

PENSION COMMITTEE

20 MARCH 2024

BUSINESS PLAN

Recommendation

- 1. The Chief Financial Officer recommends that the Worcestershire Pension Fund Business Plan as at February 2024 (Appendix 1) together with the Internal Audit Reviews of Pensions Administration (Exempt Appendix 2) and Pensions Investment (Exempt Appendix 3) be noted.**

Background / Management Summary

2. We produce rolling, quarterly Business Plans designed to be a one-stop-reference-shop for everything going on at Worcestershire Pension Fund and in the LGPS world.
3. The Business Plan has had some amendments to ensure that it is clear in how the structure of Worcestershire Pension Fund supports the delivery of the Fund aims and objectives as detailed within the plan (section 2). We have also detailed the work plan for 2024/205 – 2026/2027 (section 7) to show what is coming up either as regular or ad hoc deliverables for the Fund and this is split across Administration, Governance, and Investments.
4. We are not aware of any matters that need to be escalated.
5. Our latest pensions administration KPIs are reassuring and in line with targets, except for transfers where we have now received the new factors by GAD however these are awaiting to be implemented into the pensions system by the provider. The KPIs are being reviewed alongside the workflow processes following improvements in functionality we now have. This work has been added to the work plan for 2024/2025 and 2025/2026.
6. We have not had to report anything to The Pensions Regulator since the last quarterly, rolling Business Plan.
7. We have 4 IDRPs in progress and we have 3 cases we assume maybe with the Pensions Ombudsman.
8. Our Fund performance for the quarter to 31 December 2023 of 4.7% was 0.6% below the benchmark that was 5.2%.
9. Since the last update we have received improved communication with our in-house AVC provider, Scottish Widows. We have issued a joint letter alongside other Funds expressing our dissatisfaction of the service received from Scottish Widows. We had previously sought guidance from the LGA in respect of facilitating payments

for members awaiting AVC payments. We have added to our work plan for 2024/2025 a review of the AVC provider and other available options.

10. The actuarial services procurement has been completed with Hymans Robertson being the successful bidder. Hymans Robertson started as Fund actuary on 22 January 2024 for all new work from this date.

11. The Fund has successfully internally recruited to the 2 Senior Pensions Officer roles, the Governance Officer role, and a Pensions Officer role via internal appointments. We have recruited 2 Apprentices to join within the Membership team taking our total number of apprentices up to 3. We will be advertising internally, across WCC, for 2 Pensions Assistants that are now vacant following the appointments mentioned. The remaining roles we now have vacant are being intentionally held.

12. We have received the finalised internal audit review from the WCC Internal Audit team. There were no fundamental findings, 2 significant findings around division of duty and 2 areas that merit attention. Plans have been put in place with officers to implement process changes which will bring around improvements to these areas.

13. Our projects / budgets are on schedule and members' attention is drawn to our list of projects in section 3 (Looking Ahead). Section 3 also provides a more detailed statement of progress on McCloud and the member portal. It is worth noting that:

- a) We are live as far as implementing the McCloud remedy is concerned. Work to be carried out on retrospective cases showing a potential 'guarantee amount' is on hold until further guidance and system development is released.
- b) We have gone Live with the member self-service portal following extensive testing. The member portal link is now active and has been applied to the Worcestershire Pension Fund website, meaning all members can access their account through this.
- c) In respect of communications being issued, the schedule is set by membership type. All active members will receive a letter including an activation key from 1 March 2024, Deferred members will receive their letters from 16 March 2024. Pensioner members will receive a letter and activation key once key functionality is applied.
- d) We will now start to begin project planning the implementation of I-Connect (monthly data collection from employers). More detailed updates will be provided as this project progresses.
- e) It is also anticipated that Pensions Dashboard programme will also start to progress more this year and is illustrated on the project's appendix and in section 7 of the Business Plan.

14. Please note that Appendices 2 and 3 contain exempt information (on salmon pages) and should members wish to discuss the information included in these Appendices they would need to consider passing the appropriate resolution and moving into exempt session.

Supporting information

- Appendix 1 - Business Plan February 2024
- Appendix 2 - Pensions Administration Internal Audit review February 2024 (**Exempt Information – Salmon pages**).
- Appendix 3 - Pensions Investment Internal Audit review February 2024 (**Exempt Information – Salmon pages**).

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.