

**BOARD : LOCAL PENSIONS BOARD**  
**DATE : 12 July 2022**  
**TIME : 10am**  
**VENUE : Virtual meeting using Microsoft Teams**

**LOCAL PENSION BOARD MEETING**

**10.00 – 12.30**

**AGENDA**

**PART A**

**1. PROCEDURAL MATTERS**

The Board will:

- a) Consider any Declarations of interest
- b) Receive the minutes of the meeting on 3 May 2022
- c) Receive the minutes of the meeting on 31 May 2022
- d) Receive the minutes of the Pensions Consultative Forum meeting on 24 June 2022
- e) 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 the 10 June 2022 and the Investment Sub-Committee minutes from 20 May 2022.

**3. PENSIONS PROGRAMME UPDATE**

The Board will receive a verbal update on progress with the Funds transformation project.

**4. UPDATE FROM THE SCHEME ADVISORY BOARD**

The Board will receive a verbal update following the Scheme Advisory Board meeting outlined below:

<b>Committee</b>	<b>Meeting Date</b>
Scheme Advisory Board	6 June 22
Cost Management, Benefit Design and Administration Committee	16 May 22
Investment, Governance and Engagement Committee	23 May 22
Compliance and Reporting Committee	9 May 22

The Board will receive a Regulatory update which was presented to the Pension Fund Committee in June.

**5. PERFORMANCE MANAGEMENT FRAMEWORK QUARTER 1 – 2022/23**

The Board will receive the Performance Management Framework covering the period 1 April to 30 June 2022 (along with the quarter 4 comparator – 1 January to 31 March 2022).

**6. IDRП**

The Board will be presented with updated data scores for common and scheme specific data along with details of actions the Fund has undertaken to improve the quality of data held.

**7. COMMUNICATIONS STRATEGY**

The Board will be presented with the Fund's new communications strategy and plan which was endorsed by the Pension Fund Committee at its meeting on 10 June.

**8. DATA QUALITY**

The Board will be presented with update on the data scores for common and scheme specific data along with details of actions the Fund has undertaken to improve the quality of data held.

**9. RISK REGISTER**

The Board will undertake a review of the risk register and determine if any amendments are required. The Board will also review the risk register for the Pension Fund.

**10. REGISTER OF INTERESTS**

The Board will undertake a review of their register of interests and identify any required amendments.

**11. COMPLIANCE UPDATE**

The paper also provides a summary of the Breaches Log for the period to 31 March 2022.

**12. FEEDBACK FROM EVENTS**

Board members/officers will feedback from recent conferences and seminars attended, including:

- Joint Chairs – Committee and Board Chair's meeting – 13 June 2022
- PLSA Conference – 13-15 June 2022

**13. REVIEW AND DEVELOP THE WORK PLAN**

The Board will review the plan.

**14. AOB**

The next meeting will take place on 18 October 2022

## **MINUTES OF LOCAL PENSION BOARD – 3 May 2022**

### **PRESENT**

**Board Members:** Peter Raynes (Chair),  
Cllr Robert Bisset (Employer Representative, CW&C)  
Geoff Wright (Member representative, Unison),  
Neil Harvey (Member representative, GMB)

**CW&C Officers:** Heidi Catherall, Dan Harte and Aaron Austin

**Apologies:** Adrienne Laing (Employer representative, The Challenge Academy Trust)

### **1. PROCEDURAL MATTERS**

- 1.1 No declarations of interest were received.
- 1.2 The Board reviewed the minutes from the last meeting on 10 March 2022 having previously approved them by email.
- 1.3 The action tracker was reviewed, and the contents noted. One of the actions was for the Fund to process retirements in a reasonable timeframe. Officers explained that the long-term plan is to develop the online self-serve capabilities for members so they can retire online in the future. In the short term the Internal Audit department are undertaking a review of the retirement processes of the Fund and will include consideration of any issues which cause delays in the process.
- 1.4 The Board requested that the above actions be included in the tracker so they can monitor progress.
- 1.5 Another action was for Board members to receive training on how the Fund applies its own and employer discretionary policies in administering scheme benefits. Officers are developing a training session which can be delivered to both Board and Committee members. The Board requested a date for this training be confirmed.
- 1.6 Board members were reminded to invite interested parties to future meetings. The aged debt issue was discussed at the last meeting and the RAG status rules have been changed.

### **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 11 March 2022 and the minutes from the Investment Sub Committee held on 11 February 2022.

- 2.2 Board members noted that the external auditor's opinion for the 2020-21 statement of accounts and annual report for the Pension Fund has still not been provided. This is because the opinions for the Council and the Pension Fund have to be issued together and there has been a delay with signing off the Council's accounts.
- 2.3 The Board wanted to express their disappointment to the external auditors with this position which they consider to be unacceptable.
- 2.4 Councillor Bisset, as Chair of the Audit and Governance Committee, will feed this message back to the external auditor, Grant Thornton.

**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 change programme.
- 3.2 Good progress is being made across the programme with 80% of employers now providing monthly data and the remaining 20% due to switch to this system early in 2022/23. The Fund has cleared c40% of the administration casework backlog and has a detailed plan to clear a further 13% during 2022/23.
- 3.3 The Board noted that a member self-serve portal will be implemented later this year and will be rolled out to active members in early 2023. Board members would be interested in seeing a demonstration of the system at a future meeting.
- 3.4 Board members will be kept informed of progress in meeting the programme aims.

### **4. UPDATE FROM THE SCHEME ADVISORY BOARD**

- 4.1 Board members noted the agenda from the recent SAB meeting, noting that no Sub-Committee meetings had taken place in the past 2 months.
- 4.2 Officers produced a summary of a number of topics covered at the meetings and highlighted a couple of areas for the Board.

### **5. PERFORMANCE MANAGEMENT FRAMEWORK Qtr 4 – 2021/22**

- 5.1 The Board reviewed the Performance Management Framework (PMF) for quarter 4 (January to March 2022), which contained updates on key areas of performance and comparator information from previous quarters.
- 5.2 As in previous meetings, Board members noted the continued red rating on administration casework with backlogs exceeding 10% of membership. As briefed to the Board previously this position will continue in the medium term whilst the pension team continues to resolve old casework and implement the developments outlined in the pensions programme.

- 5.3 The Board noted that there are around 20 per cent of retirements that take more than 60 days to be processed. This can be for a variety of reasons which are outside of the Fund's control and will be considered by the upcoming internal audit review of the Fund's retirement processes.
- 5.4 As requested by Board members at the last meeting, the RAG rating for aged debt had been amended from 30 to 90 days, to reflect the typical payment profile. The rating for debt is now green as a result of this change.
- 5.5 The Board received one direct submission from members during the quarter on the topic of communication.

## 6. DATA QUALITY

- 6.1 The Board received the updated TPR Data Scores produced as at 13 April 2022.
- 6.2 The scores for April were provided alongside the scores submitted for the previous three years for the Pensions Regulators scheme return.
- 6.3 Board members noted the scores had remained consistent to previous years.

	TPR Scheme Return			Latest Scores
	1-Sep-19	25-Sep-20	1-Nov-21	13-Apr-22
Common Data	98.07%	98.73%	98.95%	98.97%
Scheme Specific Data	74.18%	74.01%	80.09%	81.76%

- 6.4 The data scores were again produced using the local foundation report.
- 6.5 The Board were reminded that the Fund is continuing to work with its database provider to move to the new TPR measurement report which will provide the scores directly from the database.
- 6.6 A number of workshops have taken place and the reasons for the data validation errors have now been identified. The database provider will provide an updated report to the Fund.
- 6.7 Board members also received an update on the pensions dashboard programme with LGPS Funds due to go live in April 2024. This presents a challenge to fund resources as the McCloud remedy regulations will come into force from October 2023 so work will be required on both areas at the same time.

**RESOLVED that the Board noted** the position on the common and scheme specific data scores and the position on the pensions dashboard.

## **7. INVESTMENT STRATEGY STATEMENT AND RI POLICY**

- 7.1 Board members have previously agreed that any changes to pension fund policy documents should be presented to the Board after they have been approved by the Pension Fund Committee.
- 7.2 The Committee reviewed the amended Investment Strategy Statement and Responsible Investment Policy at its meeting on 11 March.
- 7.3 A copy of the report which was provided to the Committee was also presented to the Board, setting out the changes to the documents.
- 7.4 The Board agreed with the changes to both documents.

**RESOLVED that:** The Board reviewed the changes to the Investment Strategy Statement and Responsible Investment Policy and confirmed that they agree with those changes.

## **8. LOCAL PENSION BOARD ANNUAL REPORT AND OUTTURN – 2021-22**

- 8.1 Board members had received a draft of the 2021-22 LPB Annual report by email prior to the meeting, as agreed at the 3 May meeting.
- 8.2 The final version of the LPB Annual Report was approved by the Board. The report will be included within the Fund's Annual Report which will be published on the website later this year.
- 8.3 The report included the outturn of £950 spend against the budget of £5,000.

**RESOLVED that:** the Board approved the final version of the Annual Report.

## **9. COMPLIANCE UPDATE**

- 9.1 The Board were presented with a summary of the breaches log for the period 1 April to 31 December 2021, noting that 60 breaches had been logged over the period.
- 9.2 The Board received an update on the work that has been undertaken and the number of members who have now received their Annual Benefit Statements.

**RESOLVED that:** Board members noted the summary breaches log covering the period 1 April to 31 December 2021.

## **10. FEEDBACK FROM EVENTS**

- 10.1 There have been limited opportunities to attend external conferences and seminars over the past year due to covid restrictions. Now that restrictions are easing Board members hope to be able to attend more events.

10.2 Board members also have access to the Hymans online learning academy, known as LOLA, where they can keep their knowledge and skills up to date. The Chair encouraged Board members to work through the modules.

**RESOLVED that:**

- Board members will circulate copies of event slides to share knowledge.

**11. REVIEW OF THE WORK PLAN**

11.1 The Board reviewed the work plan.

**12. AOB**

12.1 NH raised a query from a colleague who has requested flexible retirement a number of months ago but has not received a decision. Board members were reminded that this was an issue for the employer rather than a decision for the Fund.

12.2 However, as it has been raised with the Board they wished to express their concern and asked that it be looked into.

12.3 The member will be invited to submit an official enquiry to the Board so that a formal response can be provided.

12.4 The next Board meeting will take place on 31 May 2022.

12.5 Dates for future meetings in 2022 were agreed as follows:

- 31 May (to review the production of the Statement of Accounts/Annual Report)
- 12 July
- 18 October

**MINUTES OF LOCAL PENSION BOARD 31 May 2022****PRESENT**

**Board Members:** Peter Raynes (Chair),  
Geoff Wright (Member representative, Unison),  
Neil Harvey (Member representative, GMB)  
Adrienne Laing (Employer representative, The Challenge  
Academy Trust)

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

**CW&C Officers:** Heidi Catherall and Debbie Darlington

**1. PROCEDURAL MATTERS**

1.1 No declarations were received.

**2. DRAFT STATEMENT OF ACCOUNTS 2021-22**

2.1 The Local Pension Board has an important role in the governance process for the Statement of Accounts to ensure that:

- The accounts have been produced in compliance with statutory and best practice guidance, and;
- That the Pension Fund Committee discharges its duty of reviewing the accounts and recommending they are presented to Audit and Governance Committee.

2.2 To satisfy the first requirement, the Board received a presentation from Officers confirming the detailed steps taken in order to produce the statement of accounts.

2.3 Board members were advised that the statement of accounts are produced in accordance with the CIPFA Example accounts guidance. This guidance includes a checklist which allows Funds to ensure they have met all of the requirements.

2.4 The Board were reminded of the timetable for the accounts which is set out in the table below.

Date	Action
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<b>31 May</b>	The draft accounts will be reviewed by the LPB prior to review by the Pension Fund Committee
<b>10 June</b>	The Pension Fund Committee will review the draft accounts, provide comment and recommend that the accounts are presented to Audit and Governance Committee for approval following the completion of the audit
<b>Early July</b>	Grant Thornton will commence the audit testing of the accounts
<b>9 Sept</b>	The majority of the audit will be completed by this date and Grant Thornton will produce their Audit Findings Report
<b>9 Sept</b>	The Draft Audit Findings Report and Annual Report, including the Statement of Accounts, will be presented to the Pension Fund Committee
<b>TBC</b>	The Final Audit Findings Report and audited Statement of Accounts will be presented to the Audit and Governance Committee (A&GC).
<b>30 Nov*</b>	Audited Statement of Accounts to be published on Cheshire West and Chester Council's website
<b>1 Dec*</b>	Annual Report including the Audited Statement of Accounts to be published on the Fund's website

\*The Cheshire West and Chester Council Audit must be signed off before the Pension Fund Audited Accounts can be published. In the event that they are not signed off the Annual Report will still be published by the above deadline with the exception of the audit report.

2.5 To satisfy themselves that the Committee discharges its duty of reviewing the accounts and recommending commencement of the audit, Board members were invited to attend the Committee meeting on the 10 June in an observer capacity.

### **3. DRAFT ANNUAL REPORT**

3.1 The Fund's Annual Report is produced in accordance with the CIPFA Annual Report guidance.

3.2 The guidance states that the Board has an important role in the governance process for the Annual Report and should undertake a review of how the Annual Report is produced in order to ensure that:

- The Annual Report has been produced in compliance with statutory and best practice guidance, and;
- That the Pension Fund Committee discharges its duty of reviewing the Annual Report.

3.3 To satisfy the first requirement, members of the Board received a presentation from Officers providing an overview of the production of the Annual Report and

the completed disclosure checklist to demonstrate how the Fund was compliant with the Annual Report guidance.

- 3.4 It was noted the Fund was still awaiting some information from third parties to be able to complete the Annual Report and the disclosure checklist would be finalised once this information was received.
- 3.5 In order for the Board to satisfy themselves that the Committee discharges its duty of reviewing the Annual Report Board members are invited to attend the Committee meeting on the 9 September in an observer capacity.

#### **4. BOARD DECISION**

- 4.1 The Board resolved that in their opinion the draft Statement of Accounts and the draft Annual Report for the year ending 31 March 2022 have been produced in accordance with statutory and best practice guidance.
- 4.2 The Board noted that Board members are invited to attend the Pension Fund Committee meetings on the 10 June and 9 September to observe the discussion on the item on the draft Statement of Accounts and Annual Report.

#### **5. AOB**

- 5.1 No matters were raised.

**GROUP** : **PENSION CONSULTATIVE FORUM**  
**DATE** : **24/06/2022**  
**TIME** : **10am**  
**VENUE** : **Virtual Meeting via Microsoft Teams**

Present:

Chair	Peter Raynes (PR)
Cheshire West and Chester Council	Chris Pleavin (CP)
Cheshire East Council	Emma Cornwell (EC)
Cheshire Police	Jude West (JW)
Cheshire Fire and Rescue	Jill Swift (JS)
Halton BC	Richard Rout (RR) and Yvonne Caldwell (YC)
Guinness Partnership	Andrew Wilson
ANSA	Angela McBride (AM)
Cheshire Pension Fund	Heidi Catherall (HC), Nick Jones (NJ), Nigel Dorrington (ND) and Jenny Brien (JB)
Local Pension Board	Neil Harvey (NH)

Apologies:

Cheshire West and Chester Council	Rosemary Hodgson
Cheshire East	David Worrall
Cheshire Police	Michael Nulty
Warrington BC	Nicola Kane and Helen Barr
CHALC	Jackie Weaver
Adoption Matters	Karen Davies
Everybody Health and Leisure	Katie Harrop

Item	Minute
<b>1</b>	<p><b>Minutes of the Last Meeting</b></p> <p>The minutes of the 4 February 2022 meeting were reviewed and approved, having previously been circulated via email.</p>
<b>2</b>	<p><b>Pensions Programme</b></p> <p>Officers presented an overview of progress on the pensions programme.</p> <p>HC explained that during 2021/22 the Fund had baselined the current position across key areas within the Fund and plans had been developed for 2022/23 which were now being implemented.</p> <p>For instance, administration casework backlogs have been reduced by 38% during the baselining phase and a plan to clear a further 13% of casework backlogs during 2022/23 is well under way.</p> <p>The Fund is continuing to work with employers to collect the necessary data ready to implement the McCloud remedy once regulations change in October 2023.</p>

Item	Minute
	<p>The Fund has produced a new communications strategy which will be issued to all employers for consultation.</p> <p>The Fund is introducing functionality which will allow members to access their own record which is held on the Fund’s database.</p> <p>This service will be known as My Cheshire Pension and will be rolled out from Spring 2023.</p> <p>The functionality will be implemented in late 2022 and the Fund will initially roll it out to a couple of pilot employers before rolling it out more widely in Spring 2023.</p> <p>My Cheshire Pension will initially be rolled out with standard functionality; such as the ability to view documents, to communicate securely with the Fund and to upload documents.</p> <p>Longer term the Annual Benefits Statements will be made available online and we will be introducing modellers and calculators so members can obtain their own estimates at different retirement dates etc.</p>
<p><b>3</b></p>	<p><b>Communications Strategy</b></p> <p>The Fund has developed a new communication strategy, to replace the existing strategy which has been in place since 2016.</p> <p>ND took Forum members through the strategy which covers the Fund’s communications objectives for the next 5 years.</p> <p>The strategy will be issued for consultation on Monday 27 June for 4 weeks, with a closing date of 25 July. Forum members are encouraged to respond to the consultation.</p> <p>A key objective of the communications strategy is the introduction of My Cheshire Pension from Spring 2023.</p> <p>ND has developed a specific communications strategy for this project and will be providing materials for employers to help spread the message and encourage members to sign up.</p> <p>JW queried when the Fund’s telephone helpdesk would resume. HC confirmed that the phone lines had already re-opened with the time the helpdesk is available listed on our website. A link to the details will be circulated.</p>
<p><b>4</b></p>	<p><b>Member Focus Groups</b></p> <p>Ahead of developing the new communication strategy the Fund issues a pulse survey to gather members views. With the help of Forum members, the Fund received over 900 responses to the survey which helped to inform the strategy.</p>

