

Pensions Administration & Investment Business Plan Update

Project Name	Context	Actions	June Update Q1		September Update Q2	
Administration			Progress	Status	Progress	Status
Year-end 2023/2024	All records to be checked from postings. All employer forms to be reconciled to total of monthly postings	Data cleansing to be undertaken following last i-Connect submission for March 2024. Reconciliation forms and communication to employers to be issued February 2024. Forms reconciled to accounts. Project to completed by 30th June 2024.	Almost complete with a few employers submitting information late.	G - On Track		Complete
Annual Benefit Statements (Active and Deferred)	All Annual Benefit Statements issued by 31 August	Project plan to be put in place by 31st March 2024. Statement preparation to commence following completion of year end processes.	ABS issued to deferred benefits in July and Active members 2nd week of August. 9 statements couldn't be produced for flexible retirements.	Complete		Complete
Preparation of Pension Fund Annual Report	To produce annual report by statutory deadline of 1st December 2024.	Project plan to be put in place by March 2024. Review new guidance when available. This will be compulsory from 2025. Draft version available to be signed off by September 2024 pension committee.		G - On Track	Waiting for Council accounts to be signed off before Grant Thornton information can be submitted (to be published by 30/11/24).	G - On Track
TPR One Code of Practice outcome	To demonstrate compliance with any recommendations/regulation changes put in place	Review guidance when available.	Checklist now in place and being reviewed to be completed by 30th September.	G - On Track	Action plan to be presented to December Committee	G - On Track
SAB Good Governance Review Outcome	To demonstrate compliance with any recommendations/regulation changes put in place	Review guidance when available.	Still awaiting information from MHCLG -delayed due to General Election.	G - On Track	Waiting for further information when this is available	Y - On Hold
McCloud Remedy	To implement the 1st October 2023 McCloud legislation and to ensure any guaranteed amounts are paid to protected members.	Ensure the system is configured to allow all calculations to perform the underpin calculation. All relevant documentation to be amended. Disclosure requirements to be met by 31st December 2023 due to the change in legislation. Rectification cases of past cases during the remedy period to be undertaken.	Went live 8th November 2023. For members in scope an indicator has been added so that the underpin check can be performed when benefits are calculated. Priority documentation updated for go live. Website updated. Pensioners notified by InTouch newsletter October 2023. Active and Deferred members were notified in December 2023. For past cases the underpin indicator and underpin check has been run, the team are working through these to identify any members who may require an adjustment to pension. The Home Office have issued guidance on the priority order for cases that should be worked through. Team to review work required for retrospective cases. Number of cases have been identified and resources will be allocated to this work following the review.	G - On Track	Operations team reviewing retrospective cases in order to plan and complete the work on these. Age 65 pay data being collected. LGA have update their McCloud guides. Some transfer cases are having to be calculated manually as developments in software have not yet caught up.	G - On Track
Employer Spreadsheet	Creation of a central spreadsheet of employers to track starters, leavers, and actuarial data.	Spreadsheet created by Mercer for use by the team.	In use from November 2023. The team are creating a central repository so that employers can be tracked more easily. The spreadsheet from Mercer lists employers, but needs to be reviewed so that details regarding contract end dates, bonds and convenience can be added, processes to be delivered in order to make sure reviews are in place.	G - On Track	Central location on SharePoint created with links to employer spreadsheets used by the team.	Complete

