

INTRODUCTION

This briefing note summarises key points to note in the items presented to the Pension Fund Committee on 6 December 2024 (procedural items have not been included).

PART A

STANDING ITEMS

Compliance Update – breaches report notes a small number of contribution breaches attributable to employer staff absences, a breach relating to an employer who failed to pay contributions for three months (since resolved), and a small number of administration breaches arising from legacy casework being progressed, causing notification letters to be triggered which are immediately outside specified time limits. Continued progress reported in issuing delayed Annual Benefit Statements to those members who have not yet received their statement.

Business Plan 24-25 – action tracker progress summarised as “amber”, some due dates have moved back one or two quarters, primarily as dependant on internal resource capacity and/or external factors eg technical issues. Strategic Risk Register update reports some changes of status in relation to data cleansing, the national Good Governance project timeline, pensions programme delivery, and member knowledge and skills assessments. KPI performance – one out of twelve is flagged as “red” – investment performance below benchmark (but by a smaller margin than in September).

Regulatory update – items include: UK Autumn Budget and inheritance tax changes; the Mansion House speech and the Fund’s draft responses to the associated “LGPS: Fit for the Future” consultation; and the Fund’s updated Risk Management Policy.

Electronic Decision Notices – note of two decisions taken outside Committee since last report.

McCLOUD REMEDY – Administration system developments are progressing – first tranche of casework rectification functionality released and tested – awaiting fixes and second tranche. Second instalment of Local Government Association administrator technical guide released. External webinars and training are continuing. A third party will be commissioned to support development of a detailed rectification plan.

PENSIONS DASHBOARD PROGRAMME – Integrated Service Provider “beta testing” phase delayed, due to commence December 2024 and complete April 2025. Cheshire “onboarding” date to be confirmed. Third party data analytics specialist Intellica now appointed to give a view on data quality and where data cleansing should be targeted.

VALUATION – the Fund continues to progress through the valuation timeline previously shared with the Committee, supported by a detailed work plan. Discussions are underway with the Fund Actuary regarding the contribution rates for the four local authorities within the Fund for the period 2026-27 to 2028-29. The Actuary has also been commissioned to produce a data health check. Employer engagement on the outcomes of this health check will begin in early 2025.

FUTURE MEETING DATES – a proposal for the Pension Fund Committee to adopt the use of hybrid meetings, based on the positive outcomes from such meetings already held in this manner in the last two years. Proposed dates for the 2025-26 financial year are set out.

PART B - CONFIDENTIAL ITEMS**STANDING 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.

CYBER RISK – a report proposing updates to the Fund’s Cyber Risk Strategy.

DARWIN LEISURE – a report on the review of the Darwin Leisure Property and Development Funds.

LGPS CENTRAL POOLING UPDATE – an update on pooling progress including fee savings, the recent annual pooling submission to the Ministry for Housing, Communities and Local Government, and an update on the activities of LGPS Central Limited.