Item	Minute
	<p>The Fund would now like to undertake some Focus Group events in order to gather more in-depth feedback from members and assist the Fund with targeting the areas of most importance.</p> <p>Some virtual events have been organised, as set out below. However, the Fund is also happy to arrange ‘in person’ events or attend any other employer events which may be organised to allow us to hold some of these sessions.</p> <p>The virtual focus groups events will take place on:</p> <ul style="list-style-type: none"> <li>• September:</li> <li>• 13<sup>th</sup>, 20<sup>th</sup> and 27<sup>th</sup></li> <li>• 10 – 11am and 2 – 3 pm</li> </ul> <p>The groups will talk about two specific topics but will also be encouraged to share any other views on pensions.</p> <p>Initial topics:</p> <ul style="list-style-type: none"> <li>• Annual Benefit Statements (layout and understanding)</li> <li>• General awareness and understanding of their pension</li> </ul> <p>In order to encourage participation, the Fund will also run a prize draw for members who take part with a high street voucher worth £50 for the winner.</p> <p>The Fund will supply materials, posters etc, to assist employers with advertising these events.</p> <p>RR explained that union colleagues would be interested in pension issues and we need to clearly explain the purpose of the Focus Groups to avoid any confusion. i.e. they are focus groups to gather opinion from members to help inform the funds communication strategy and plan.</p>
5	<p><b>Regulatory Update</b></p> <p>HC provided an overview of the considerable challenges facing the Fund in 2022 from a variety of consultations and regulatory changes, including:</p> <ul style="list-style-type: none"> <li>• Academies white paper</li> <li>• McCloud</li> <li>• Exit Reform</li> <li>• SAB – Good Governance</li> <li>• TPR – Single Code of Practice</li> <li>• Pensions Dashboard</li> </ul> <p>These are just some of the legislative changes that will impact the Fund on governance and administration issues. There are also a variety of consultations expected on other areas including:</p> <ul style="list-style-type: none"> <li>• Levelling Up</li> </ul>

Item	Minute
	<ul style="list-style-type: none"> <li>• Boycotts, Divestment and Sanctions</li> <li>• Climate Change Reporting</li> <li>• Pooling Guidance</li> </ul> <p>The Fund will need to ensure that it is adequately resourced to meet this challenging agenda, whilst also making progress with the pensions programme and maintaining service delivery.</p> <p>As the consultations on the above are received they will be communicated to Forum members and their employees to explain the impacts.</p>
6	<p><b>Round Table Briefing</b></p> <p>NH said that the Fund should consider putting itself forward for national awards where appropriate.</p>
7	<p><b>AOB</b></p> <p>HC explained that, as explained above, several regulatory updates could be received throughout 2022 which will be included on future agendas. It may be that additional ad hoc meetings are required to discuss specific issues depending on the timing of consultations.</p> <p>The next meeting is 21 October 2022</p>

**Cheshire Local Pension Board – Actions Tracker**
**July 2022**

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 5 – Performance Management Framework – 16 February 2021	Retirements	The Board also discussed the issue of retirements and ensuring they are processed in a reasonable timeframe. The Fund has produced retirement guides for both employees and employers which aim to inform the steps that both need to take in the lead up to a retirement. Officers had commenced a project with Cheshire West and Chester Council to identify any areas for improvement in the process. Unfortunately, this project was delayed due to the pandemic.	<p>The long term plan is to develop the online self-serve capabilities for members so they can retire online in the future.</p> <p>Internal Audit are undertaking a review of the retirement processes of the Fund and will include consideration of any issues which cause delays in the process.</p>

<p>Item 1 – review of the 15 September meeting minutes - 5 October 2021</p>	<p>Discretions</p>	<p>Board members would like to receive training on how the Fund applies its own and employer discretionary policies in administering scheme benefits.</p>	<p>Officers are developing a training session which can be delivered to both Board and Committee members.</p> <p>Officers will confirm how this knowledge can be attained.</p>
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# Scheme Advisory Board

## HYBRID MEETING HELD ON 6<sup>th</sup> JUNE 2022

### AGENDA

1.00pm – 3.00pm, Monday 6<sup>th</sup> June 2022

Rooms 1 & 2 Smith Square and MS Teams

Item		Timings
1	Welcome, apologies and introductions	1.00
2	Meeting protocol and declarations of conflicts of interest	1.05
3	Actions and Agreements from meeting of 7 <sup>th</sup> March 2022 – <b>Paper A</b>	1.10
4	SAB Workplan and Budget – <b>Paper B</b>	1.20
5	Forward Look Update	1.30
6	SAB/Committee Membership – <b>Paper C</b>	1.50
7	Queen’s Speech Update	2.00
8	Compliance & Reporting Committee report - <b>Paper D</b>	2.10
9	Cost Management Committee report – <b>Paper E</b>	2.30
10	Investment Committee report – <b>Paper F</b>	2.40
11	AOB and date of next meeting	2.55

### Scheme Advisory Board Secretariat

Local Government House, Smith Square, London SW1P 3HZ T 020 7187 7344 E

robert.holloway@local.gov.uk

W www.lgpsboard.org

# Cost Management, Benefit Design and Administration Committee

DATE:	16 May 2022
VENUE:	Hybrid meeting (MS Teams and 18 Smith Square)
TIME:	11:00 to 12:30

## AGENDA

Item		Paper	Timings
1	Welcome, introductions, apologies and declaration of interests		11:00
2	Meeting protocol		11:05
3	Matters Arising from 14 <sup>th</sup> February meeting	<b>Paper A</b>	11:10
4	Exit Cap and McCloud Update		11:15
5	SAB Forward Look Update		11.25
6	Ministerial Meeting Update		11:35
7	SAB Annual Report Update		11.45
8	Death Grant Entitlement		11.55
9	DLUHC Regulatory Update		12.20
10	AOB and date of next meeting		12.25

# Investment, Governance and Engagement Committee

<b>DATE:</b>	<b>23 May 2022</b>
<b>VENUE:</b>	<b>Hybrid Meeting (MS Teams and 18 Smith Square)</b>
<b>TIME:</b>	<b>11:00 – 13:00</b>

## AGENDA

Item		Paper	Timings
1	Welcome, introductions, apologies and declaration of interests		11:00
2	Meeting protocol		11:05
3	Matters Arising from 21 <sup>st</sup> February	<b>Paper A</b>	11:10
4	Queen’s Speech Update		11.15
5	SAB Forward Look Update		11.30
6	Code of Transparency Compliance Update	<b>Paper B</b>	11.50
7	Michael Lynk Letter Update	<b>Paper C</b>	12:00
8	RIAG Chair’s Report	<b>Paper D</b>	12.15
9	DLUHC Regulatory Update		12:30
10	AOB and date of next meeting		12.55

**Pension Board Update – 12 July 2022**

<b>Meeting</b>	<b>Items Discussed:</b>
SAB - 6 June 2022	<p>SAB Workplan and Budget (confidential)</p> <p><b>Compliance and Reporting Committee – 9 May 2022</b> The new Committee replaces the CIPFA Pensions Panel and will report to both SAB and CIPFA.</p> <p>Mark Wynn is the Chair.</p> <p>The Committee have developed a workplan for the year which will include:</p> <ul style="list-style-type: none"> <li>• Funding Strategy Statement guidance update</li> <li>• Annual Report Guidance</li> <li>• Audit Issues (including consideration of separate pension fund accounts but immediately to consider a draft letter for the Board to send to DLUHC following the next meeting)</li> <li>• Knowledge and Skills framework</li> <li>• Communication on pension fund accounting (IAS19 v LGPS method)</li> <li>• Review guidance on administration, communications and governance</li> </ul> <p>The Committee considered delays in Pension Fund’s being able to publish their Annual Reports due to administering authorities being unable to publish their annual reports due to external audit issues.</p> <p>The Committee will contact Ministers to recommend that pension fund accounts are separated from the main local authority accounts, as is already the case in Scotland and Wales.</p> <p>SAB Forward Look – after being established for 6 years SAB is conductive a review of its role, scope working practices and future workplan.</p>

	<p>The review has identified a number of objectives including:</p> <ul style="list-style-type: none"> <li>• The need to be more proactive in its activities,</li> <li>• More effective communication with scheme stakeholders,</li> <li>• Better engagement with Ministers.</li> </ul>
<p>Cost Management, Benefit Design and Administration Committee - 16 May 2022</p>	<p>On McCloud the response to the consultation from DLUHC is expected before the summer recess in July 2022.</p> <p>On the Exit Cap there is no further update from DLUHC on when the new consultation will be issued.</p> <p>Joanne Donnelly – SAB Board Secretary and Councillor Roger Phillips – SAB Chair, had met with the local government minister Kemi Badenoch MP on 12 April. The meeting covered a range of topics including barriers to levelling up, Boycotts Divestment and Sanctions Bill and pooling. Councillor Phillips also raised the issue of the living wage and how this might impact on the low pay workforce that comprises most of the scheme’s membership.</p>
<p>Investment, Governance and Engagement Committee – 23 May 2022</p>	<p>DLUHC – Regulatory Update</p> <p>A public consultation is likely to be published in the Autumn and will cover a range of elements including TCFD reporting, levelling up and pooling guidance. In addition, a data collections exercise on how many assets have been pooled with the aim of creating a consistent scheme-wide picture of progress is proposed.</p>

## **Pension Fund Committee – 10 June 2022 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).

### **Recommendation**

2. The Committee is asked to note the position as set out in the report and that further reports will be presented as consultations and/or guidance on amending regulations are received.

### **Academies White Paper**

3. On 5 April 2022 the Government published the White Paper, Opportunities for all: Strong schools with great teachers for your child. The paper can be viewed via the following link: [Opportunity for all - Strong schools with great teachers for your child \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)
4. If the proposals contained within the white paper proceed as planned it will result in an increased administrative burden for funds and could have implications for employer contribution rates for both Councils and Multi Academy Trusts.
5. The proposals contain three main issues which will affect LGPS Funds and employers:
  - The remaining 12,000 local authority schools (280,000 support staff) are expected to become academies or be in the process of doing so by 2030.
  - Academies will be expected to be part of a multi-academy trust (MAT) with at least 10 schools (or more than 7,500 pupils) rather than be set up as standalone single-academy trusts.
  - Local authorities will be able to establish their own MATs where too few strong trusts exist.
6. The timetable of 2030 for the remaining 12,000 schools to convert to an academy requires an average of c1,500 schools to convert every year. This is an increase of c650 per annum from the c850 annual conversions experienced over the past decade.
7. Of the 550 schools in Cheshire, there are 189 who have already converted to academies therefore there are a further 361 schools which will need to convert in the next eight years.
8. The table below summarises the number of schools between the four main councils and provides the breakdown between primary and secondary schools.

	<b>Council</b>	<b>No. of schools</b>	<b>Already converted to academy</b>	<b>Left to convert</b>
Primary	Cheshire West	154	33	121
Secondary	Cheshire West	32	12	20
Primary	Cheshire East	150	72	78
Secondary	Cheshire East	40	21	19
Primary	Halton	50	9	41
Secondary	Halton	17	8	9
Primary	Warrington	87	23	64
Secondary	Warrington	20	11	9
<b>Total</b>		<b>550</b>	<b>189</b>	<b>361</b>

9. This number of conversions will create an administrative burden for LGPS funds, not only to manage the initial conversion to academy status but the ongoing participation in the scheme.
10. The Government will expect academies to participate in MATs of at least 10 schools, with a limit on the proportion of academies in one MAT in any local area. This could lead to MATs merging together or disbanding which would require changes to contribution rates.
11. Transferring active members and their associated payroll to academies will move councils towards a cashflow-negative position earlier than anticipated, with an accelerated reduction in payroll and increased maturity of their remaining LGPS liabilities. Both of these elements reduce the flexibility available to meet future funding challenges. Funding and/or investment strategies may need to be altered as a result.
12. The impact of the proposals set out in the white paper could be significant to the LGPS and should be considered when thinking about funding strategies for councils and academies in the 2022 valuations.

### **McCloud Remedy**

13. The Public Service Pensions and Judicial Offices Bill 2022 received Royal Assent on 10 March and is now an Act of Parliament.
14. The Act provides the relevant government departments the regulatory powers to resolve the discrimination identified in the McCloud and Sargeant cases.

15. A further consultation and draft regulations are expected to be received in the autumn of 2022 and the regulations themselves will be in force from October 2023.

### **Exit Reform**

16. Members will recall HM Treasury's introduction and subsequent revocation of the Restriction of Public Sector Exit Payment Regulations 2020, limiting public sector exit costs payable by employers to £95,000.
17. The Government promised to revisit this issue following the revocation of the regulations in early 2021.
18. The original regulations aimed for a single model for all public sector schemes. The revised model will be more targeted and different government departments have been instructed to develop their own proposals form how this could be achieved.
19. The Department for Levelling Up, Housing and Communities (DLUHC) are working on proposals for the LGPS which are expected imminently.

### **Good Governance**

20. As members of the Committee will recall, the Scheme Advisory Board (SAB) produced their action plan which was sent to the pensions minister in February 2021.
21. The Committee received an update on the final recommendation from SAB's Good Governance review at its meeting on 4 June 2021. The Fund has completed a self-assessment against the proposals (which were included within the June 2021 Committee report) and continues to implement actions which can be completed in advance of the regulatory changes, such as the Conflicts of Interest policy which was approved by the Committee in December 2021.
22. DLUHC are now looking at the proposals, having recruited more staff. The SAB have met with the pension's adviser at DLUHC and the next step is for the proposals to be submitted to the Local Government Minister.
23. Guidance is expected from DLUHC in the Summer/Autumn of 2022.

### **The Pensions Regulator's Single Code of Practice**

24. The Pensions Regulator (TPR) consulted on its new single code of practice during 2021. The CoP amalgamates 10 of the 15 current codes of practice, including Code 14 applying to public sector pension schemes.
25. TPR issued an interim statement on 24 August 2021 explaining it had received over 10,000 responses to the consultation and was working through these. The interim statement highlighted a number of proposals which had generated widespread comment, which were being reviewed.
26. TPR has said that it expects the new code will be laid in Parliament during 2022.

27. Once the final modular code is published officers will conduct a thorough review of Fund compliance against the requirements and will implement a plan to deal with any areas which require further improvement.

### **Boycotts, Divestment and Sanctions Bill**

28. The Public Service Pensions and Judicial Offices Bill 2022 received Royal Assent on 10 March and is now an Act of Parliament. The Bill includes the 'Jenrick' amendment which gives the Secretary of State powers to ensure LGPS funds do not make investment decisions that conflict with the UK's foreign and defence policy. This raises a number of important questions and practical implications for all LGPS funds.
29. The government has stated that the amendment does not put a requirement on LGPS schemes to make any immediate decisions regarding their investments and have committed to bring forward a wider Boycotts, Divestment and Sanctions Bill. This Bill would cover all public bodies in the areas of procurement, investment and expenditure and is wider than the LGPS.
30. There will be a 12-week consultation period before any guidance or directions are issued. The consultation is expected to occur in summer/autumn. Once final guidance is issued it is likely that all LGPS funds will have to review their investment policies and practices, review and possibly amend their Investment Strategy Statements and potentially amend existing mandate instructions with appointed investment managers.

### **Levelling Up**

31. In February 2022 the government published the Levelling Up whitepaper which includes references to LGPS funds having plans for up to 5% of assets to be allocated to projects which support local areas. The LGPS Scheme Advisory Board have subsequently advised that they understand that in this context local refers to UK rather than local to a particular fund and that there will be no compulsion beyond the requirement to have a plan. Further details will emerge over the period up to an expected summer/autumn consultation. Again, final guidance may require LGPS funds to review their existing investment strategies and implement any changes via existing or new investment products.

### **LGPS Climate Change Reporting**

32. In June 2021 the Department for Work and Pensions introduced a requirement for all large private sector pension schemes to report on climate risk in line with Taskforce for Climate related Financial Disclosure (TCFD) requirements. Included was a requirement to assess risks to investment portfolios under different climate scenarios and to report on carbon metrics and set targets for improvements accordingly.
33. Since the publication of the DWP requirements, the DLUHC have indicated that they intend to amend regulations to introduce similar requirements for all LGPS funds; the intention is all LGPS funds will have to report from one date (initially 2022-23, but this is now likely to be later).

34. As the Committee will know, the Fund has assessed its climate risk and has set in place its Climate Strategy and Climate Stewardship plan. In conjunction with partners in the LGPS Central pool, the Fund publishes an annual TCFD report and work is underway to produce the third such annual report in July/August 2022.
35. Based on current information, the Fund should be compliant with most of the new reporting requirements, but the position will be reviewed in the light of the DLUHC consultation and draft LGPS regulations once received.

### **Further Pooling Guidance**

36. In 2019 the then MHCLG issued further guidance on LGPS asset pooling and initiated an informal consultation process. The draft guidance stipulated that all pools needed to place investments with an Financial Conduct Authority (FCA) regulated company, had to regularly justify the holding of assets outside of pools and insisted that the pooling of all publicly listed assets should proceed quickly. The guidance proved to be controversial with suggestions that the guidance was potentially unlawful as its prescriptive nature exceeded ministerial powers. The promised formal consultation process to follow the informal process did not materialise.
37. The latest information from the DLUHC is that the long-awaited guidance on asset pooling will be released in summer/autumn 2022 alongside the promised Climate Change reporting, Levelling up and the Boycotts, Divestment and Sanctions Bill. It is expected that the pooling guidance will outline the next steps for pooling, a review of progress to date and an assessment of whether the government's original aims and objectives are being delivered.

### **Pensions Dashboard**

38. Pensions dashboards will allow individuals to see information about all their pensions, including the State Pension, in one place.
39. On 31 January 2022 the Department for Work and Pensions (DWP) published a consultation on their draft Pensions Dashboard Regulations. The consultation closing date was 13 March 2022.
40. The purpose of the consultation was to seek views on the range of policy questions relating to the creation of pension dashboards. Indicative draft regulations have also been provided which show how DWP envisage the policy would be turned into law.
41. The draft regulations set the requirements to be met to deliver the dashboard and place a legal duty on pension providers to provide information to the dashboards.
42. The consultation proposes a staging date of the end of April 2024 for public service pension schemes, including the LGPS. This means that LGPS administering authorities will need to be able to connect to the digital architecture by this date and be ready to provide individuals data to them via the dashboards.

43. The Local Government Association responded to the consultation and expressed concern about the LGPS administering authorities' ability to meet the proposed staging date given other work pressures, particularly McCloud.
44. The McCloud remedy regulations will come into force from 1 October 2023 and administering authorities will be working through the recalculation of benefits for members who left since 1 April 2014.