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Review of Bonds (Employer guarantor)	For certain types of admitted bodies a Bond is required to provide an assurance that contributions can be collected in the event of an employer having financial difficulties	As part of the valuation process Bond values are reviewed. The administration team need to liaise with employers to ensure bonds are put in place and reviewed before they expire	Information regarding Employers with bonds is being captured on the central Employer list. Contact is being made with those employers where the Bond requires review. Majority of bonds are now in place with a small number still outstanding.	Work is progressing to ensure that outstanding bonds are in place.
Heywood Contract Performance Monitoring	Working with GMPF and Audit to produce a contract performance monitoring document for the hosted service.	Document to be finalised and presented to Heywood's	Document has been created and shared with Heywood, review meetings to be scheduled on a quarterly basis. Liaising with Council Audit team to ensure spreadsheet is fit for purpose.	Document in place and meetings with Heywood Client Manager are to be arranged going forward.
External Audit of Pension Fund	Annual requirement	Providing information required within the agreed timescales.	Meeting held with external Auditor to plan Audit work to be completed in 2024, this will include system audit. Audit work has been completed. Draft outcome report to be presented to September Pensions Committee.	
Production of Pension Savings Statements	Comply with HMRC regulations	Identify the members who have breached the annual allowance. Provide a pension saving statement by the 5th October 2024 deadline.	Work is now underway to produce statements. Flexible retirement statements to be produced manually.	
Pensions Increase 2024	To ensure pensioners and deferred are uprated with annual increase amount	Bulk process to update the system with the confirmed CPI increase on 8th April 2024.	Tested in February/March and Actual increase run in April.	
Pensions Dashboard Implementation	Implement in line with national guidelines by October 2026.	To procure an ISP provider in 2024.	Purchase of ISP complete. Procurement of data tools started. Work on AVC match-up has also started. Separate progress report will be presented to Board and Committee.	Tender process for Data Tools will hopefully go live 01/11/24. Work on the AVC match-up continues. Phase 1 connection has been scheduled for January 2025.
Bulk Revaluation	Annual CARE uprating to be applied to active records	Bulk process to be run after year end postings are complete in May/June 2024	Completed.	
P60 to Pensioners	To produce a P60 for pensioner members by 31st May	Following year end 2023/24 payroll processes run P60 production in end March/April 2024.	Completed.	

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Implementation of Engage to replace my pensions online	The my pensions online portal is being phased out by Heywood and replaced with Engage, the platform should provide clearer information to scheme members regarding their pension and provide tools to help plan for retirement	<p>The administration team will need to work with Heywood and internal IT teams in implement this change.</p> <p>Communications to scheme members to inform them of new look online portal with be required.</p>	<p>Project has now commenced and working with Heywood to implement Engage, project plan in place.</p> <p>Soft launch to pensioners with notification in the next InTouch. Will look to run a promotion during 2025 to those not registered on Engage.</p>	G - On Track	<p>Go live date 16/10/24.</p> <p>Complete</p>
Investment					
UK Stewardship Code	<p>Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.</p> <p>The UK Stewardship Code 2020 comprises a set of 12 'apply and explain' Principles for asset owners. As part of the Fund's desire to demonstrate its good governance and stewardship of its assets, the Fund submitted its first report in October 2022. The Fund was successful in its submission and is now a signatory to the UK Stewardship Code. The Fund has received feedback from the FRC on its submission and the Fund will develop its submission following this feedback.</p> <p>The Fund will submit a report annually to the Financial Reporting Council ("FRC") to maintain its status as signatory to the Code.</p> <p>As part of the work on the Stewardship Code the Fund will review its approach to stewardship and engagement to ensure that it continues to meet the requirements of the Committee.</p>	<p>ESG monitoring is in place as part of business as usual.</p> <p>Resources have been allocated to review positions with Investment Managers at end of 2022 to address any points from the 2022 application.</p> <p>Lead Officer: Pensions Investment and Responsible Investment Manager</p>	<p>An updated draft application will be presented to the Pensions Committee in September 2024 for submission in October 2024.</p> <p>Project progressing as planned</p>	G - On Track	G - On Track
Triannual Valuation Results	Work with Actuary to prepare and consider the Actuarial valuation results. The next valuation date is the 31st March 2025 alongside the Fund's Funding Strategy Statement.	<p>Regular update meetings are held with the Actuary.</p> <p>Communications will be issued to scheme employers in 2024/25 in respect of the valuation process.</p> <p>The Funding Strategy Statement has been updated as part of the 2022 valuation and will be reviewed and issued for consultation following the 2025 valuation.</p> <p>Lead Officer: Head of Pensions – LGPS Senior Officer</p>	<p>All action has been taken in respect of the March 2022 valuation and an indicative timeline of work is in place for the 2025 valuation.</p> <p>Agreed with Mercer to undertake an interim valuation to inform funding levels prior to the employer meetings and considerations to adjustments to fund policies.</p>	G - On Track	<p>Work is being carried out on the interim valuation. Catch-up call held with Mercer to discuss preliminary results.</p> <p>G - On Track</p>

