members on time (compared to 81% in 2023). For deferred members 99% (compared to 98% in 2023) received their ABS on time.
19. As the Fund introduced digital ABS for active members in 2024 this has allowed the Fund to resolve data issues and then publish ABS at a far faster rate than in previous years when statements would have to have been sent via the post. The Fund has been steadily reducing the number of members who didn't receive their ABS with regular processes since the end of August 2024.
20. As at mid February the Fund has been able to increase the percentage of active ABSs issued from 85% to 94%.

Standard Meetings			
February	May	July	October
Review of Pension Fund Committee, Investment Sub Committee and Pensions Consultative Forum Minutes	Review of Pension Fund Committee, Investment Sub Committee and Pensions Consultative Forum Minutes	Review of Pension Fund Committee, Investment Sub Committee and Pensions Consultative Forum Minutes	Review of Pension Fund Committee, Investment Sub Committee and Pensions Consultative Forum Minutes
Review Scheme Advisory Board and Sub Committee meetings Review the Performance Management Framework Review the Fund Compliance /Breaches Log	Review Scheme Advisory Board and Sub Committee meetings Review the Performance Management Framework Review the Breaches Log	Review Scheme Advisory Board and Sub Committee meetings Review the Performance Management Framework Review the Breaches Log	Review Scheme Advisory Board and Sub Committee meetings Review the Performance Management Framework Review the Breaches Log
Draft Annual Report	Sign off LPB Annual Report		
Review the TPR Data Scores and associated actions	Review the TPR Data Scored and associated actions	Review the TPR Data Scored and associated actions	Review the TPR Data Scored and associated actions
Review policies are kept up to date and produced in accordance with legislation and guidance	Review of cyber security	Review policies are kept up to date and produced in accordance with legislation and guidance	Cyber security
Review the process for IA in assessing internal controls of the fund and external audit process for reviewing the Accounts and Annual Report. Include a practical session on the rolling programme of audits.	Review the progress made by the Fund including the detail of any ongoing actions	Review the progress made by the Fund including the detail of any ongoing actions	Review the progress made by the Fund including the detail of any ongoing actions
Statutory Policies (FSS, ISS, Comms Policy, Admin Strategy Gov Policy and Breaches Policy - as required)		LPB Risk Register Climate change impact on investments (move to July) Update the Register of Interests/update website Statutory Policies (FSS, ISS, Comms Policy, Admin Strategy Gov Policy and Breaches Policy - as required)	Review Terms of Reference Review Fund's Conflict of Interest Policy