### **Summary**

45. Based on the government's proposed timetable, the Fund will need to respond to and implement an unprecedented number of regulatory changes from the autumn of 2022 onwards. Many of the proposed changes will require significant resources to implement over a period of time, while others will introduce permanent additional operational requirements for LGPS funds.
46. It appears likely that all three existing teams (Operations, Stakeholder Relations and Finance and Investments) will be impacted. The Pensions Leadership Team will therefore be assessing the new requirements alongside existing resources and priorities and will report to the Committee/Board training session in July with proposals setting out how existing and new commitments can be accommodated. Members will recall that the approved budget for 2022-23 contains a contingency of £200,000 to provide additional resilience and to recognise potential additional resource requirements.

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<p>This is the quarterly pack of Pension Fund performance information which is based on the period 1 April to 30 June 2022 and includes a comparison to the previous quarter - 1 January to 31 March 2022.</p> <p>The overall assessment for Quarter 1 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>	<b>Qtr 1 (Apr-Jun 2022)</b>
	<b>Summary position:</b>
	<b>This Quarter - 1 Apr to 30 Jun 2022</b>
	<b>RED</b>
	<b>Previous Quarter - 1 Jan to 31 Mar 2022</b>
	<b>RED</b>

Subject	Comment	RAG Status
<b>Administration Casework</b>	<p>Overall administrators have completed 17,023 cases during the 3 month period to 30 June 2022, compared to 15,455 in quarter 4 of 2021/22.</p> <p>The status is RED because the number of pieces of casework outstanding exceeds more than 10% of the membership.</p>	<b>RED</b>
<b>Breaches</b>	<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 9 new breaches in quarter 1 of 2022/23 (compared to 15 in quarter 4 of 2021/22). 6 of the breaches related to the collection of contributions income and 3 were administration breaches (i.e. late notification of rights and options).</p> <p>During quarter 1, all 9 breaches were recorded as Green.</p>	<b>GREEN</b>
<b>Compliance</b>	The Fund did not identify any material compliance issues during the quarter.	<b>GREEN</b>
<b>Contributions Monitoring</b>	<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 month of quarter 1.</p> <p>Contributions income are monitored against both of these criteria and also whether the income received in aggregate is above the aggregate value of the pensions paid out each month. The Fund has the right to charge interest on late payments and the monetary value of the applicable interest is now included within the tables below. The Fund takes a pragmatic approach to recharge interest.</p> <p>Employers are also required to provide a contribution form to accompany each amount paid so that the Fund can correctly allocate the income.</p>	<b>GREEN</b>
<b>Financial Performance</b>	The Fund's 2022/23 budget for Administration/Oversight and Governance Costs is c£5.2m. The final outturn for 2021/22 was an underspend of £524k	<b>GREEN</b>
<b>HR (absence)</b>	<p>The service lost 65 days through sickness during quarter 1 (Apr-Jun) of 2022/23 which equates to an annual average of 3%. This compares to 47 days lost in quarter 4 (Jan-Mar 2022) which is an annual average of 2%.</p> <p>34 of the 65 days were due to an operation.</p>	<b>GREEN</b>
<b>Debt Recovery</b>	<p>The Pension Fund has £67k of debt outstanding at the end of Quarter 1 of 2022/23, £52k of which relates to prior years.</p> <p>93% of the debt relates to invoices that are in the 0-90 day category which is the average time for invoices to be paid.</p> <p>The RAG status is Green to reflect the fact that the value of debt outstanding over 90 days is less than 25%</p>	<b>GREEN</b>
<b>Business Plan Progress</b>	<p>The 2022/26 Business Plan was approved by the Committee in March 2022.</p> <p>An Action Plan Tracker has been produced for the 2022/23 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 Green for Qtr 1 denoting that all actions will be achieved as planned.</p>	<b>GREEN</b>
<b>Feedback from External Sources</b>	Board members receive feedback from external sources. This includes submissions to the Board which are received via the website.	<b>GREEN</b>
<b>Investment Manager Qualitative and Quantitative Performance</b>	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.	<b>GREEN</b>

**Administration Casework**

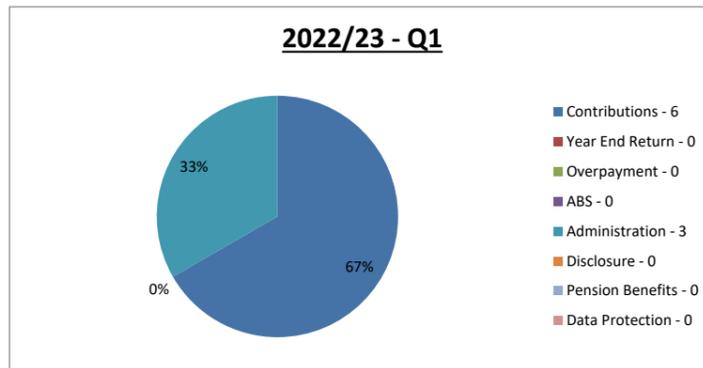
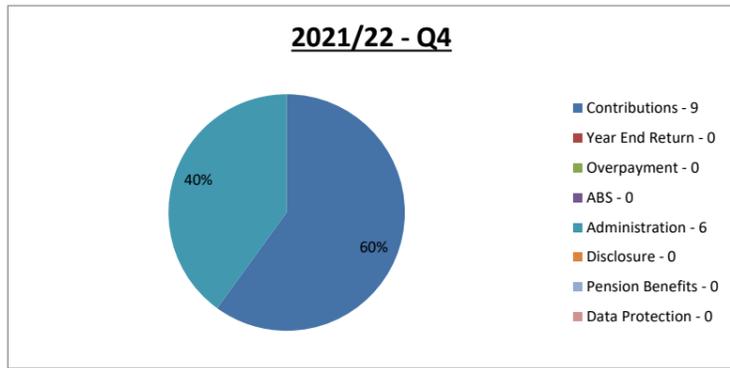
<p>Overall administrators have completed 17,023 cases during the 3 month period to 30 June 2022, compared to 15,455 in quarter 4 of 2021/22.</p> <p>The status is RED because the number of pieces of casework outstanding exceeds more than 10% of the membership.</p>	<b>Qtr 1 (Apr-Jun 2022)</b>
	<b>Summary position:</b>
	<b>This Quarter - 1 Apr to 30 Jun 2022</b>
	RED
	<b>Previous Quarter - 1 Jan to 31 Mar 2022</b>
	RED

Process Name	Quarter3-Opening Balances	Quarter 3 - Processes Created	Quarter 3 - Processes Completed	Quarter 3- Closing Balances	% Movement	Quarter4- Opening Balances	Quarter 4 - Processes Created	Quarter 4 - Processes Completed	Quarter 4- Closing Balances	% Movement
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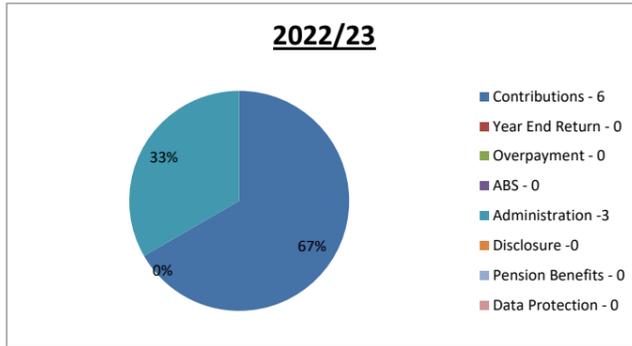
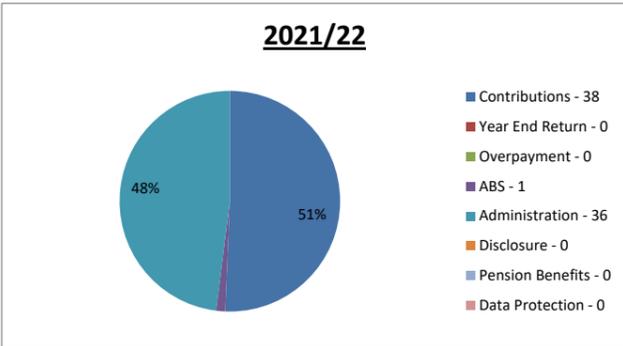
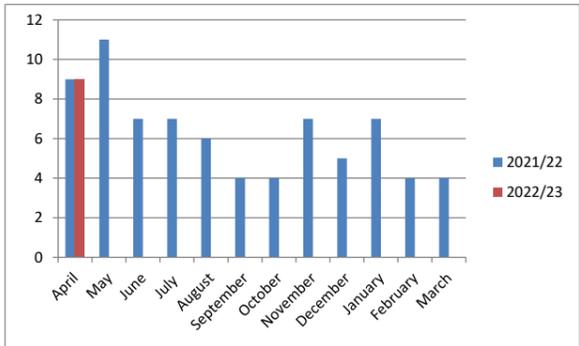
**Breaches**

<p>The Fund updates the Breaches Log on a monthly basis.</p> <p>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 9 new breaches in quarter 1 of 2022/23 (compared to 15 in quarter 4 of 2021/22). 6 of the breaches related to the collection of contributions income and 3 were administration breaches (i.e. late notification of rights and options).</p> <p>During quarter 1, all 9 breaches were recorded as Green.</p>	<p><b>Qtr 1 (Apr-Jun 2022)</b></p> <p>Summary position:</p> <p>This Quarter - 1 Apr to 30 Jun 2022</p> <p style="text-align: center;"><b>GREEN</b></p>
	<p>Previous Quarter - 1 Jan to 31 Mar 2022</p> <p style="text-align: center;"><b>GREEN</b></p>

RAG Criteria	
All Breaches in the current quarter were classed as Green (No further implications)	<b>GREEN</b>
Within the quarter there was at least one breach reported as amber and no red breaches.	<b>AMBER</b>
Within the quarter there was at least one breach reported as Red.	<b>RED</b>

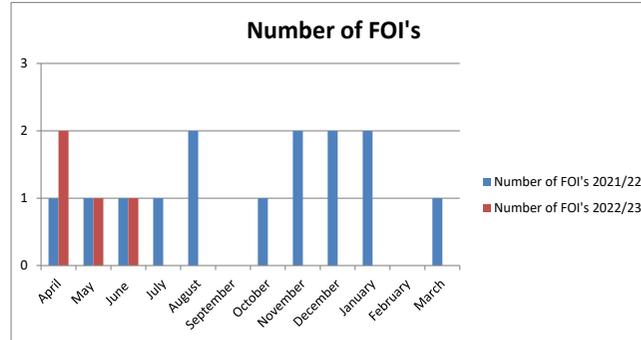
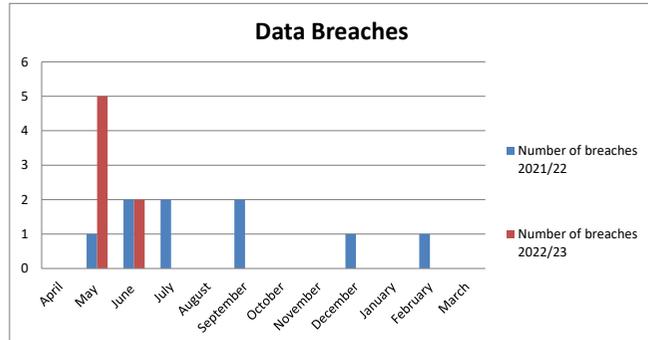


As at the 31st March 2022 there have been a total of 75 Breaches in 2021/22, 38 of which have been regarding the late submission of Contributions, 36 relate to Administration breaches and 1 is in relation to Annual Benefit Statements. Breached for 2022/23 relate to April and there are 6 contribution breaches and 3 administration breaches.



**Compliance**

<p>The Fund received no complaints in Quarter 1 (Quarter 4 - one complaint)</p> <p>There have been 4 FOI requests in Quarter 1 (Quarter 4 - 3). All FOI requests were responded to within the 28 Day deadline.</p> <p>There have been 1 Contact the Board requests in Quarter 1 (Quarter 4 - 2). There have been 0 IDRPs in Quarter 1 (Quarter 4 - 3).</p> <p>There have been 7 data breaches in Quarter 1 (Quarter 4 - 1). There have been no MP queries in Quarter 1 (Quarter 4 - none).</p>	<b>Qtr 1 (Apr-Jun 2022)</b>
	<b>Summary position:</b>
	<b>This Quarter - 1 Apr to 30 Jun 2022</b>
	<b>GREEN</b>
	<b>Previous Quarter - 1 Jan to 31 Mar 2022</b>
	<b>GREEN</b>



	Quarter 1 2022/23		Quarter 4 2021/22	
	Number	Subject	Number	Subject
Complaints	0		1	In relation to their pension options, resolved by email
Data Breaches	7	4 relate to information sent to the incorrect address, 3 relate to employers providing us with information for employees not within the pension fund.	1	relates to information sent to the incorrect address.
FOI's	4	All FOI's were in relation to information on the Funds investments.	3	All FOI's were in relation to information on the Funds investments.
IDRP's	0	0 new cases	3	3 new cases
Contact the LPB	1	One in relation to information presented by LGPS Central and shown on their website	1	One regarding communication of the CPF Forum website and potential meeting with new Communications Manager
MP Query	0		0	
<b>Total</b>	<b>12</b>		<b>9</b>	

RAG Criteria	
Total Complaints, FOI's, Data Breaches etc <5% of membership	<b>GREEN</b>
Total Complaints, FOI's etc >5 and <10% of membership	<b>AMBER</b>
Total Complaints, FOI's etc >10% of membership	<b>RED</b>

Membership as at 31 March 2022	
Actives	43,054
Pensioners	32,429
Deferred	32,399
<b>Total</b>	<b>107,882</b>

5% = 5,394

**Contributions Monitoring**

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.

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 month of quarter 1.

Contributions income are monitored against both of these criteria and also whether the income received in aggregate is above the aggregate value of the pensions paid out each month. The Fund has the right to charge interest on late payments and the monetary value of the applicable interest is now included within the tables below. The Fund takes a pragmatic approach to recharge interest.

Employers are also required to provide a contribution form to accompany each amount paid so that the Fund can correctly allocate the income.

RAG Criteria	
Income Received on Time is greater than the Pensions Paid and above KPI (98%)	GREEN
Income Received on time is less than 98% but greater than the Pensions Paid	AMBER
Income Received on Time is less than 98% and less than the Pensions Paid	RED

Contributions Monitoring														RAG Criteria			
<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 month of quarter 1.</p> <p>Contributions income are monitored against both of these criteria and also whether the income received in aggregate is above the aggregate value of the pensions paid out each month. The Fund has the right to charge interest on late payments and the monetary value of the applicable interest is now included within the tables below. The Fund takes a pragmatic approach to recharge interest.</p> <p>Employers are also required to provide a contribution form to accompany each amount paid so that the Fund can correctly allocate the income.</p>														Qtr 2 (Jul-Sep 2021)			
														Summary position:			
														This Quarter - 1 Apr to 30 Jun 2022			
														Previous Quarter - 1 Jan to 31 Mar 2022			
QTR	No. of Contribution Payments	KPI (98%)	Received on Time	Income Received on Time	Pensions Paid out	Income Received Late	Income Received Late	Number of Late Payments	Average No. Days Late	Not Received	Income Not Received	Interest	Total	RAG Status	Contribution Forms Received OnTime	Contribution Forms Received Late	% of Forms received on Time
QTR 1 2022/23		%	%	£	£	%	£			%	£	£	£				
Apr-22	312	98%	99.79%	15,316,605	12,441,405	0.21%	31,776	6	2	0.00%	-	-	15,348,381	GREEN	279	33	89.42%
May-22	314	98%	100.00%	15,272,149	12,466,811	0.00%	0	0	5	0.00%	-	-	15,272,149	GREEN	289	25	92.04%
Quarter total	626		99.90%	30,588,754.14	24,908,215.65	0.10%	31,776.00	6	3.50	0.00%	-	-	30,620,530	GREEN	568	58	90.73%
QTR 4 2021/22		%	%	£	£	%	£			%	£	£	£				
Jan-22	313	98%	99.97%	16,313,144	12,119,541	0.03%	4,340	3	3	0.00%	-	-	16,317,484	GREEN	289	24	92.33%
Feb-22	312	98%	98.98%	18,231,120	12,125,317	1.02%	188,201	4	1	0.00%	-	-	18,419,321	GREEN	292	20	93.59%
Mar-22	311	98%	100.00%	18,095,478	12,188,920	0.00%	615	1	28	0.00%	-	-	18,096,093	GREEN	307	4	98.71%
Quarter total	625		99.65%	52,639,741.20	36,433,778.21	0.52%	193,156.06	8	10.67	0.00%	-	-	52,832,897	GREEN	888	48	94.88%
QTR 3 2021/22		%	%	£	£	%	£			%	£	£	£				
Oct-21	306	98%	99.97%	15,470,553	12,255,897	0.03%	4,237	2	6	0.00%	-	-	15,474,790	GREEN	286	20	93.46%
Nov-21	312	98%	99.74%	15,983,840	12,024,706	0.26%	42,210	1	25	0.00%	-	-	16,026,050	GREEN	296	16	94.87%
Dec-21	315	98%	99.98%	15,466,018	12,247,467	0.02%	3,025	4	8	0.00%	-	-	15,469,043	GREEN	305	10	96.83%
Quarter total	933		99.90%	46,920,411.25	36,528,069.51	0.10%	49,471.90	7	13.00	0.00%	-	-	46,969,883	GREEN	887	46	95.05%
QTR 2 2021/22		%	%	£	£	%	£			%	£	£	£				
Jul-21	312	98%	98.78%	15,248,750	12,122,804	1.22%	188,519	1	4	0.00%	-	-	15,437,269	GREEN	295	17	94.55%
Aug-21	312	98%	98.76%	15,147,656	12,208,812	1.24%	190,603	2	1	0.00%	-	-	15,338,259	GREEN	279	33	89.42%
Sep-21	307	98%	98.88%	15,496,954	12,228,805	1.12%	176,278	3	7	0.00%	-	-	15,673,232	GREEN	288	19	93.81%
Quarter total	931		98.80%	45,893,359.38	36,560,421.37	1.20%	555,400.87	6	4.00	0.00%	-	-	46,448,760	GREEN	862	69	92.60%
QTR 1 2021/22		%	%	£	£	%	£			%	£	£	£				
Apr-21	300	98%	99.90%	15,316,605	12,027,933	0.10%	14,820	6	4	0.00%	-	-	15,331,424	GREEN	249	53	83.00%
May-21	307	98%	99.95%	15,272,149	12,174,327	0.05%	7,255	5	5	0.00%	-	-	15,279,404	GREEN	279	25	90.88%
Jun-21	312	98%	99.97%	15,549,981	12,169,215	0.03%	4,026	4	12	0.00%	-	-	15,554,007	GREEN	283	29	90.71%
Quarter total	919		99.94%	46,138,735.01	36,371,474.63	0.06%	26,100.42	15	7.00	0.00%	-	-	46,164,835	GREEN	811	107	88.19%

