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LOCAL PENSION BOARD

Wednesday, 8th September, 2021 at 10.00 am in the Conference Room, Civic Centre, Silver Street, Enfield, EN1 3XA

Membership:

Councillors : Ahmet Oykenner, Sinan Boztas, and Chris Dey

Pauline Kettless (Chair) (Employee Side); Paul Bishop (Employee Side); Tracy Adnan (Employee Side); Victor Ktorakis (Employee Side); Alison Cannur (Employer Side)

AGENDA – PART 1

1. WELCOME AND INTRODUCTIONS

2. DECLARATIONS OF INTEREST

Members are asked to declare any disclosable pecuniary, other pecuniary or non-pecuniary interests relating to items on the agenda.

3. MINUTES OF THE PREVIOUS MEETING (Pages 1 - 4)

To note the minutes of the previous meeting held on 9 June 2021.

4. PENSION ADMINISTRATION PERFORMANCE, TEAM UPDATE AND LGPS UPDATE (Pages 5 - 16)

To receive a Pension Administration Performance, Team Update and LGPS Update.

5. PENSION ADMINISTRATION RISK REGISTER (Pages 17 - 22)

To receive the Pension Administration Risk Register.

6. EMPLOYER CONTRIBUTIONS REPORT (Pages 23 - 28)

To receive the Employer Contributions Report.

7. REVIEW OF THE PENSIONS REGULATOR CODE OF PRACTICE (Pages 29 - 106)

To review the Pensions Regulator Code of Practice.

8. REVIEW OF RESPONSIBLE INVESTMENT POLICY (Pages 107 - 146)

To review of Responsible Investment Policy.

9. REVIEW OF GOVERNANCE COMPLIANCE STATEMENT

To receive a verbal update on the Review of Governance Compliance Statement.

10. MINUTES OF THE PENSION POLICY & INVESTMENT COMMITTEE - 29 JULY 2021 (Pages 147 - 150)

To note the minutes of the last meeting of the Pension Policy & Investment Committee,

AGENDA – PART 2

11. LCIV QUARTERLY UPDATE (Pages 151 - 200)

To receive the LCIV Quarterly Update.

MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD HELD ON WEDNESDAY, 9TH JUNE, 2021

Attending:

Councillor Ahmet Oykner, Councillor Chris Dey, Pauline Kettless, Tracey Adnan, Tim O'Connor (Exchequer Manager Pensions), Bola Tobun (Finance Manager Pensions and Treasury), and Clare Bryant (Senior Governance Officer)

1. WELCOME & INTRODUCTION

The Chair welcomed the members of the Board to the meeting.

Apologies for absence were received from Paul Bishop.

2. DECLARATION OF INTERESTS

Pauline Kettless declared a non-pecuniary interest as a member of a Local Government Scheme.

Tracey Adnan declared a non-pecuniary interest as a member of a Local Government Scheme.

Councillor Oykener and Councillor Dey declared a non-pecuniary interest as a family member is a member of a Local Government Scheme.

3. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 3 March 2021 were agreed.

4. PENSION ADMINISTRATION PERFORMANCE, TEAM UPDATE AND LGPS UPDATE

Tim O'Connor, Exchequer Manager Pensions, provided the Board with an update on the pension administration performance and LGPS. The key points highlighted were as follows:

- There was still a large amount of work to do on the £95k exit cap. The HMCLT were due to come back with an analysis of what had been paid in previous years. Also waiting for new regulators.
- Deaths were now being reported quarterly and were currently in line with the national level.
- Some new guidelines had been issued for McCloud and the team were working on identifying those that would be affected. This would require extra staff and most areas were predicting a need for 20% extra.

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Research is being conducted on how to automate the process in the future.

- The Pension Ombudsman had released some new factsheets on their website which were proving useful.
- The Pensions Dashboard was going out to tender and due to go live in 2023.
- The changes to the state pension age had been dismissed from court with no right of appeal. The Board to be kept informed of any updates.
- The GMP changes had made administration easier. However, costs were higher.
- Monitoring academies to see how this may impact us.
- There were ongoing issues with Credential and the recent meeting had been cancelled at short notice. They issued a letter stating they were aware of the issues and had referred themselves to the pensions regulator

ACTION: A copy to be forwarded to the Board – Tim O'Connor.

- AVC wise had received good uptake and feedback. A Pension Savings Awareness Day would be taking place in September 2021. Members requested for this to be advertised fully to ensure uptake.
- The new annual newsletter had been circulated and it was highlighted that employers must include us in TUPE conversations.
- There had been excellent engagement with the online member self service. The next step was to send out to pensioners.
- The annual KPIs covered the main data which had been reported to the pension regulator.

5. PENSION ADMINISTRATION RISK REGISTER

Tim O'Connor, Exchequer Manager Pensions, provided the Board with an update on the Pension Administration Risk Register. The key points highlighted were as follows:

- The risk register had been updated in January 2021 to include Prudential and employers.
- Some additions to the Risk Register were required around staffing and moving offices.
- A questionnaire had been completed around security and outcomes would come to the next meeting.
- There had been issues with late report contributions which would be covered in a later item.
- Members requested the document to be sent as a separate spreadsheet for future meetings due to layout issues.