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Covenant Review	Work with Actuary to review Employer covenants on an annual basis to monitor risk to fund.	Meetings have been held with Actuary to discuss employers subject to review and the terms and reference of the reviews. Lead Officer: Pensions Investment and Responsible Investment Manager	The covenant review for 2023/24 has been completed and no issues identified that require action. A separate covenant review will be undertaken for 24/25 as part of the tri-annual valuation work.	G - On Track	No actions that required follow-up. Complete
Climate Change Risk	The Fund issues an annual climate risk report and TCFD report as part of its commitment to net zero. In addition, the Fund supports these reports by undertaking Climate scenario analysis on a bi-annual basis to ensure that developments in this field are fed into ongoing analysis.	Climate Risk reports and TCFD reports have been commissioned with LGPS Central. Alternative Investment managers ESG policies and progress on Climate Risk monitoring are reviewed periodically with a view to establishing full portfolio monitoring. Lead Officer: Pensions Investment and Responsible Investment Manager	The 2023 Climate Risk & TCFD Reports were presented to Pensions Committee in December 2023. The draft climate strategy will be presented to the September 2024 Pensions Committee.	G - On Track	Climate Strategy agreed at September Committee. Climate Risk & TCFD reports are being prepared. G - On Track
Biodiversity Risk	The Government is currently consulting on TNFD (Taskforce for Nature related Financial Disclosures). The Fund is monitoring the position and discussing potential data sources with investment managers and other Funds with a view to be able to report in a similar context to TCFD on climate.	Discuss the format of TNFD reports with LGPS Central to establish what can be accurately reported. Consider integration of Biodiversity risk into climate change strategy as whilst different risks there is an underlying fundamental link. Liaise with Investment Managers with a view to establishing full portfolio monitoring. Lead Officer: Pensions Investment and Responsible Investment Manager	Continue to raise TNFD monitoring with Investment Managers pending full release of guidelines expected in 2024.	G - On Track	No guidance received yet on TNFD due to the current pensions review. Continue to raise with the Investment Managers. Y - On Hold
Investment Strategy Statement	The Fund sets a triannual investment strategy which was last reviewed in June 2023 and the Fund is currently working on transition plans to meet the new strategic asset allocation. The investment strategy review took place concurrently with the review of the Funding Strategy Statement in 2022/23. The outstanding actions now are implementing the agreed changes to the investment strategy. The implementation of the revised investment strategy will occur over a period to manage transition risks.	Reports on the Investment transition to meet the new ISS were presented to Pensions Committee in September 2023. The transition will take approx. 18 to 24 months to fully implement given some of the illiquid asset classes involved. A full timetable is in place and Pensions Committee will be updated on a quarterly basis of major changes. Lead Officer: Head of Pensions – LGPS Senior Officer	The Investment strategy was agreed in June 2023. Transition to Investment Grade Corporate Bonds was completed in October 2023. Quarterly updates provided to Pensions Committee. Due to be reviewed following the March 2025 valuation.	G - On Track	Made a commitment of £90m to private credit and £30m to private equity through LGPS Central. Committed £13m to ABRDN re residential property investment. Committee will be provided with quarterly updates. G - On Track
Pooling	The Fund works directly with LGPS Central to ensure that appropriate products are available to meet future investment requirements and allow transition from legacy managers as investments mature. Following the General Election, the new Pensions Minister has instigated a pensions review with phase 1 including the Local Government Pension Scheme, in particular the pooling of investments. The recommendations to this will be known towards the end of 2024	The Fund Continues to work with LGPS Central to ensure that appropriate investment vehicles are available to allow the transfer of the Funds uncommitted assets. The transition of illiquid assets will continue to be reviewed based on maturity profiles and investment opportunities available. The Fund has responded to the consultation on moving pooling forward. Lead Officer: Head of Pensions – LGPS Senior Officer	The Fund continues to transition assets as opportunities arise. In progress, from a fund perspective, we consider 70% of the fund to have been pooled. The Fund continue to work with LGPS Central with a view to pooling legacy assets.	G - On Track	Currently working with LGP Central on concluding an advisory agreement in respect of the LGIM passive equity investment which will take our pooling figure to above 70%. The Fund continue to work with LGPS Central with a view to pooling legacy assets. G - On Track