## Financial Performance

<p>The Fund's 2022/23 budget for Administration/Oversight and Governance Costs is c£5.2m. The final outturn for 2021/22 was an underspend of £524k</p> <p>The table below summarises the outturn position with a comparison to the final 2021/22 outturn.</p>	<b>Qtr 1 (Apr-Jun 2022)</b>
	<b>Summary position:</b>
	<b>This Quarter - 1 Apr to 30 Jun 2022</b>
	<b>GREEN</b>
	<b>Previous Quarter - 1 Jan to 31 Mar 2022</b>
	<b>GREEN</b>

### Quarter 1 (April 2022 to June 2022)

	Employee Expenses £	Premises Expenses £	Transport Expenses £	Supplies & Services £	TOTAL £	Budget £	Outturn £
Administration Costs	1,777,117	73,250	3,200	1,063,420	2,916,987	2,916,987	0
Oversight & Governance Costs	302,584	750	2,100	1,994,751	2,300,185	2,300,185	0
<b>TOTAL</b>	<b>2,079,701</b>	<b>74,000</b>	<b>5,300</b>	<b>3,058,171</b>	<b>5,217,172</b>	<b>5,217,172</b>	<b>0</b>

### Final outturn 2021-22

	Employee Expenses £	Premises Expenses £	Transport Expenses £	Supplies & Services £	TOTAL £	Budget £	Outturn £
Administration Costs	1,598,347	72,465	344	955,560	2,626,716	2,862,676	-235,960
Oversight & Governance Costs	301,387	0	66	1,554,204	1,855,657	2,144,478	-288,821
<b>TOTAL</b>	<b>1,899,734</b>	<b>72,465</b>	<b>410</b>	<b>2,509,764</b>	<b>4,482,373</b>	<b>5,007,154</b>	<b>-524,781</b>

### Increase / (Decrease)

	Employee Expenses	Premises Expenses	Transport Expenses	Supplies & Services	TOTAL	Budget
Administration Costs	178,770	785	2,856	107,860	290,271	54,311
Oversight & Governance Costs	1,197	750	2,034	440,547	444,528	155,707
<b>TOTAL</b>	<b>179,967</b>	<b>1,535</b>	<b>4,890</b>	<b>548,407</b>	<b>734,799</b>	<b>210,018</b>

RAG Criteria	
Outturn Balanced or underspent	<b>GREEN</b>
Outturn Overspent up to 10%	<b>AMBER</b>
Outturn Overspent > 10%	<b>RED</b>

## HR Absence

<p>The service lost 65 days through sickness during quarter 1 (Apr-Jun) of 2022/23 which equates to an annual average of 3%. This compares to 47 days lost in quarter 4 (Jan-Mar 2022) which is an annual average of 2%.</p> <p>34 of the 65 days were due to an operation.</p> <p>There were no sickness days lost in the quarter relating to work related stress.</p>							<b>Qtr 1 (Apr-Jun 2022)</b>
							<b>Summary position:</b>
							<b>This Quarter - 1 Apr to 30 Jun 2022</b>
							<b>GREEN</b>
							<b>Previous Quarter - 1 Jan to 31 Mar 2022</b>
						<b>GREEN</b>	
	<b>Quarter 1</b>	<b>2022/23</b>	<b>Quarter 4</b>	<b>2021/22</b>	<b>Quarter 3</b>	<b>2021/22</b>	

Debt Recovery

The Pension Fund has £67k of debt outstanding at the end of Quarter 1 of 2022/23, £52k of which relates to prior years.

93% of the debt relates to invoices that are in the 0-90 day category which is the average time for invoices to be paid.

The RAG status is Green to reflect the fact that the value of debt outstanding over 90 days is less than 25%

Qtr 4 (Jan-Mar 2021)
Summary position:
This Quarter - 1 Apr to 30 Jun 2022
GREEN
Previous Quarter - 1 Jan to 31 Mar 2022
GREEN

RAG Criteria	
Less than 25% of debt is greater than 30 days late	GREEN
Between 25 and 50% of Debt is greater than 30 days late	AMBER
Over 50% of Debt is greater than 30 days late	RED

QUARTER 1 - 2022/23

This is the quarterly debt outstanding for the Cheshire Pension Fund, for the period 1 January to 31 March 2022

Summary

	Invoices Raised	Amount paid	Outstanding
2016/17	7,334,361	7,333,249	1,112
2017/18	5,706,774	5,706,774	0
2018/19	4,517,597	4,514,678	2,919
2019/20	2,968,916	2,959,710	9,206
2020/21	6,021,816	6,021,379	437
2021/22	4,380,569	4,342,652	37,917
Total			51,591
Quarter 1 (2022/23)	290,535	274,809	15,726
Total			67,317

QUARTER 4 - 2021/22

This is the quarterly debt outstanding for the Cheshire Pension Fund, for the period 1 October to 31 December 2021

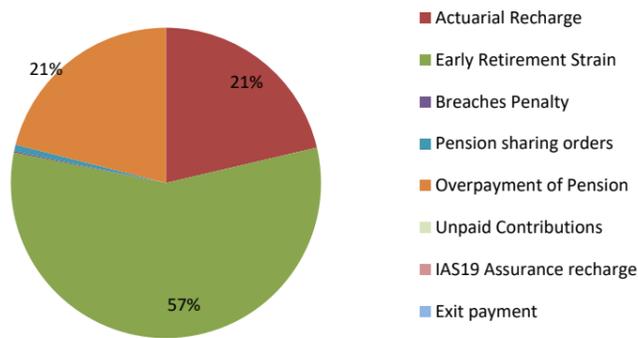
Summary

	Invoices Raised	Amount paid	Outstanding
2016/17	7,334,361	7,333,189	1,172
2017/18	5,706,774	5,706,774	0
2018/19	4,517,597	4,514,618	2,979
2019/20	2,968,916	2,959,710	9,206
2020/21	6,021,816	6,021,597	219
Total			13,576
Quarter 1 (2021/22)	226,217	226,217	0
Quarter 2 (2021/22)	1,279,201	1,278,153	1,048
Quarter 3 (2021/22)	2,178,584	2,153,662	24,922
Quarter 4 (2021/22)	696,567	21,528	675,039
Total			724,585

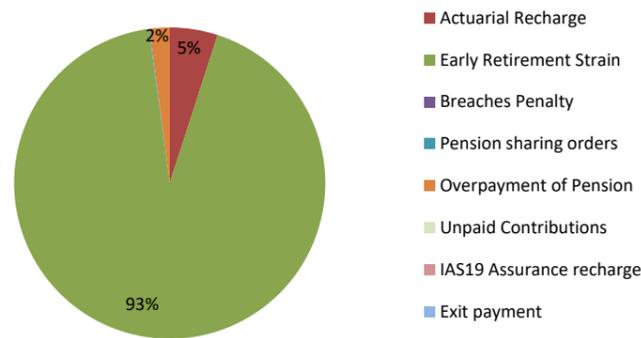
Row Labels	Amount	Not Due	31-90 Days	91-180 Days	181-360 Days	361+ Days
Actuarial Recharge	14,365	100	14,265	0	0	0
Early Retirement Strain	38,243	0	38,243	0	0	0
Breaches Penalty	100	100	0	0	0	0
Pension sharing orders	450	0	400	50	0	0
Overpayment of Pension	14,159	0	0	261	522	13,376
Unpaid Contributions	0	0	0	0	0	0
IAS19 Assurance recharge	0	0	0	0	0	0
Exit payment	0	0	0	0	0	0
Total	67,317	200	52,908	311	522	13,376

Row Labels	Amount	Not Due	31-90 Days	91-180 Days	181-360 Days	361+ Days
Actuarial Recharge	36,120	26,120	0	0	0	0
Early Retirement Strain	672,786	647,689	630	24,467	0	0
Breaches Penalty	100	0	0	100	0	0
Pension sharing orders	650	600	0	50	0	0
Overpayment of Pension	14,929	0	0	305	1,048	13,576
Unpaid Contributions	0	0	0	0	0	0
IAS19 Assurance recharge	0	0	0	0	0	0
Exit payment	0	0	0	0	0	0
Total	724,585	674,409	630	24,922	1,048	13,576

Quarter 1 2022-23 Outstanding Debt



Quarter 4 2021-22 Outstanding Debt



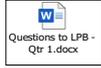
**Business Plan Progress**

<p>The 2022/26 Business Plan was approved by the Committee in March 2022.</p> <p>An Action Plan Tracker has been produced for the 2022/23 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. The reporting framework has an overall RAG rating of Green for Qtr 1 denoting that all actions will be acheived as planned.</p>	<b>Qtr 1 (Apr-Jun 2022)</b>
	<b>Summary position:</b>
	<b>This Quarter - 1 Apr to 30 Jun 2022</b>
	<b>GREEN</b>
	<b>Previous Quarter - 1 Jan to 31 Mar 2022</b>
	<b>AMBER</b>

RAG Criteria	
>/= 50% of milestones are categorised as green	<b>GREEN</b>
> 50% of milestones are categorised as amber	<b>AMBER</b>
> 50% of milestones are categorised as red	<b>RED</b>

**Feedback from External Sources**

<p>The Fund will receive feedback from various external sources who are independent to the Pension Fund.</p>	<p><b>Qtr 1 (Apr-Jun 2022)</b></p>
	<p><b>Summary position:</b></p>
	<p><b>This Quarter - 1 Apr to 30 Jun 2022</b></p>
	<p><b>GREEN</b></p>
	<p><b>Previous Quarter - 1 Jan to 31 Mar 2022</b></p>
	<p><b>GREEN</b></p>

<p><b>Pooling</b></p>	<p><b>A link to the LGPS Central website is enclosed.</b></p>	<p><a href="https://www.lgpscentral.co.uk/">https://www.lgpscentral.co.uk/</a></p>
<p><b>Questions to LPB</b></p>	<p><b>Contact the Pension Board</b></p> <p>There was one question to the Board in Quarter 1 relating to presentation of information on LGPS Central website.</p>	
<p><b>Internal Audit</b></p>	<p><b>Internal Audit Report: Transfers Out</b></p> <p>IA have given the fund a rating of 'Reasonable Assurance' for the transfers our process and made some recommendations for where we can improve. Many of the improvements relate to changes in legislation which we are in the process of implementing relating to further obligations on pensions scams</p>	
<p><b>Internal Audit</b></p>	<p>5 Year rolling plan of key casework</p>	
<p><b>PLSA</b></p>	<p><b>PLSA - Research Report</b></p> <p>The Local Government Pension Scheme: Today's Challenges, Tomorrow's Opportunities sets out 14 underlying challenges and provides 23 opportunities for action to fortify the scheme's long-term sustainability. They cover four areas:</p> <ul style="list-style-type: none"> <li>• The regulatory and operating environment                             <ul style="list-style-type: none"> <li>• LGPS employers</li> <li>• LGPS and scheme members</li> <li>• Operational sustainability</li> </ul> </li> </ul>	 
<p><b>TPR Corporate Plan 2022-24</b></p>	<p><b>TPR have issued their corporate plan for 2022-2024</b></p> <p>On 13 June 2022 TPR published its corporate plan for 2022-24. TPR have confirmed they will continue to 04/07/2022:</p> <ul style="list-style-type: none"> <li>• call on schemes to take its pledge to combat pension scams</li> <li>• work closely with the Department for Work and Pensions and the Financial Conduct Authority (F C A) on a future consultation for a Value for Money Framework</li> <li>• assess how smaller defined contribution schemes offer value for money                             <ul style="list-style-type: none"> <li>• help schemes become dashboard ready</li> </ul> </li> <li>• develop its organisational capability with the creation of a Digital, Data and</li> </ul>	<p>Link to Corprate Plan:  <a href="http://www.thepensionsregulator.gov.uk/en/document-library/corporate-information/corporate-plans/corporate-plan-2022-24">www.thepensionsregulator.gov.uk/en/document-library/corporate-information/corporate-plans/corporate-plan-2022-24</a></p>
<p><b>SAB Annual Report</b></p>	<p><b>SAB have issued the scheme Annual Report for 2021</b></p> <p>Highlights include:</p> <ul style="list-style-type: none"> <li>• total membership grew by 1.08 per cent from 6.160 million to 6.226 million                             <ul style="list-style-type: none"> <li>• total assets increased to £342 billion - a rise of 23.4 per cent</li> </ul> </li> <li>• local authority net return on investment from 1 April 2020 to 31 March 2021 was 20.56 per cent - reflective of market conditions                             <ul style="list-style-type: none"> <li>• a positive cash-flow was maintained overall, including investment income                                     <ul style="list-style-type: none"> <li>• over 1.8 million pensioners were paid</li> </ul> </li> </ul> </li> <li>• COVID-19 significantly impacted life expectancy - with a drop of 0.9 years and 0.5 years for males and females respectively (2019 figures versus 2020)</li> </ul>	<p>Link to Annual Report:  <a href="http://www.lgpsboard.org/index.php/schemedata/scheme-annual-report">www.lgpsboard.org/index.php/schemedata/scheme-annual-report</a></p>
<p><b>Hymans - LGPS Online Learning Academy</b></p>	<p>The Fund has subscribed to the new Hymans online training tool for all Committee and Board, and Senior Officers of the Fund.</p> <p>All Committee and Board members should have received an email from 'Aspire' inviting them to register for the portal.</p>	

**Investment Manager Performance**

<p>The Fund monitors its overall investment performance over periods of at least 3 years, to believe that this is a reasonable period of time over which it can begin to meaningfully assess performance. The Fund monitors its investment performance against the fund's relevant benchmark, CPI and total performance assumptions from the most recent valuation. This allows the Fund to monitor its investment performance both on a relative basis, and relative to the long term funding plan. As shown by the accompanying chart, rolling 3 year investment performance is a blend of benchmark, CPI and the valuation assumption.</p> <p>The graph below summarizes the Fund's performance up to December 2021.</p>	<p>Roll 3 Year (Jan 2019)</p> <p>Current Valuation</p> <p>Roll 3 Year (1 Jan 2019)</p> <p>CPI</p> <p>Roll 3 Year (1 Mar 2022)</p> <p>Current</p>
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**Returns as at 31 March 2022**



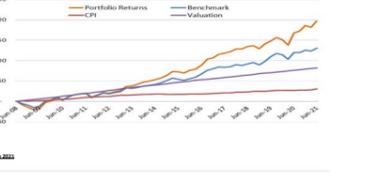
**Returns as at 31 December 2021**



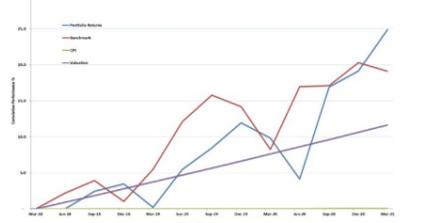
**Returns as at 30 September 2021**



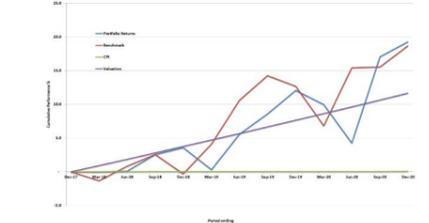
**Returns as at 30 June 2021**



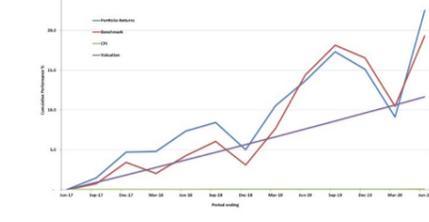
**Returns as at 31 March 2021**



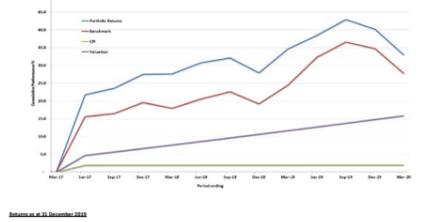
**Returns as at 31 December 2020**



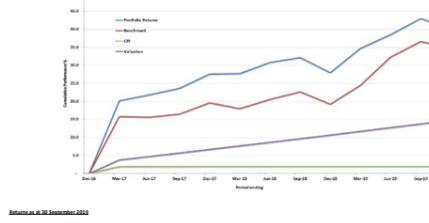
**Returns as at 30 June 2020**



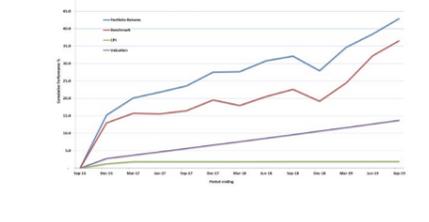
**Returns as at 31 March 2020**



**Returns as at 31 December 2019**



**Returns as at 30 September 2019**



M&G Company	
Financial Services	Green
Healthcare	Yellow
Technology	Red
Other	Blue

**IDRP****Introduction**

1. The Board will be presented with an overview of the Internal Dispute Resolution Process (IDRP), including indicative timelines.

**Recommendation**

2. The Board are requested to note the position and determine any recommendations for the Pension Fund Committee to take forward.

**IDRP Process**

3. Board members will receive a presentation explaining the legislative framework for the internal dispute resolution process including details of the suggested timelines for such processes.
4. The presentation also includes draft wording for a communication which can be shared with employers on a regular basis, perhaps annually, to remind them of their responsibilities under IDRP.