6. LOCAL PENSION BOARD GENERAL REMIT AND ENFIELD PENSION BOARD WORK PLAN FOR 2021/22

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Bola Tobun, Finance Manager, Pensions and Treasury, requested members to review pages 28-30 of the report for approval.

- An update had been added to Section 13 to ensure the same methodology was being used to assess funds.
- Further details would be brought to the next meeting.

Members approved the work plan.

7. LAPFF ENGAGEMENT AND VOTING UPDATE

Bola Tobun, Finance Manager, Pensions and Treasury, had provided a report for the attention of the Board which demonstrated responsible engagement and voting.

- There had been some Freedom of Information requests regarding investments and work was being completed with London CIV.
- It was agreed this was an important topic and would be a regular agenda item.

8. EMPLOYER CONTRIBUTIONS REPORT

Bola Tobun, Finance Manager, Pensions and Treasury highlighted the following key points:

- Contributions were to be received by the 19th of the following month. There had been issues with late contributions from two employers however the issue causing this had now been resolved.
- Following up on name changes as some trade with multiple names. If this continued it would be reported.

ACTION: Bola to identify the employers.

9. REVIEW OF THE PENSIONS REGULATOR CODE OF PRACTICE

It was noted numerous areas of the report state Northumberland County Council. The Chair reinforced the need for reports to be proof read by the report author before circulation.

Bola Tobun, Finance Manager, Pensions and Treasury highlighted the following key points:

- Ongoing monitoring of compliance to the code and do not expect much to change.
- The checklist was an old version, awaiting new version and once received would come back to this Board.

10. MEMBER TRAINING NEEDS ANALYSIS AND PLAN

Bola Tobun, Finance Manager, requested the following to help plan ahead and avoid unnecessary costs:

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- All members of the Board to complete their training needs on pages 115-118 of the report.
- All members of the Board to also complete page 120 detailing training completed to date of the report.
- The Chair emphasised the importance of ongoing training.

11. LCIV QUARTERLY UPDATE

Bola Tobun, Finance Manager, reported that the information was received late, so it was not possible to complete a timely report.

- Bola highlighted the key points and would email the report to members.
- LCIV now had officers in place to ensure responsible investment areas. Looking to invite to a future meeting.
- The Pensions Policy and Investment Committee were moving portfolios to help reduce carbon.
- LCIV had some new funds and following investigation an investment strategy would be developed and brought to the September 2021 meeting.

12. PENSION POLICY & INVESTMENT COMMITTEE MINUTES

It was felt the AGM should go ahead, and it was hoped this would be in December 2021. Plans to be brought to the September 2021 meeting.

13. ANY OTHER BUSINESS

- There was a discussion about the benefits of online meetings which saves members having to commute and reduces the carbon footprint. It was proposed that at least one in-person meeting per year. A member requested for the meetings to be held in the evening due to work commitments.
ACTION: Clare Bryant would discuss this with Jeremy.
- It was questioned if the annual report had been signed off and it was advised we were still waiting for the BDO. Bola to email members once it is signed off and bring back to a future meeting.

London Borough of Enfield**Local Pension Board****Meeting Date: 08.09.2021**

Subject: Pension Team Update Report**Cabinet Member: Cllr Maquire****Executive Director: Fay Hammond****Key Decision: n/a**

Purpose of Report

1. The purpose of this report is to provide the Local Pension Board with an update on current pension issues, developments and performance in accordance with the Local Government Pension Scheme (LGPS)

Proposal

2. The Local Pension Board is recommended to note the contents of this update.

Reason for Proposal

3. The Local Pension Board is responsible for ensuring that the Enfield Administering Authority complies with LGPS regulations and associated legislation as well as adhering to requirements as set out by The Pensions Regulator.
4. To assist members of the Local Pension Board with their role and responsibilities, the Pension Team are required to provide regular updates.

Updates

5. Annual Benefit statements

This year's annual pension statements for deferred and active members were issued in July and August. Please refer to details in attached background papers.

6. Prudential Annual Benefit statements.

Following ongoing concern relating to the performance of the Fund's AVC provider, Prudential, we requested an update on the issuing of their AVC

statements, due to be issued to our Members by 31st August. We received the following statement from Prudential;

'Unfortunately, there is an impact upon the timing of the production of the annual scheme revision information and Annual Benefit Statements. These are expected to be at least 8 weeks later than usual, moving towards the end of Q3.

We know this information will be unwelcome and are sure, will cause additional concern to you as a client of Prudential.

I understand that this is disappointing and may not meet your deadlines. We will of course ensure that we do all that we can to try and expedite the production of your statements when we can.

Prudential continue to keep the Pensions Regulator informed of the delays and challenges you and your members continue to experience whilst we work towards a recovery position.

Prudential have been added to the Fund's Risk Register due to on-going national concerns as a result of poor service delivery. We will continue to monitor performance in respect of individual members who encounter issues and have requested to be kept fully updated on the issue of annual statements.

We will inform members affected by the delay by email (*if members have provided us with an email address*) and will add a message to the Pension website and the automated telephone messaging service.

7. