

Summary of Pension Fund Committee on 30 May 2025

Introduction

This document provides a brief summary of the subjects discussed at the most recent meeting of our Pension Fund Committee. Detailed minutes of the meeting will also be available as usual on our website.

Part A - Public reports

Compliance Update

Breaches report notes:

- A number of non-recurring contribution breaches caused by employer staff absences.
- Two breaches relating to employers who failed to pay contributions over an extended period (these have been reported to The Pensions Regulator).
- A small number of administration breaches arising from legacy casework being progressed, causing late notification letters to be triggered.
- Continued progress reported in issuing delayed Annual Benefit Statements to those members who have not yet received their statement – 96% of active members' ABSs now issued.



McCloud Remedy

Necessary administration system developments are severely delayed. Fund will not achieve 31 August 2025 deadline (along with other Civica customers).

Fund will self-report anticipated breach of law to The Pensions Regulator. Third party appointed to support development of detailed rectification plan.

Business Plan 25-26

- Action tracker progress for the year so far summarised as "amber".
- Delivery issues highlighted in relation to casework backlogs, data quality, the McCloud remedy, and the General Code of Practice self-assessment.
- Updated strategic risk register presented, with a "geopolitical instability" risk included.
- KPI performance – one out of twelve KPIs is flagged as "red" – investment performance is now above benchmark but not by the required margin.



Pensions dashboard programme

- Integrated Service Provider "volunteer" testing phase underway. Timeframe before connection deadline of 31 October 2025 remains challenging. The national programme recognises that these delays are beyond the Fund's control.
- Third party data analytics specialist Intellica now appointed – baseline assessment of data quality completed, and identified data issues being worked through.



**Regulatory
update**

Update covers new Government consultation on LGPS access and fairness.

Part A - Continued...



Draft Statement Of Accounts 2024-25

- Draft accounts (completed well ahead of statutory deadlines) presented for review.
- Timeline for audit and finalisation of accounts is set out, including timeline for publishing of final audited accounts.
- Our Local Pension Board have had oversight of the process.
- Fund reports on underspend against our annual budget of £235k, largely due to staff vacancies and lower than expected costs from our asset pooling company.

External Audit Plan

The Fund's external auditors set out their planned approach for auditing the draft accounts, including scope, timeline, and significant identified audit risks.



Contribution Rates Review Policy

A new policy was presented, setting out circumstances when employer contribution rates may or may not be reviewed in between triennial valuations, in line with recent guidance from the Ministry for Housing, Communities and Local Government.

Communications Strategy update

A review of Fund communication activities during the year, including:

- Rollout of My Cheshire Pension portal.
- Progress in launching a new Fund website and brand identity.
- Member engagement activities including webinars, drop in sessions and newsletters.
- Employer engagement activities including employer forums and online guidance videos.
- Ongoing Responsible Investment communications.

General Code of Practice Self-Assessment

The outcome of the Fund's self-assessment against The Pension Regulator's new General Code of Practice. With work almost complete, most requirements assessed as "fully compliant".

An action plan to close compliance gaps is in place. An internal audit review of the assessment will follow. Government has confirmed requirements for a triennial governance review.



Part B - Confidential items

Employer Changes and Activity – a summary of recent activity of employers who have either recently joined or exited the Fund and a forecast of potential activity in the coming months..

Academy Funding Review – a report setting out a revised contribution and investment strategy for the academy group of employers ahead of the 2025 valuation.

"Fit for the Future" update – an update on the Government's "Fit for the Future" consultation and the next steps for the Fund to address the consultation proposals.