# Internal Dispute Resolution Procedure (IDRP)

Chris Bujac

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# IDRP - Background

- The internal dispute resolution procedure (**IDRP**) is governed by both:
  - Pensions Act 1995 (sections 50-50B) – requirement for trustees or managers of an occupational pension scheme to ensure that an IDRP is made and implemented
  - LGPS Regs 2013 (Regs 72-77) – requirements governing how scheme employers and administering authorities should deal with matters relating to a member's rights or liabilities under the LGPS
  - Run as a single process but not all requirements under the LGPS Regs and PA 1995 dovetail so a purposive approach has to be adopted
-

# IDRP – Part of wider process

- The IDRP forms part of an overall process where disagreements occur. CPF summarises the process online:
  - Step 1: A decision is taken that affects benefits (a “first instance decision”)
  - Step 2: An informal approach to resolving a disagreement about that decision
  - Step 3: The instigation of the formal, two stage IDRP (the “internal appeal”)
  - Step 4: Application to the Pensions Ombudsman for a determination (the “external appeal”)
  - Certain duties fall on scheme employers and others on the administering authority. CPF provides scheme employers with detailed guidance online, together with template letters
-

# Step 1: The First Instance Decision

- Under the LGPS regulations, employers and the administering authority for the Fund have different decisions to make that could affect member or dependants' pension benefits (“First Instance Decisions”)
  - **Administering authority first instance decisions** – questions about a person's previous service or employment, counting additional periods as membership or crediting additional pension, the amount of any benefit, or return of contributions, the member becomes entitled to under the regulations
  - **Employer's first instance decisions** – everything else, including eligibility for membership, pay, contribution rate, entitlement to benefit on termination of membership or early release of pension benefits
-

# Special cases

- **Exercise of discretions** – scheme employers must prepare and publish a statement of policy in respect of how they exercise various discretions with the LGPS Regs (eg contributions to a shared cost additional pension contribution scheme, flexible retirement, waiver of actuarial reductions). First instance decisions should be made in accordance with the policy
  - **Ill-health** – scheme employers must determine whether an employee satisfies the requirements under the LGPS Regs, but the employer must first obtain an opinion from an independent registered medical practitioner
-

# Notification of first instance decisions

## *Time limits*

- The LGPS Regs require a decision to be made “as soon as reasonably practicable”
  - Notification must be given in writing as soon as reasonably practicable and must contain grounds for decision or a statement showing calculations, if relevant. It must include a reference to the right to appeal under the IDRPs
-

# Adjudicator

- LGPS Regs require each scheme employer (as well as the administering authority) to appoint an “adjudicator” to consider an application by anyone whose rights or liabilities under the scheme are affected by a decision, or other act or omission, or the scheme employer (or administering authority)
  - LGPS Regs do not specify by when the appointment must be made, but any first instance decision must include the job title and address of the adjudicator.
  - The LGPS Regs do not specify who can act as adjudicator, but often someone in HR. Smaller employers may wait until they have to make a first instance decision before appointing an adjudicator and may appoint someone external who has appropriate expertise (could include an officer of the administering authority)
-

# Step 2: Informal settlement of disputes

- CPF guidance explains to employers that:
  - where a member is unhappy with a decision, it may be appropriate for the employer to offer further information or a meeting
  - first instance decisions should be made in a consistent manner in accordance with any policy decisions
  - it is important for employers to keep accurate records of employment history and the reasons for any first instance decisions
-

# Step 3: The formal internal appeal process (IDRP)

- PA 1995 allows trustees/managers to set their own process, which can be one or two staged. LGPS Regs are more specific, so process adopted by CPF accords with LGPS Reg requirements
  - LGPS Regs apply to appeals against first instance decisions and to any other act or omission affecting a person's rights or liabilities in the scheme. IDRP under PA 1995 is wider and applies to all "pension disputes", ie a dispute between the trustees/managers and a "person with an interest in the scheme" about matters relating to the scheme, but CPF does not distinguish in practice
-

# Who may appeal?

- PA 1995 gives a “person with an interest in the scheme” a right to use the IDR. This includes a member, former member, prospective member, widow/widower or surviving civil partner, cohabiting partner or other dependant, member’s representative
  - LGPS Regs allow an appeal by any person whose rights or liabilities is affected by a first instance decision or by an act or omission of the scheme employer or administering authority
-

# When can the applicant appeal?

- Under PA 1995, the trustees/manager may choose whether to specify any time limit, although there must be a time limit of six months of leaving for former or prospective members
  - Under the LGPS Regs, an appeal may be made within six months of the date of the notification of the first instance decision (or other act or omission), although this can be extended by the appropriate adjudicator
  - CPF adopts six months for all complaints under IDRPs to be consistent with LGPS Regs
-

# Stage 1 appeals

- Formal complaints received under the IDRPs are referred to an adjudicator for determination under stage 1 of the IDRPs
  - Where the first instance decision was made by the scheme employer, it will be the adjudicator appointed by the scheme employer who determines the appeal
  - CPF guidance explains that:
  - stage 1 appeals are an opportunity to reconsider the issue and, where appropriate, to alter the decision
  - all facts, reports and background information should be considered before a determination is reached. Further evidence should be requested if necessary
-

# Stage 1 – notice of decision

- The adjudicator must give written notice of their decision, including a statement of the decision, reference to any legislation relied on, and reference to any regulations conferring any relevant discretion. The decision must also include a reference to the right to appeal under stage 2 of the IDRPs, as well as contact details for the Money and Pensions Service and a statement that MaPS is available to give assistance in connection with any difficulty with the scheme that remains unresolved
  - The decision must be issued to the applicant, the scheme employer and the administering authority
-

# Stage 1 – Timeframe

- PA 1995 requires decisions to be made within a reasonable period, which the Pensions Regulator considers to be within four months in most cases. Notice of the decision must be issued within 15 working days of the decision
  - Under LGPS Regs, a decision should be issued within 2 months from the date the application was received, but if the decision will take longer the adjudicator must give an interim reply explaining the reasons for delay and expected decision date. There is no further long-stop date under the LGPS Regs but the PA 1995 requirements would still apply
-

# Stage 2 appeals

- If an applicant is unhappy with a stage 1 determination, or if they have not received one within the prescribed time limits, they can submit an application to the administering authority under stage 2 of the IDR
  - The complaint must be brought within six months of the date on which the stage 1 determination is received, or within 9 months of the original application if no determination has been received
  - If the original complaint was against the administering authority and was determined by its appointed adjudicator, the stage 2 appeal will be determined by another person appointed by the administering authority who has not previously dealt with the matter
-

# Stage 2 - Decisions

- Reconsider the decision, taking full account of the facts of the case and any evidence submitted, or relied on, by either party in the determination of stage 1
  - Check that any relevant regulations were applied correctly
  - Check that sound, impartial procedures were used to reach the decision, particularly where the dispute concerns the exercise of a discretion by the scheme employer or administering authority
  - ***Limit of administering authority powers at Stage 2***
  - Cannot replace an employer first instance decision, can only instruct to reconsider where discretion is exercised
  - No power to act outside of the regulations nor to instruct any party to do so
  - No power to award compensation for any reason, including where an appeal is upheld against the amount of a benefit due; limited to placing the affected party in the position they would have been in
  - No awards for maladministration even where found, but can suggest scheme employer considers making an award if appropriate, eg where Pensions Ombudsman guidance indicates an award would be made
-

# Stage 2 – Notification and timeframe

- The adjudicator must give written notice of their decision, as at Stage 1. The notice must also include a reference to the right to appeal to the Pensions Ombudsman.
  - The decision must be issued to the applicant, the scheme employer and the administering authority
  - The same timeframe applies as at Stage 1
-

## Step 4: The external appeal

- An applicant can ask the Pensions Ombudsman to investigate a pensions dispute
  - The Ombudsman must receive the complaint in writing no more than 3 years after the date on which act or omission occurred (or the date on which the applicant ought reasonably to have known of its occurrence). Ombudsman can extend for further reasonable period if it was reasonable for application not to be made within 3-year period
  - Stage 2 of IDRPs must usually have been completed
  - Cannot substitute own decision where complaint relates to exercise of discretion; can only require discretion to be exercised again
  - Can award compensation for loss
  - Can award payment for distress and inconvenience – guidance states minimum £500 if apology insufficient, but can exceptionally be more than £2,000
-

# Step 5: High Court

- If applicant is unhappy with Ombudsman's determination, can appeal to High Court within 28 days
  - Costs can be expensive
-

# Practical issues

- IDRPs adopted by CPF are compliant with both PA 1995 and LGPS Regs
  - During 2021/22, CPF received 8 applications under the IDRPs
  - 3 at Stage 1, where the complaint was against CPF
  - 5 at Stage 2, where the complaint was against a scheme employer
  - Could have been more at Stage 1 – CPF is reliant on informing CPF and complying with its duties
  - CPF cannot control time taken by scheme employer to determine Stage 1 applications and will usually not know about them until after the matter has been determined
  - Applicant has right to apply under stage 2 if determination not issued within time limits
-

## Practical issues (2)

- CPF aims to issue determinations within 2 months, but may be times when this takes longer due to complexity or where further information required – either from applicant or scheme employer
  - CPF has limited powers to practically compel scheme employers to provide information promptly. Generally better to wait until all relevant information has been obtained before determining matter:
    - ensures that determination more likely to be correct
  - Pensions Ombudsman can be very slow process – CPF currently has one case with the Pensions Ombudsman which has been with the Ombudsman for over 12 months with no indication as to when it will be determined
-

# Proposal

- No need to change IDRPs itself
- Annual communication should be issued to scheme employers reminding them of their core duties to increase the likelihood of the process being adhered

## ***“Discretionary functions policy, determination of rights/liabilities, internal dispute resolution procedure***

*As a reminder, to comply with the Local Government Pension Scheme Regulations, all scheme employers are required to:*

*Prepare and publish a written statement of its policy in relation to the exercise of its discretionary functions in relation to award of additional pension, funding of additional pension, waiving of actuarial reduction and flexible retirement. The policy must be kept under review and revised as appropriate following a change in policy. A copy of the policy and any revisions to it must be provided to Cheshire Pension Fund **within one month**;*

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## Proposal (2)

*Determine any question for which it is responsible concerning the rights or liabilities under the Cheshire Pension Fund **as soon as is reasonably practicable**. Where any such question involves the exercise of a discretion, scheme employers should ensure that it is determined in accordance with its discretionary functions policy. Ill-health applications should be determined in accordance with the relevant statutory guidance. Notification of the decision should be given in writing and include a statement that the person may apply for the decision to be adjudicated in accordance with CPF's internal dispute resolution procedure (**IDRP**) and give the job title and address of the person appointed by the scheme employer to consider such applications;*

*Appoint an appropriate person to act as "adjudicator", in accordance with the IDRP, to consider applications from any person whose rights or liabilities under Cheshire Pension Fund are affected by a decision, or other act or omission, of the scheme employer. Scheme employers should confirm who they have appointed as adjudicator by submitting a completed "IDRP – Employer nominated person" form to Cheshire Pension Fund. Details of the job title and address of the adjudicator must be included in any written notification of any scheme employer decision concerning the rights or liabilities under the Cheshire Pension Fund;*

*Where an application is received under Stage 1 of the IDRP, the adjudicator should determine the matter **within 2 months** of receipt. If the adjudicator cannot determine the matter within that time, the adjudicator must write to the applicant to explain the reason for the delay and the expected date for the decision. The Pensions Regulator considers that decisions should usually be made within a maximum of 4 months. Notification of the decision should be given in writing and include a statement that the person may apply for the decision to be referred to Cheshire Pension Fund for adjudication in accordance with the IDRP, as well as a statement that the Money and Pensions Service is available to give assistance with any issue that remains unresolved. A copy of the notification should be sent to Cheshire Pension Fund as well as to the applicant;*

# Proposal (3)

- Give Cheshire Pension Fund such information as it requires in order to discharge its functions. Where information is requested, it should be provided **as soon as reasonably practicable**.
- Scheme employers should check that their internal policies and procedures are compliant with these requirements. They should also remember that, as a matter of good practice, if they receive a request for determination of rights or liabilities under the Cheshire Pension Fund, or an application under Stage 1 of the IDRPs, they should ensure that the applicant is kept duly updated.
- Further information about scheme employer duties, as well as relevant forms and helpful template documents, are available on the CPF website:
  - [Employer discretions](#)
  - [Ill-health retirement](#)
  - [IDRP](#)
  - [Employer guide](#)

## **COMMUNICATIONS STRATEGY REVIEW**

### **Introduction**

1. This report presents the Fund's updated Communications Strategy which was endorsed by the Pension Fund Committee on 10 June 2022.

### **Recommendation**

2. The Board is asked to review the Communications Strategy and Communication Plan and confirm that they agree with the Committee's decision to endorse them.

### **Background**

3. The Board has previously agreed that any changes to Fund policy or strategy documents should be presented to the Board after they had been endorsed by the Pension Fund Committee. Board members can then satisfy themselves that they agree with any changes to the documents.
4. The updated Communications Strategy and communications plan were presented to the Pension Fund Committee at its meeting on 10 June 2022. The documents are appended to this report as Appendix A and Appendix B respectively.

### **Communications Strategy and Plan**

5. The Committee received a report explaining the communication strategy and plan and the content from that report is included below.
6. The Cheshire Pension Fund (the Fund) has faced increasing communication challenges in recent times. For example (but not limited to):
  - Covid-19 related communications,
  - Frequent regulatory developments including McCloud and Exit Reform,
  - Increased scrutiny from members and action/pressure groups and
  - A general increase in member and employer interest in investment issues, particularly Environmental, Social, and Governance (ESG) and other Responsible Investment (RI) matters.
7. These challenges have been exacerbated by the lack of a dedicated communications resource, which has been addressed with the appointment of a new Communications manager.
8. One of the key outcomes from the appointment is a refresh of the Fund's Communications strategy, a draft of which is attached as Appendix A to this paper along with a high-level communications plan, attached as Appendix B.

9. The aim of the communications strategy is to underpin the Fund's vision that its members 'understand, value, and engage with their LGPS pension, whilst planning their journey to retirement.'
10. In order to achieve this vision, the Fund has identified six core objectives, along with a supporting set of sub-objectives, which will work together to achieve the overall aim.
  - Our communications are always clear and with explainable definitions and terms, we avoid pension jargon where possible, and plain English is used.
  - Our communications are evaluated, and feedback is used to measure their effectiveness.
  - To encourage engagement and interest in member's pensions, we will ensure that the services we offer are accessible, intuitive, attractive, and engaging.
  - We will introduce, proactively market, and promote the member self-serve portal, where possible, in all our core communications, to encourage members join and use the service.
  - We will improve understanding of the Fund and enable members to make informed choices about their pension.
  - We commit to clear and transparent communications regarding the Fund's investments, including Responsible Investment (RI)
11. Members are reminded that that the Fund will launch a phased roll out of member self-serve portal ('My Cheshire Pension') in 2022/3. This will provide members with an easier way to interact with their benefits and allow them to take a greater ownership of their Local Government Pension. This will be a key area of communication and development in 2022 and 2023 as member engagement will be vital to the success in the take up of My Cheshire Pension.
12. Over time 'My Cheshire Pension' will be developed and deployed as the primary means of communications between members and the Fund.
13. A key theme running through the strategy is one of evaluation and feedback. Every piece of communications work from the annual ABS distribution to ad-hoc campaigns to lunchtime webinars, will need to be evaluated. The Fund will take views from internal staff, employers (and their staff), and crucially from members. We will also seek other stakeholder feedback where possible and relevant.
14. Evaluating the Fund's work will also provide key intelligence on what areas we have improved and what areas we can then look to further improve.
15. The Board are referred to page 9 of the communications strategy for an overview of how the Fund will aim to achieve its core objectives.
16. Taking one objective that has been of high interest as an example i.e.  
  
"We will promote Responsible Investment (RI) through a series of informative and engaging documents. We will also ensure that our content around this subject is easily available to any Fund member or member of the public."

17. A key strand of the new communications strategy will be to enhance the Fund's presentation of its investment decisions, policies and holdings information. At present the Fund publishes a great deal of material which is included in the Fund's website as follows:
- An Investment Strategy Statement
  - And annual Responsible Investment Policy
  - A Climate Change Strategy
  - An annual Climate Risk Report on Climate-related Financial Disclosures (TCFD)
  - A quarterly detailed list of all investment holdings,
  - A quarterly list of all private equity holdings
18. These are occasionally supplemented by media releases and statements posted on the website e.g. March 2022 statement on Russia/Ukraine and April 2022 statement of the Fund's £360m investment in Sustainable Equities. However, most of the Fund's published information run into many pages, contain a lot of detail and the documents are unlikely to attract casual readers or members without an existing strong interest in the issues.
19. The Fund's published investment information will be overhauled so that accessible, up to date and summarised information is available for members, councillors, employers and all other stakeholders. New information will include:
- An attractive and accessible short document summarising the Fund's approach on climate change;
  - Investment highlights. A new section on the website which will be regularly refreshed and include short summaries of key Fund positive investments in:
    - Infrastructure projects e.g. the Fund has now directly invested in the Beatrice Offshore Wind farm off the coast of Scotland;
    - Sustainable investments in individual companies e.g. Beyond Meat (producer of plant based alternatives to meat products);
    - Engagement success stories – progress made in moving specific companies in a positive direction;
    - A key votes summary – how the Fund is voting at AGMs in high profile companies e.g. opposed excessive pay at recent Apple AGM.
  - Investment stories and news to be included in pensioner and member newsletters.
  - Statements and press releases to be issued more regularly, e.g. publication of annual Climate Risk report, new sustainable investments. We will aim for one a quarter and we will work to engage with media outlets,
  - All of the above information can be summarised periodically for members of the Pension Fund Committee and shared with major employers.

20. The overall aim of this approach will be to ensure the Fund offers accessible, attractive and easy to digest information on its investment approach. Overly long or complicated text in formal policies (invariably required by LGPS Investment Regulations) will be supplemented by short documents containing real examples of investments and actions (with photos/graphics) taken by the Fund to illustrate its responsible investment approach.
21. In short, the real progress the Fund has made in implementing its Responsible Investment policy will be matched by effective communications to evidence positive results to our members.

### **Next Steps**

22. Following the endorsement by the Pension Fund Committee, officers will now publish the communications strategy on its website and begin a consultation process with key stakeholders.
23. Board members are invited to comment on the draft communications strategy.
24. Any significant changes made to the strategy following the consultation will be shared with the Committee and Board prior to final endorsement.

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# Communications strategy

May 2022

**DRAFT**



## Introduction

### Who we are

The Cheshire Pension Fund ('the Fund') is a regional pension fund, in the North-West of England, who administer the statutory Local Government Pension Scheme (LGPS) on behalf of people working in Local Government and for other qualifying employers within the county.

The Fund is administered by Cheshire West and Chester Council.

