

PENSION BOARD

7 MARCH 2022

BUSINESS PLAN

Recommendation

- 1. The Chief Financial Officer recommends that the Board reviews the Worcestershire Pension Fund (WPF) Business Plan as at 22 February 2022 and notes the Fund's achievements in the 2021 / 2022 LGPS year.**

Background and update

2. The Business Plan is now reviewed and updated quarterly to deliver an extra management / governance tool to:
 - a) Help officers to manage the Fund's activities; and
 - b) Help the Pension Board and the Pensions Committee to ensure that the ongoing management and development of the Fund is in line with longer term policy, objectives, and strategy.
3. A summary of any significant milestones and any issues that we are encountering with delivering is provided in the commentary at the end of each of the 5 key result area (KRA) sections. This includes updates on service improvements and good governance.
4. Appendix 1 provides a one-page update on all the one-off (shown as shaded) and annually recurring (shown as unshaded) large pieces of work or projects that we are progressing to achieve our 14 supporting aspirations.
5. We are not aware of any matters that we need to escalate.
6. We have not received any new IDRPs, experienced any new data breaches or had to report anything to The Pensions Regulator since the last quarterly, rolling Business Plan. In 2021 / 2022 we have had 0 data breaches, 1 IDRP and 1 complaint (NB complaints generally do not escalate to IDRPs).
7. Our latest pensions administration KPIs are reassuring and in line with targets set. As detailed in Section 5, in January 2022 and for the ten months to 31 January, we met our average target turnaround for all 12 of our key measured processes. We had 47 deaths in January 2022 and the average monthly number of deaths in 2021 / 2022 is 35. The average monthly number of deaths in 2019 / 2020 was 15 and in 2020 / 2021 it was 25.
8. Our Fund performance / funding levels are in line with our targets.
9. Our projects / budgets are on schedule and members' attention is drawn to:
 - a) The addition of a pensions dashboards project (project 35) to our list of projects in Appendix 1 following the issue of the DWP consultation;.
 - b) The addition of an investment service providers' re-procurements project (project 36) to our list of projects in Appendix 1;

- c) The removal of the CIPFA benchmarking project (project 14) from our list of projects in Appendix 1 on the grounds of us deciding not to participate any more as supplying data for the SF3 project (projects 16/17) delivers similar information.

10. As we are expecting more detail on the application of the McCloud remedy to the LGPS soon, we have, in preparation for delivering the remedy to our members, asked our employers to complete a McCloud checklist / declarations form by 8 April 2022 and, where appropriate, to follow up by providing any missing data by 30 June 2022.

11. We have prepared a Cyber Security Data Transmission Grid (see the covering report to our latest Risk Register for the Pension Board meeting of 7 March) detailing who we send data to or receive data from and how that data is protected when transmitted / received.

12. Looking back on the Fund's achievements in the 2021 / 2022 LGPS year:

- a) Investment performance has been good, with our solvency funding position reaching 103% as at 31 December 2021;
- b) The successful application for signatory status to the UK Stewardship Code 2020, the 2021 asset allocation review, Climate Change Risk Strategy, Climate-Related Financial Disclosures, and the 2021 climate risk review were delivered on schedule;
- c) The Fund invested in a number of infrastructure projects and also disinvested out of a number of very carbon intensive passive equity funds into a Climate Factor Equity Fund and into another Passive Equity Fund with a low carbon footprint;
- d) The 2021 annual benefit statements / newsletters, the 2021 pension increases the 2021 pensioner P60s, FRS information for employers' accounts, the GMP reconciliation / rectification project, and business as usual activities were delivered on schedule, with the Fund's data remaining in good shape;
- e) The 2021 annual report & accounts and statutory reporting were delivered on schedule;
- f) As detailed in the Governance Review and Update, good progress in preparation for SAB's Good Governance proposals being taken forward by DLUHC was made, and the 2021 reviews of the Fund's governance material (including our FSS, GPS, ISS, PAS, TORs, and Training Policy & Programme) were delivered on schedule;
- g) The implementation of a new pensions administration structure is underway.

Supporting information

- Appendix - WPF Business Plan 22 February 2022

Contact Points

Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer), there are no background papers relating to the subject matter of this report.