Employees of all Local Government Authorities, non-uniform employees of Police and Fire Services, and employers of Academies or Multi Academy Trusts have access to the LGPS. Employees of a wide range of other bodies that provide a public service can also join the LGPS where certain circumstances apply.

The Fund has approximately 300 employers with approximately 41,000 employees who are actively contributing to the pension fund. The Fund also has approximately 33,000 deferred members and approximately 32,000 pensioner members. Further information on membership is included in the Fund's Annual Report which is available on our website [www.cheshirepensionfund.org](http://www.cheshirepensionfund.org)

### The purpose of our communications strategy

As we strive to provide a high quality and consistent service to all members and stakeholders, our communications strategy is key to meeting this aim. We will regularly ensure the work we undertake as part of the strategy is measured for success, quality, and consistency. This will be done via a mix of baselined member satisfaction surveys, as well as member feedback, focus groups, and measurement of increased member engagement, for example - analysis of website usage.

### Why have we renewed our communications strategy?

We last published our communications strategy in 2016. Since then, many things in the world have moved on. Technology continues to evolve at a rapid pace, members' needs continue to develop and change alongside technology. We, the Fund, recognise that our communications need to reflect the demands and pace of change, not only in our industry, but also in the wider environment in which our members live and work

We want to assure our members that we will communicate effectively, clearly, using cost effective methods. We will take onboard, and use all feedback, where appropriate, to ensure we work within a framework of continuous improvement.

We want to ensure that all stakeholders are clear about our vision, objectives, and the ways in which we will deliver them. Ensuring that the objectives are consistently and appropriately delivered.

The strategy will aim to provide value for money on all communications activities we carry out. We will ensure that we use services that provide not only value for money but also, reliable, and effective services which members can be confident in.

- Our digital first ambition, through the introduction of a member self-serve portal, called 'My Cheshire Pension' is where active and deferred members can access their own records including personal details, length of service, their death grant nomination, and use the portal as a means of contacting the Fund.

The portal will; provide the Fund with savings, free up staffing resources, reduce postage, and will also reduce our carbon footprint through printing and posting fewer items.

The portal will be supplemented by improvements to the fund's website, in particular through feedback from our members on how it can better serve them.

- We will ensure, that where we tender for communications work, we look for the best service, not necessarily the cheapest and that it provides the best outcome for all parties.
- We will ensure that services provided are befitting for all members and cost efficiencies are appropriately balanced across all member types.

We will use best practice, ensuring that we always look to the industry as well as peers for insights on success, and failure, to learn and deliver for our members. We will also strive to be a benchmark for other Funds, and our peers within the Pensions industry as a whole. The objectives have considered our member types and will constantly be monitored to ensure that they best represent the majority audience, as well as observing changing environments, and taking member feedback into account to ensure we provide all members with a high-quality service.

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## Executive Summary

The aim of our communications strategy is to underpin the Fund's vision that its members 'understand, value, and engage with their LGPS pension, whilst planning their journey to retirement.' In-order to achieve this vision, we have six core objectives, along with a supporting set of sub-objectives which will work together to achieve the overall aim.

- Our communications are always clear and with explainable definitions and terms, we avoid pension jargon where possible, and plain English is used.
- Our communications are evaluated, and feedback is used to measure their effectiveness.
- To encourage engagement and interest in member's pensions, we will ensure that the services we offer are accessible, intuitive, attractive, and engaging.
- We will introduce, proactively market, and promote the member self-serve portal, where possible, in all our core communications, to encourage members join and use the service.
- We will improve understanding of the Fund and enable members to make informed choices about their pension.
- We commit to clear and transparent communications of the fund's investments, including Responsible Investment (RI).

We will launch a member self-serve portal ('My Cheshire Pension') in 2022/3 for Active members and 2023/4 for Deferred members. Roll out to Pensioner members will then be considered, this will also fall in line with changes to payroll which will support online activity. This will provide members with an easier way to interact with their benefits and allow them to take a greater ownership of their Local Government Pension. This will be a key area of communication and development in 2022 and 2023 as member engagement will be vital to the success in the take up of My Cheshire Pension.

Our key audience will always be our members; Active, Deferred and Pensioners. However, we have many other audiences and recognise their vital input and support – not limited to but including Employers, Committee and Board members, Prospective members, Unions, and Press.

A key risk that needs to be mitigated is that pensions as a subject matter is often viewed as 'complex' or 'boring' or 'confusing'. As a result, members can fail to engage.

We also recognise that a key risk is the internal Subject Matter Expert (SME) support for Communications. Pensions is a highly technical subject, often learned over a long period of time, it will need to be appropriately and carefully managed to ensure consistency across our communications material(s).



We know that pensions aren't a subject that most people will actively engage with on a regular basis, if at all. In fact, a study by Capita confirmed that of their 2,000 respondents, 72% were not engaged with their pensions and 61% were confused by their pension. We also know from our own survey for Active members, in December 2021, that 86% want to know more about their LGPS pension. So, whilst the subject matter itself is a risk, we find some mitigation in the fact our members want to know more.

Our communication channels will continue to evolve as we plan to launch My Cheshire Pension (MCP) for active members in 2022/23. Digital will become our default by choice; however, we will support all major channels including post, telephone, and email. We will look to develop other methods where appropriate, for all member types. We will actively encourage our website as the first port of call for basic information, forms, and member education. The website will be re-developed (2022/3/4) to ensure that this is a key pillar in our communications offering.

We will always evaluate our communications work using success measurements amongst other forms of objectivity, from business as usual (BAU), to ad-hoc campaigns, to ensure that whatever we deliver is effective and well received, and if not, that we learn lessons, for future work.

## Regulatory Framework

This strategy has been produced in accordance with Regulation 61 of the Local Government Pension Scheme Regulations 2013.

The full regulations can be accessed here – [The Local Government Pension Scheme Regulations 2013 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukdsi/2013/0001/eng/sched/61)

*The regulatory framework that we follow is the baseline minimum for which we will offer communication services. We will aim to always go above and beyond this baseline where possible.*

## Stakeholders and typical communications

Fund Members are defined as –

- **Active** - those who are currently contributing into the fund and employed by a fund employer.
- **Deferred** - those who were members of an employer who paid into the fund but are not yet drawing a pension.
- **Pensioner** - those who were contributing into the fund and are now retired and claiming their pension, or their dependents.
- **Prospective Active members** - these are member who are considering joining an employer of the Fund. They would become full active members upon joining.

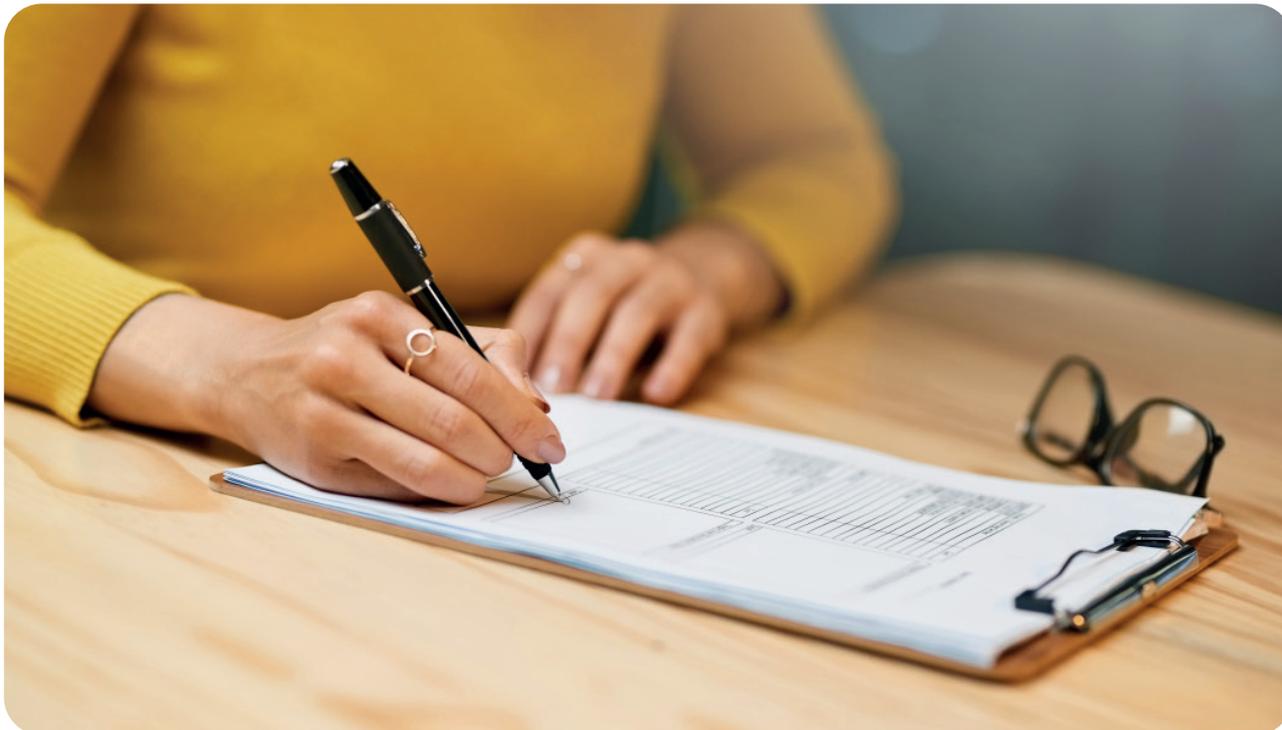
**Committee and boards** – Not limited to, but including Pension Fund Committee, Local Pension Board, Investment Sub-Committee and Employer Consultative Forum.

**Employers** – Any organisation which has been admitted into the Fund and has members who contribute towards their LGPS through the Fund. We currently have over 300 employers within the Fund.

**Unions** – Any union which represents members and employers, and who we actively recognise and engage with in-order to discuss appropriate matters and opinions.

**Stakeholders** – Any person who has a vested and legitimate interest in the Fund. This is not limited to, but is likely to include: Councillors, MPs, HM Revenue and Customs, the Pensions Regulator (tPR), the Pensions Ombudsman (tPO), Money and Pensions Service, Scheme Advisory Board and other such professional agencies.

**Press** – any journalist, publication both in print and online who has an active and legitimate interest in the fund and the activities it carries out.



## Objectives

When setting our objectives, we have kept members at the forefront of what we do. In late 2021, we conducted a survey amongst Active members which gave us both qualitative and quantitative information, helping us to understand what worked well and areas for improvement

The survey in 2021 told us the following.

Active members want to know more about their LGPS Pension (86%); They do not fully understand their Annual Benefit Statement (ABS – estimate of benefits at normal retirement age) (64%);

Members underuse our website (only 48% having used it);

Women are more likely to interact about their pension than men (73%);

Younger generation interaction remains low (9%).

As a result, the main areas for development were identified as **Annual Benefit Statements (ABS), Retirement interaction and support**, and providing **more general support** for all members but specifically - a younger demographic, and also encouraging more men to engage with their pensions.

We will commit to holding regular surveys for **all** member types, where possible and relevant, to inform the work that we undertake.

## Our vision

Our objectives should always be striving towards the overarching vision that members: understand, value, and engage with their LGPS pension, whilst planning their journey to retirement.

## Our core communication objectives are:

- Our communications are always clear and with explainable definitions and terms, we avoid pension jargon where possible, and plain English is used.
- Our communications are evaluated, and feedback is used to measure their effectiveness. in-order to provide the service that best supports our members
- To encourage engagement and interest in member's pensions, we will ensure that the services we offer are accessible, intuitive, attractive and engaging.
- We will proactively market and promote the member self-serve portal, where possible, in all our core communications, to encourage members join and use the service.
- We will improve understanding of the Fund and enable members to make informed choices about their pension.
- We commit to clear and transparent communications of the fund's investments, including Responsible Investment (RI).

The objectives within this strategy are to be achieved in the next one to five years (2022-27), notwithstanding any unforeseen external or internal pressures which render them unachievable or delayed. They are dependent upon employer and other stakeholder support, as well as member involvement.



**We will aim to achieve our core objectives through the following delivery vehicles:**

- Regular focus groups (with all member types, where possible and appropriate).
- Regular webinars for members (delivering 'focus' sessions on particular subjects or 'meeting the expert' sessions and ask your most pressing question(s)).
- Regular engagement with employers (at least one per year), and other stakeholders; where relevant and appropriate.
- Deliver engaging content, both online and in person.
- Increase our digital content for members and employers.
- Provide all member types with effective tools to understand their pension and the choices available to them.
- Member and employer surveys to measure the satisfaction levels from members. At least one survey per year and at least one full member survey every 18 months.
- National awards entry and recognition to validate the communications including independent assessment and measurement of effectiveness of our communications
- Proactive media relations, within the industry, locally and wider afield. Sharing positive news from within the Fund's activities.
- We will promote Responsible Investment (RI) through a series of informative and engaging documents. We will also ensure that our content around this subject is easily available to any Fund member or member of the public.
- Review, and redesign ABS, so that it becomes easier to understand for members and is then used as a benchmark by peers.
- Providing a communications activities report on the work in the calendar year, and their successes, which will be part of the Fund's Annual Report.
- Develop and deploy My Cheshire Pension (MCP) as a primary means of communications between members and the Fund, the aim is that we encourage members to use this function first, as it'll provide the quickest possible way to access their data.
- MCP will evolve each year, based on member use and technological developments. We will look to improve the communications aspect and ensure that members have a seamless experience, improving the overall customer experience. Member feedback will be assessed annually, and actioned, where appropriate, to provide the best possible user interaction for members.



## Communications channels

Communications channels should be varied with the ability to meet the majority of our audiences. Communications channels in the last twenty years have shifted away from traditional methods of telephone and letters (via post) to email and online delivery (self-serve).

We will continue to offer the following methods, without ruling out the need to add additional methods or withdrawing methods that are no longer necessary:

- Website and online services
- Digital delivery via video and webinar functionality
- Self Service (via My Cheshire Pension) – from 2022-23
- Emails
- Telephone service
- Letters delivered via post
- Roadshows/Pensions in Person
- Social Media will be kept under review

The strategy has some very ambitious and stretching objectives. These objectives will require a financial and resource commitment in-order to be achieved. Often, they will need internal resource to spearhead the communication activity i.e., a Subject Matter Experts (SMEs), will need to provide content which will then be turned into engaging communication materials.

Some items will be carried out in business-as-usual activity – such as annual reports and Annual Benefit Statements, and some will require a defined input in-order to be realised – such as a webinar on a set subject or a video on a set subject.

Where possible, the Fund will take the lead for costs and organisation. There will be no costs to members for the activities we provide. There will be no additional financial cost to employers for this activity. However, it will require some resource support. We will ask that employers take responsibility when we provide materials, events and other items that will benefit members – such as sharing the materials and ensuring members have access to them.

Annex A, the high level communications plan, outlines the objectives or communications, and what we believe the key resources required will be (both labour and financial), as well as the delivery time frame, and the success measurements.

## Key risks, issues and dependencies

With any communications activity there will always be a risk that it doesn't achieve the primary aim. We will always be mindful of our audiences and manage risks appropriately to best serve our members.

The key risks identified in this strategy are as follows:

- Members do not want to engage with their pension.
- Subject Matter Experts (SMEs) leave the business and are not replaced in a reasonable timeframe, leaving communications work exposed to delays.
- Employers do not engage with Fund or are unable to support the work being offered.
- The cost of the work outweighs the benefits by too much.
- When spending money on communications work, externally, we ensure the effective use of public money in delivering a set outcome.
- Internal resource constraints (when required to carry out additional communication work, alongside business as usual).
- External influences such as Covid-19, geo-political issues, and technology developments.
- Staff turnover.
- Stakeholder pressures.
- Overarching business objectives may need a greater support, i.e., Valuation, McCloud.

Risks are mitigated through a Risks Actions Issues and Decisions (RAID) risk log. A RAID log is regularly reviewed and updated to ensure all key areas of risk are properly investigated and actioned where appropriate. This allows a full governance of the work being undertaken and proposed and keeps an appropriate overview.

## Evaluating our work

Every piece of communications work we carry out, from annual ABS distribution to ad-hoc campaigns to lunchtime webinars, will need to be evaluated. This means that we will take views from our staff, employers (and their staff), and crucially from members. We will also seek other stakeholder feedback where possible and relevant.

Evaluating our work will also provide key intelligence on what areas we have improved and what areas we can then look to further improve.

## Our commitment

We will commit to:

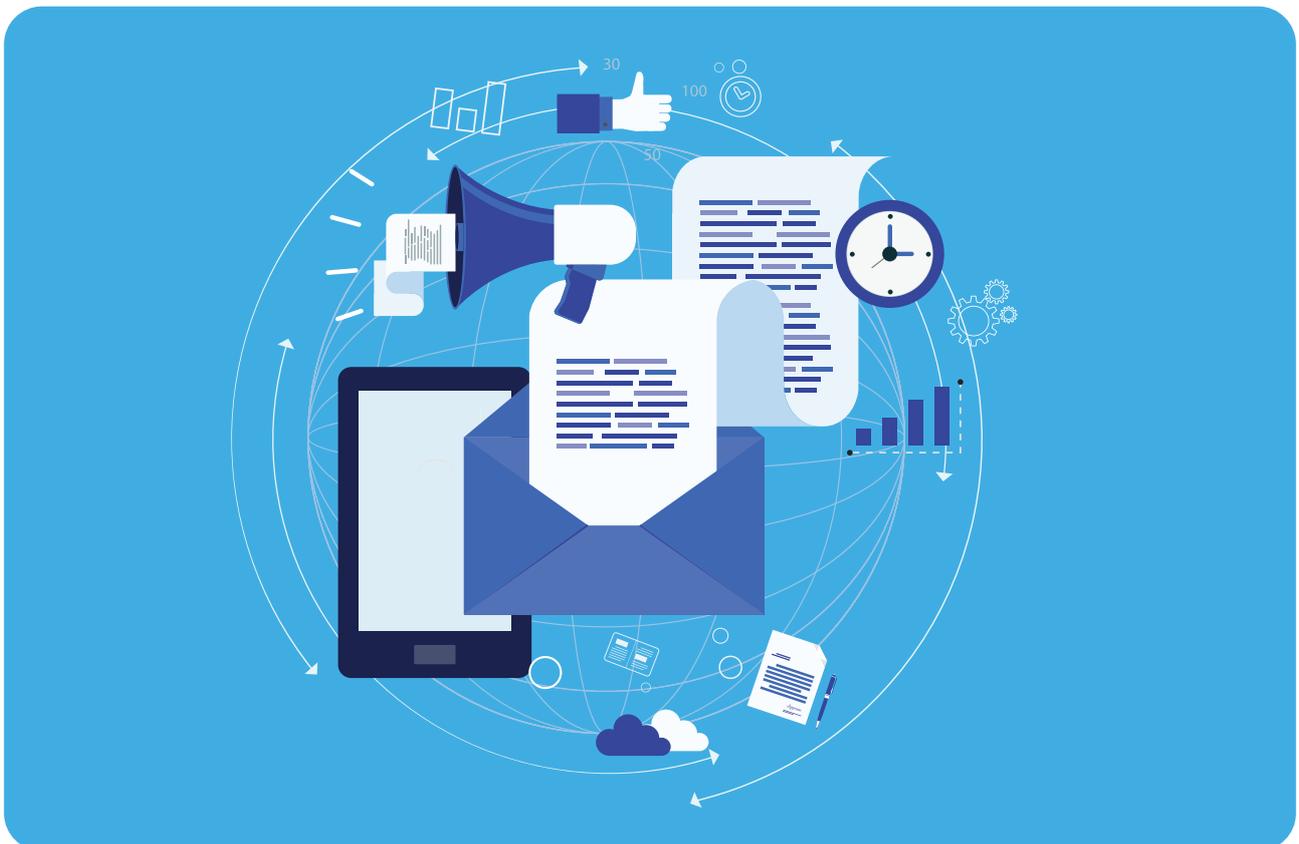
- always seeking feedback from an activity, where possible.
- always being transparent with that feedback, where possible, and sharing this on our website.
- always seeking to improve the services we provide and offer, to members and key stakeholders.

For every major piece of work we do, as outlined in our objectives, we will commit to seeking feedback.

We will not seek feedback on 'business as usual' activities. However, we will routinely review and recognise where improvements can be made and implement them as soon as feasibly possible.

## Annual evaluation

We will commit to proving an annual evaluation review in which we will take stock of activities and results. We will look at the overall communications strategy and review what has changed and what potentially needs to be added or removed, in-order to provide a better service for members.



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## HIGH LEVEL COMMUNICATIONS PLAN

Communication	Frequency	Objective	Delivery method	Timeliness	Year	Audience	Resource Cost	Success measurement
Webinar	Bi-annually	To deliver member awareness/education	Online	N/A	2022/23 and ongoing	Active and Deferred members	Comms and engagement (support from wider team)	<ul style="list-style-type: none"> <li>Event Satisfaction survey</li> <li>Higher levels of engagement in subjects</li> <li>Baseline tbc in 202/23</li> </ul>
Annual Benefit Statements (ABS)	Annually	Member awareness of benefits	Paper (2022) and Online (2023/24)	By 31 August annually	Ongoing	Active and Deferred members	Team	<ul style="list-style-type: none"> <li>All delivered by 31 August, annually,</li> <li>Baselined in 2022/23 for satisfaction levels</li> </ul>
Retirement quote	Ad-hoc	Member receives retirement benefit quote, and understands what they will receive	Paper (2022/23) Online TBC	As per Pensions Admin Strategy	Ongoing	Active and Deferred members	Team	<ul style="list-style-type: none"> <li>Delivered within PAS timeline</li> <li>Baseline tbc in 2022/23</li> </ul>
Email query	Ad-hoc	Members receive the answer to their query	Online	As per Pensions Admin Strategy	Ongoing	All members, stakeholders, external parties	Team	<ul style="list-style-type: none"> <li>As per Pensions Admin Strategy</li> </ul>
Letter query	Ad-hoc	Members receive the answer to their query	Paper	As per Pensions Admin Strategy	Ongoing	All members, stakeholders, external parties	Team	<ul style="list-style-type: none"> <li>As per Pensions Admin Strategy</li> </ul>
Pensioner Newsletter	Bi-annually (proposed)	Pensioners receive an update on their scheme	Online	Bi-annually	2022/23 and ongoing	Pensioner members	Comms and engagement (support from wider team)	<ul style="list-style-type: none"> <li>First edition delivered by the end of March</li> <li>Second edition by the end of November</li> <li>Baseline satisfaction survey in 2022/23</li> </ul>

Active Newsletter	Annually	Active members are provided with the latest scheme news	Online	By 31 August annually	Ongoing	Active members	Comms and engagement (support from wider team)	<ul style="list-style-type: none"> <li>Delivered by 31 August (online), annually</li> <li>Satisfaction levels are baselined in 2022/23</li> </ul>
P60	Annually	Pensioner members are provided with their P60 details	Paper	By 31 March annually	Ongoing	Pensioner members	Team	<ul style="list-style-type: none"> <li>Delivered by the end of April, annually</li> </ul>
Pensioner Payslips	3 times per year plus as hoc (when pension changes by more than £1)	Pensioner members provided with payslip	Paper	March April May	Ongoing	Pensioner Members	TSC R&P	<ul style="list-style-type: none"> <li>All pensioners receive a payslip in March, April and May. Then ad hoc through the year if pension changes by more than £1</li> </ul>
Pension Administration Strategy	Ad-hoc	Providing employers and stakeholders with key information about how we administer the fund	Online	1 April and 1 October, annually	Ongoing	All employers	Team	<ul style="list-style-type: none"> <li>Reviewed every twelve months and date stamped</li> </ul>
Employer bulletins	Ad-hoc	Providing employers with key information, news, and actions regarding the fund	Online	Ad-hoc	Ongoing	All employers	Team and support from Comms manager	<ul style="list-style-type: none"> <li>Employers understand and act on any vital actions within the bulletin(s)</li> </ul>
Employer newsletter	Quarterly	Providing employers with rounded up news, actions and updates regarding the fund	Online	Once a quarter	2022/23 and ongoing	All employers	Comms and engagement (support from wider team)	<ul style="list-style-type: none"> <li>Every employer receives a copy</li> <li>Satisfaction levels to be baselined in 2022/23</li> <li>'Open rate' to be baselined using a professional delivery (mail chimp/gov delivery) in 2022/23</li> </ul>

Employer focus groups	Ad-hoc	Meeting with employers to glean intelligence and feedback on their views, and also, set subjects such as ABS or new joiners (for example)	Online and in person	Ad-hoc	2022/23 and ongoing	All employers	Comms and Engagement	<ul style="list-style-type: none"> <li>Employers provide feedback which feeds into our delivery and direction of services to members and employers</li> </ul>
Pensions Consultative Forum	Every 4 months	Meet with a select group of employer representatives to share news and updates, as well as take feedback onboard	Online (in person TBD)	Once a quarter	Ongoing	Selected employers	Team	<ul style="list-style-type: none"> <li>Employers provide feedback, alongside our own and together we work to ensure that administration of the scheme is as efficient as possible</li> </ul>
Annual report and accounts	Annually	Providing feedback on the years activities and financial status to all interested stakeholders	Online	1 Dec, annually	Ongoing	All members, stakeholders and members of the public	Team	<ul style="list-style-type: none"> <li>Accounts published</li> </ul>
Committee papers	Quarterly	Providing committee with the relevant intelligence to make informed decisions	Online and paper	At least 10 days prior to meeting	Ongoing	Committee members	Team	<ul style="list-style-type: none"> <li>Sent at least seven days prior to each meeting</li> </ul>
Local Pension Board	Quarterly	Providing the board with relevant intelligence to make informed decisions	Online and paper (where required)	At least 10 days prior to meeting	Ongoing	Board members	Team	<ul style="list-style-type: none"> <li>Sent at least seven days prior to each meeting</li> </ul>
Employer training	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Training sessions	Minimum 3 times a year	Providing our staff (and board, committee members) with the appropriate education, and	Online where possible	Ad-hoc as required	Ongoing	Internal staff, board and committee members	Team	<ul style="list-style-type: none"> <li>Attendees are aware of the delivered messages</li> <li>All staff receive minimum of training</li> </ul>

		capabilities required to provide a high level of service to members						identified as part of annual appraisal.
Exiting the fund	Ad-hoc	Employers are provided with all the information they need when leaving the fund and what they need to do	Online	As per Pensions Admin Strategy	Ongoing	Employers	Team	<ul style="list-style-type: none"> <li>Employers exit the fund promptly</li> </ul>
AVC statements	Annually	Members who pay into AVCs are provided with an annual statement	N/A (beyond the funds control)	Annually	Ongoing	Active members	External	<ul style="list-style-type: none"> <li>All are sent annually</li> </ul>
Annual Comms report	Annually (in line with the overall Annual Report)	Members, stakeholders and members of the public are able to have an overview of the Comms work that has taken place and the impact of that work	Online	Annually	2022/23 and ongoing	All members, stakeholders and members of the public	Comms and Engagement	<ul style="list-style-type: none"> <li>The report is published and provides meaningful information for all audiences.</li> </ul>
Delivering engaging content regularly	Ad-hoc but at least three times annually	Members understand and value their Pension as part of their employee benefits package, key messages will drive this	Online and some paper based (for those members without access to computers)	Ad-hoc	2022/23 and ongoing	Active, Deferred and Pensioner members	Comms and engagement	<ul style="list-style-type: none"> <li>The information is well received</li> <li>Satisfaction levels are baselined in 2022/23</li> </ul>
Surveys	Ad-hoc	Members and stakeholders' feedback is taken into account when reviewing work and	Online	Ad-hoc (but generally following big pieces of work)	2022/23 and ongoing	Active, Deferred, Pensioner members, and stakeholders	Comms and engagement	<ul style="list-style-type: none"> <li>Gleaning intelligence from those surveyed as to the work we carry out and whether it is</li> </ul>

		carrying out new work						performing appropriately <ul style="list-style-type: none"> <li>• Satisfaction baselines from 2022/23</li> </ul>
Awards entries	Ad-hoc	Gaining external recognition for our work	Online	Ad-hoc	2023/24 and onwards	Internal, members, and stakeholders	Comms and Engagement	<ul style="list-style-type: none"> <li>• We are recognised as a leader in our field</li> <li>• Our work for members is recognised and rewarded</li> </ul>
Meet the member sessions	Ad-hoc (twice a year minimum)	Meeting members to talk through their queries and help them to understand their pension	In person and online	Ad-hoc	2023/24 and ongoing	Active members	Comms and Engagement with support from wider team	<ul style="list-style-type: none"> <li>• Providing members with answers to their pension queries and helping them understand and value their benefits</li> <li>• Satisfaction levels to be baselined in 2023/24</li> </ul>
Employer 'forums'	Bi-annually	Meeting employers to network, deliver key messages and take questions on burning subjects	In person	Every six months, suggested, April and October	2023/24	Employers	Comms and Engagement with support from wider team	<ul style="list-style-type: none"> <li>• Employers' satisfaction levels to be baselined in 2023/24</li> <li>• Employer's value and feel a part of the fund's commitment to members</li> </ul>

## 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 Fund currently produces the scores from reports which have been developed internally. The scheme specific score is based on a 'foundation approach' to measuring the data, which was previously approved by the Board in the absence of any national guidance
5. The scores for the 2020 TPR return were calculated as at 1 November 2021 and are included within the table below, alongside the scores for the previous two years.

	TPR Scheme Return		
	1-Sep-19	25-Sep-20	1-Nov-21
Common Data	98.07%	98.73%	98.95%
Scheme Specific Data	74.18%	74.01%	80.09%

6. The common data percentage as at July 2021 is 99.57%. The Fund commissioned Target to trace members that it had lost contact with which accounts for the increase in the score.
7. The Fund is in the process of updating year-end ('per member') information for the 2021/22 year and so it is not yet possible to provide an update on the scheme specific scores at this time.

### New Measurement Report

8. As Board members are aware, the Fund's administration database provider has created a report which will produce the common and scheme specific data scores directly from the administration database.
9. The Fund has worked with the database provider to resolve the data validation issues that arise when the report is run.
10. The database provider has made the necessary changes to the report and will provide the fund with a software update to implement the changes. Once that is complete the Fund will be able to move to using this report.
11. Once the software update has been implemented the Fund will need to retest the report to ensure that all of the issues identified have been fixed before we switch to using this report.
12. Board members will be kept informed of progress in moving to the new report.

## Pensions Dashboard

13. On 28 June 2022 the Department for Work and Pensions (DWP) launched a further consultation on Pension Dashboards, with a closing date of 19 July. This further consultation supplements the consultation on the draft regulations which ran from 31 January to 13 March 2022.
14. The further consultation sets out two proposals:
  - The first proposal provides clarity on the 'Dashboard Available Point' (DAP) – the point at which dashboards will be available to all members of the public.
  - The second proposal allows the Money and Pensions Service and the Pensions Regulator to share information about dashboards with each other.
15. The consultation proposes that the DWP will decide on DAP and then give pension schemes 90 days' notice. It is hoped that this will give schemes sufficient time to make final preparations.
16. The consultation documentation can be viewed on the following link: [Pensions dashboards: further consultation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/pensions-dashboards-further-consultation)
17. At the recent Pensions Age Northern Conference Chris Curry, Principal of the Pensions Dashboard Programme (PSP) provided an update which confirmed that:
  - The Department for Work and Pensions (DWP) is expected to respond to the consultation on the draft regulations for pensions dashboards before summer recess (21 July 2022).
  - The regulations will likely be laid in Parliament later this year.
  - Dashboards are still on track for 2023, with less than 12 months until some schemes begin onboarding.
  - Later in the year, PDP will run a further consultation on the specific standards for dashboards, which they will look to work with the industry through webinars and events.
  - PDP has successfully tested an end to end version of the dashboards ecosystem and that the alpha phase of the project was complete.
18. The Pensions Regulator (TPR) have launched a new 'deadline' campaign reminding scheme managers and trustees to start preparing for their pensions dashboards deadline.
19. TPRs press release states that their own research shows scheme managers/trustees have yet to get their preparations sufficiently underway and are at risk of failing to meet their legal pensions dashboards responsibilities.
20. TPR have published guidance which is based on the draft regulations recently consulted on by DWP. The guidance outlines scheme managers legal duties and includes a handy checklist to help schemes manage their progress. The guidance will be regularly updated: [Pensions dashboards: initial guidance | The Pensions Regulator](https://www.thepensionsregulator.gov.uk/guidance/pensions-dashboards-initial-guidance)
21. TPR is now calling on scheme managers, trustees and administrators to attend a pensions dashboard webinar on 28 July at 2.30. Officers will be attending the webinar.

## **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:
  - Undertake a review of the Local Pension Board's Risk Register and identify any required amendments.
  - Undertake a review of the Pension Fund's Risk Register which was updated in June 2022.

### **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 undertook a review of the register in October 2021 and made a number of updates, including the addition of a new risk relating to cyber security.
6. The Board are requested to undertake a further review of their risk register and identify any required amendments.

### **Pension Fund Risk Register**

7. Board members previously identified that as well as undertaking a regular review of their risk register it would be beneficial for them to conduct a detailed review the Pension Fund's risk register as well.
8. The Pension Fund risk register, which was last reviewed by the Pension Fund Committee in June, is attached in Appendix B. Board members are invited to review the detail of the register and feedback any comments to the Committee.

Pension Board Risk Register

Please note the column for the Total Score automatically calculates the score and assigns a colour (RAG).

Local Pension Board  
12-Jul-22  
Item 9 Appendix A

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"> <li>The Board has a conflict of Interest Policy</li> <li>The Conflict of Interest policy is reviewed on an annual basis</li> <li>All Board members sign a declaration upon appointment to confirm there are no conflicts which would prevent them from undertaking the role</li> <li>Annual declarations of interest are completed by Board members and are published on the Fund's website</li> <li>Declarations of Interest are requested at the start of each Board meeting</li> <li>Information supplied to the Board is anonymised to allow them to make recommendations free from any unconscious bias</li> </ul>	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"> <li>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</li> <li>All Board members attend training events delivered by Pensions Experts such as the LGA, PLSA and CIPFA</li> <li>All Board members have access to accurately maintained core documents and policies</li> <li>Board members attend quarterly joint training sessions with the Pension Fund Committee in accordance with the Fund's Training Policy</li> <li>Each member has agreed to adopt the knowledge and understanding policy framework</li> <li>The Chair of the Board has a role to ensure that the terms of reference are adhered to by all Board members</li> <li>Board members have completed the online TPR Training Toolkit</li> </ul>	2	4	8		<ul style="list-style-type: none"> <li>The knowledge and skills of the Board will be regularly reviewed and any training requirements will be addressed</li> <li>Board members will take every opportunity to attend external events and training sessions</li> <li>Board members will complete the modules of the Hymans Robertson LGPS Online Learning Academy (LOLA) training tool.</li> <li>The Board are working with Shropshire Local Pension Board to share ideas and best practice</li> </ul>		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"> <li>5 Board members are appointed for a term of 3 years, with the option to extend</li> <li>where a member leaves during that term a recruitment process is undertaken by the Fund to replace them</li> <li>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</li> <li>Terms of office have been staggered to avoid a cliff edge scenario of all members leaving on the same date.</li> </ul>	2	4	8		<ul style="list-style-type: none"> <li>The Board will consider whether they can introduce any steps to assist with succession planning</li> <li>The Board also has the option of co-opting additional members to provide support on either specific issues, or general matters.</li> </ul>		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"> <li>The Pension Fund's Governance Policy clearly outlines the role of the Board and the Pension Fund Committee</li> <li>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</li> <li>The Board's Terms of reference provides the framework for how the Board should perform their duties</li> <li>The Board receive a comprehensive set of standard performance reports on a regular basis which allow them to monitor the performance of the Fund</li> <li>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</li> <li>The Board continually review systems and processes and implement regular changes to improve efficiency</li> <li>The Board constantly review their systems and processes and make incremental changes throughout the year or at annual reviews</li> <li>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.</li> </ul>	1	4	4		<ul style="list-style-type: none"> <li>The Board need to obtain a clear understanding of how the Fund manages cyber security risks so they can be assured that all necessary measures are in place.</li> </ul>		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"> <li>A key officer is appointed to provide support to the Board</li> <li>Additional officer support is available from within the Fund</li> <li>Officers attend network groups in order to share ideas to help facilitate the Board</li> <li>The Board has its own budget and so can appoint external advisers if required</li> <li>Two career grade posts have been implemented by the Fund and are providing support to the Board</li> </ul>	1	4	4		<ul style="list-style-type: none"> <li>Board meetings are being held remotely due to the pandemic. Board members will keep under review the effectiveness of such meetings.</li> </ul>		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"> <li>LGPS Central - Local Pension Board Chairs meeting - where common issues are discussed and developing links with the Scheme Advisory Board</li> <li>Regular attendance by Board members at national conferences and seminars</li> <li>Undertaking additional training such as the TPR Trustee Toolkit</li> </ul>	1	2	2				1	2	2		

RISK NUMBER	CATEGORY	DESCRIPTION OF RISK	CURRENT MITIGATING CONTROLS	CURRENT RISK RATING	ACTION DETAILS&BUDGET / RESOURCES ALLOCATED	TARGET RISK RATING
1	Governance	Key person risk at Officer, Committee and Local Pension Board, leading to inappropriate, skills and knowledge, governance and management / administration of the Fund should key person(s) depart	<ul style="list-style-type: none"> <li>• Training plan in place for existing and new Committee and Board members in line with CIPFA guidance</li> <li>• Officer training programmes in line with CIPFA guidance.</li> <li>• Professional qualification programme for Officers.</li> <li>• Staff training needs identified and addressed through the appraisal process.</li> <li>• Internal communications and dissemination of knowledge through team meetings, internal staff bulletins etc.</li> </ul>	9	<ul style="list-style-type: none"> <li>• Seek opportunities to widen the knowledge and skills base of all Committee and Board Members, as well as officers</li> <li>• Production of a comprehensive suite of procedure notes for officers</li> </ul>	9
2	Governance	Failure to ensure appropriate knowledge and skills at Officer, Committee and Board leading to ineffective governance and management / administration of the Fund	<ul style="list-style-type: none"> <li>• Training and induction plans in place for new Staff, Committee and Board members in line with CIPFA guidance</li> <li>• Diversified Board and Committee membership.</li> <li>• Split cycle of tenure and re-nomination for Pension Board members with not all members being on the same cycle</li> <li>• Different Councils and Committee members are on different election cycles.</li> <li>• An annual self-assessment of knowledge and skills</li> <li>• Online learning facility for all members in line with CIPFA K&amp;S Framework</li> </ul>	6	<ul style="list-style-type: none"> <li>• Production of a comprehensive suite of procedure notes and additional methods of training (videos)</li> <li>• Annual knowledge and skills assessment - results presented to Pension Fund Committee</li> <li>• Ensure participation in online training. Which is available via an online product supplied by Hymans Robertson (LOLA) which includes the ability to monitor participation</li> </ul>	3
3	Governance	Failure to comply with the various statutory and regulatory requirements leading to potential non-compliance, reputational risk and penalties.	<ul style="list-style-type: none"> <li>• Regulator monitoring of compliance against requirements of Regulations, The Pensions Regulator, Department for Levelling Up, Housing and Communities Scheme Advisory Board, HMRC and others</li> <li>• Local Pension Board reviews of compliance</li> <li>• Engaged with the Local Government Association/SAB and various networking groups to keep knowledge up to date</li> <li>• Regular attendance at conferences and seminars to keep up to date with changes</li> </ul>	6	<ul style="list-style-type: none"> <li>• Respond to consultations on regulatory changes as they arise</li> <li>• Continue engagement with practitioner groups</li> <li>• Continue attendance at national conferences and seminars</li> <li>• Review and/or develop policies in line with changing guidance e.g. cyber security, TCFD</li> </ul>	6
4	Governance	Cyber and information security risk (CISR) is the risk of loss (financial/non-financial) arising from digital events caused by external or internal actors or third parties, leading to service disruption, additional costs, potential fines and reputational damage	<ul style="list-style-type: none"> <li>• All Fund IT systems are hosted on Council servers and access is restricted in line with Council protocols</li> <li>• The Council use a variety of tools to keep data secure, including:</li> <li>• O365 security monitoring – spam monitoring and malware detection</li> <li>• Network security – annual external pen testing; weekly internal pen monitoring; firewalls; remote access gateway</li> <li>• Systems protection – multi-factor authentication; role based access; Pensions systems and data team to manage system access and liaison with the supplier; laptop encryption</li> <li>• Access to the administration database is controlled by the Pension Fund and users have individual passwords and controlled access</li> <li>• Staff members undertake mandatory cyber security training</li> </ul>	8	<ul style="list-style-type: none"> <li>• The Fund will develop its own cyber security policy to ensure the risk is managed in conjunction with ICT and will commission independent advice to help develop the policy</li> <li>• The cyber security policy will be aligned with the Business Continuity Plan</li> <li>• Ensuring there are clear roles and responsibilities between the ICT, the Fund and the administration database provider</li> <li>• The administration database is being moved from an on-premise solution to a cloud hosted solution which will provide greater data security with regular technology upgrades, along with a robust business continuity and disaster recovery procedure</li> <li>• Staff members to complete all mandatory training on cyber security risks</li> </ul>	8
5	Investment	Failure to effectively manage financially related investment risk from Environmental, Social and Governance factors, leading to the adoption of an investment approach which fails to place sufficient emphasis on the importance of strong financial returns to meet pension obligations	<ul style="list-style-type: none"> <li>• Continue to develop the Fund's pro-active approach to the management of ESG issues</li> <li>• Reporting on current ESG issues to every meeting of the Fund's Investment Sub Committee</li> <li>• Leverage support of LGPS Central to pro-actively manage all financially material ESG risks</li> </ul>	6	<ul style="list-style-type: none"> <li>• Develop a pro-active and outward looking approach to engaging with decision makers on ESG issues.</li> <li>• Continue to work with Partner Funds and LGPS Central to embed Responsible Investment in investment products</li> <li>• Ongoing challenge to legacy managers to improve RI metrics Improved reporting and communication with Fund members on the Fund's positive ESG investments</li> </ul>	6
6	Investment	Failure to effectively manage the risk from climate change leading to a significant and permanent reduction in the value of the Fund's assets and a material diminution of funding levels for employers	<ul style="list-style-type: none"> <li>• Annual publication of TCFD compliant Climate Risk report</li> <li>• Annual stewardship and engagement plan to manage high carbon holdings</li> <li>• Plan and targets to decarbonise the Fund's equity holdings well in advance of the general market</li> </ul>	6	<ul style="list-style-type: none"> <li>• Increased investment in green, low carbon and sustainable assets</li> <li>• Push for improved carbon data metrics for all asset classes in the Fund's portfolio</li> <li>• Develop and implement the Fund's approach to net zero transition and communicate progress effectively</li> </ul>	3

7	Investment	Failure to effectively manage the client and shareholder relationship with LGPS Central leading to slow transition Fund assets, below target investment performance and planned savings and benefits set out in pooling business case not being realised.	<ul style="list-style-type: none"> <li>• Joint partner fund shareholder monitoring of company through Shareholders Forum</li> <li>• Joint partner fund client side monitoring of delivery and performance through Practitioner Advisory Forum</li> <li>• Detailed model for cost/savings tracking</li> <li>• Business Case for all asset transfers considered and endorsed by Pension Fund Committee</li> <li>• Regular reporting of transition progress to DLUHC</li> <li>• CPF input alongside partner funds into design of pooled investment products via Investment Working Group</li> <li>• Partner Fund's regular scrutiny of investment performance of existing LGPSC products.</li> </ul>	12	<ul style="list-style-type: none"> <li>• More regular informal meetings of Shareholders Forum.</li> <li>• Quarterly company performance reports shared with shareholders.</li> <li>• Earlier and clearer formal engagement with shareholders on company resolutions prior to Annual General Meeting.</li> <li>• Shareholder engagement in process to appoint new company directors.</li> <li>• Fundamental 3 year review of all existing investment products planned.</li> </ul>	6
8	Funding	Significant financial and reputational loss to the Fund due to employer default.	<ul style="list-style-type: none"> <li>• Employer risk measures regularly monitored</li> <li>• Employer database to capture/monitor bonds and guarantees and renewal dates</li> <li>• Engagement with employers to discuss affordability considerations/constraints</li> <li>• Stabilisation plans in place for long-term employers to mitigate contribution rate volatility</li> <li>• Regular monitoring of employer contributions and follow up of breaches</li> <li>• Appropriate bonds and guarantees required as part of admission process to protect fund against unsecured losses</li> <li>• Monitoring of employer funding levels of major employers on a regular basis.</li> <li>• New policies introduced for additional flexibilities to review contribution rates, enter into phased exit or deferred debt arrangements</li> <li>• New default policy for contractors entering the Fund is on a pass through arrangement. This transfers the risk of funding a deficit should a contractor default back to the letting authority</li> </ul>	6		6
9	Admin and Comms	Failure to achieve the quality of data required by the Fund, and clear backlogs of casework, leading to inability to meet key regulatory changes, poor customer service, errors in calculating benefits, delays in processing casework and failure to meet statutory disclosures resulting in regulatory penalties.	<ul style="list-style-type: none"> <li>• Introduced monthly interfacing to streamline and standardise data collection from employers and to ensure timely receipt of data</li> <li>• Monthly interfacing requires data validation of submission from employers before the data is submitted thereby improving data quality</li> <li>• dedicated project workstreams on data quality and backlogs are also helping to improve data quality</li> </ul>	12	<ul style="list-style-type: none"> <li>• The Fund has developed a Data Improvement Plan which will vastly improve the position over the next 12 months</li> <li>• The Fund will be switching to a TPR common and scheme specific measuring report which is embedded within the administration database allowing us to identify and rectify all data anomalies in accordance with the 22 data fields identified by SAB</li> <li>• 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 from 2024</li> </ul>	6
10	Admin and Comms	Failure to implement technological developments to the administration database leading to an inability to free up capacity for the team and to remove processes which do not add value.	<ul style="list-style-type: none"> <li>• The Fund has re-procured an administration software contract using the National LGPS Framework</li> <li>• The Fund has worked with the database provider to develop an IT roadmap over the next two years</li> <li>• The roadmap will be designed to maximise the benefits to the Fund in terms of creating capacity and automation</li> <li>• Project management support available within the Fund ensures that the roadmap is designed to be achievable and will remain on track</li> </ul>	6	<ul style="list-style-type: none"> <li>• The Fund will continually seek opportunities to develop the system so as to take advantage of technological advancements which can benefit the Fund</li> <li>• The recent re-tender of the administration database and move to cloud hosting will enable implementation of a number of new system modules supporting business process improvements and an improved customer experience</li> </ul>	6
11	Admin and Comms	Failure to resource or deliver revised communication and engagement strategy for Pensions Programme and enhanced Business as Usual communication/engagement.	<ul style="list-style-type: none"> <li>• Review and updated comms strategy agreed as priority in pensions programme and Business Plan</li> <li>• Implementation of new comms strategy agreed as priority in pensions programme and Business Plan</li> <li>• Dedicated senior role for Comms manager now in place</li> </ul>	6	<ul style="list-style-type: none"> <li>• Comms strategy to be signed off Qtr 1 2022/3</li> <li>• Operational/Resource plan to be signed off Qtr 2022/23</li> <li>• Additional resources requested to support roll out of Member Self Serve</li> </ul>	6
12	Admin and Comms	Failure of employers to deliver their roles and responsibilities. Leading to poor customer service, not meeting expectations of the Pensions Administration Strategy or failure to meet statutory requirements and possible reporting of breaches to the Pension Regulator	<ul style="list-style-type: none"> <li>• Revised Administration Strategy defines employer roles/responsibilities and required performance standards.</li> <li>• Compliance and reporting framework against Administration Strategy is being developed</li> <li>• Regular Engagement with major employers</li> <li>• Pensions Consultative Forum (PCF) working effectively as vehicle to engage with employers</li> <li>• Dedicated employer section on website with employer guides, handbooks etc</li> <li>• Regular comms to employer on specific issued e.g. McCloud</li> <li>• Training for new employers - ad hoc and on request</li> </ul>	9	<ul style="list-style-type: none"> <li>• New Employer Engagement plan to be developed by Comms Manager</li> <li>• Compliance and reporting framework against Administration Strategy is being developed</li> <li>• Regular cycle of employer comms to be implemented by Comms Manager</li> </ul>	6

13	All	Failure to implement the modern workforce strategy effectively leading to an adverse impact on service delivery and staff wellbeing	<ul style="list-style-type: none"> <li>• ICT kit and necessary furniture has been provided to staff members</li> <li>• The introduction of Microsoft Teams has meant that staff can continue to meet with colleagues on a regular basis</li> <li>• Alternative training methods are being explored</li> <li>• Regular staff bulletins assist with team communication</li> <li>• Regular one to ones and team meetings continue to take place virtually</li> <li>• A suite of online learning modules around health and wellbeing issues are available to all staff along with access to 24 hour support</li> </ul>	6	<ul style="list-style-type: none"> <li>• The Fund is exploring ways of developing inexperienced staff when working remotely</li> <li>• Further work is required in order to support staff and managers in recognising and dealing with mental health issues</li> <li>• Ongoing engagement with the Council's Modern Workforce plan</li> <li>• Greater office based presence based on business need</li> <li>• Implemented the Finance Wellbeing Plan and utilise corporate wellbeing resources</li> </ul>	4
14	All	Failure to meet the objectives of the pensions programme due to insufficient capacity of staff and competing priorities	<ul style="list-style-type: none"> <li>• Additional posts have been added to the structure</li> <li>• Career grade posts are included within the structure to retain staff and develop their skills</li> <li>• Programme and project management support is in place to assist with key deliverables including finding opportunities to add capacity to the teams</li> <li>• A roadmap of development for the administration database designed to maximise automation opportunities</li> <li>• Outsourced business processes to free up team capacity e.g. Printing and posting</li> </ul>	9	<ul style="list-style-type: none"> <li>• Ongoing progress with the pensions programme on achieving the objectives will lead to increased capacity for staff once key milestones achieved (backlogs reduced/cleared, staff multi skilled, employers submitting data via MI and data quality improved)</li> <li>• System developments will lead to reduced manual work required for some processes and will free up capacity for the team</li> </ul>	9

## **REGISTER OF INTERESTS**

### **Introduction**

1. The Board introduced a register of interest for its members following a review of internal governance at its meeting on 4 May 2021.
2. The register is published on the Fund's website and an annual review is undertaken to ensure it contains up to date information.
3. This report provides the Board with a summary of the current register of interests for review by board.

### **Recommendation**

4. Board members are requested to review the register of interests and advise if any amendments are required.

Cheshire Pension Fund - Local Pension Board - Register of Interest - 2021-22							
Board Member	Role	Appointed	Term end date	Details of employment, office, trade, profession or vocation	Organisational relationship with Cheshire Pension Fund	Details of any directorships and indicate whether there is any association with the scheme	Board Member is a shareholder in the following associated companies.
Peter Raynes	Chairperson	27/06/2021	26/06/2024		Local Pension Board Chairman Pensions Consultative Forum Chairman		Legal & General PLC
Neil Harvey	Member Representative	27/06/2020	26/06/2023	Cheshire West & Chester Council employee GMB Union	Contributing employee to the scheme Union Representative Local Pension Board Member Representative		
Geoff Wright	Member Representative	27/06/2021	26/06/2024	Cheshire West & Chester Council employee Unison Union	Contributing employee to the scheme Union Assistant Branch Secretary Local Pension Board Member Representative		
Councillor Robert Bissett	Employer Representative	27/06/2021	26/06/2024	Cheshire West & Chester Councillor Labour Party Member Chief Executive Officer - Chester Aid to the Homeless (CATH)	Local Pension Board Employer Representative		
Adrienne Laing	Employer Representative	01/04/2020	31/03/2023	Operations Directions - The Challenge Academy Trust	Contributing employee to the scheme Local Pension Board Employer Representative	Bridgewater High School Trading Ltd (Closed Admitted Body) - Director and company Secretary	

## COMPLIANCE UPDATE

### Introduction

1. This report provides the Board with a summary of the Breaches Log for the period 1 April 2021 to 31 March 2022.

### Recommendation

2. The Board are requested to note and comment on the summary of the Breaches Log for the period 1 April 2021 to 31 March 2022.

### Breaches Log

3. In accordance with the Breaches Policy, both the Board and the Pension Fund Committee review the Breaches Log on a quarterly basis, in order to identify any trends that may require further action.
4. A summary of the breaches included on the log between 1 April 2021 and 31 March 2022 are listed below in Table 1 and are categorised as red, amber or green. For comparison purposes the total number of breaches for the prior year have also been included.
5. Red breaches are those which require reporting to the Pensions Regulator (TPR). Amber 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 TPR. Green breaches are those where, following investigation, no further action is deemed necessary.

**Table 1: Summary of the Breaches Log**

	Total 2020/21	Total 2021/22	Status 2021/22		
			Red	Amber	Green
Contributions	47	40	0	0	40
ABS	1	1	1	0	0
Disclosure	0	0	0	0	0
Administration	55	34	0	0	34
<b>Total</b>	<b>103</b>	<b>75</b>	<b>1</b>	<b>0</b>	<b>74</b>

6. There has been one red, no amber and 74 green breaches in the period. Below is a summary of the breaches.

**Contribution Breaches – 40**

7. The majority of these relate to employers who have small numbers of staff and so are easily affected by unexpected staff absences. These breaches have been quickly rectified by the employer.

**Administration Breaches - 34**

8. These relate to ongoing activity to progress legacy casework - triggering breaches as scheme members who weren't notified of their benefits at the time, are now receiving notifications of their benefits. These notifications were received outside the specified time limits.

**Annual Benefit Statements - 1**

9. Members of the Board approved the Annual Benefit Statement breach in the September 2021 before it was issued to the Pensions Regulator.

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## Local Pension Board - Workplan

Standard Meetings			
February	May	July	October
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 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 Breaches Log	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 Breaches Log	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 Breaches Log
Draft Annual Report  Review the TPR Data Scored and associated actions	Sign off LPB Annual Report  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          Statutory Policies (FSS, ISS, Comms Policy, Admin Strategy Gov Policy and Breaches Policy)	Review LPB Terms of Ref/ Conflicts of Interest Policy   Review the progress made by the Fund including the detail of any ongoing actions	Review policies are kept up to date and produced in accordance with legislation and guidance   LPB Risk Register   Update the Register of Interests/update website  Statutory Policies (FSS, ISS, Comms Policy, Admin Strategy Gov Policy and Breaches Policy)	Cyber security  **Special meeting to undertake a self-assessment of Board effectiveness**  Review the progress made by the Fund including the detail of any ongoing actions  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.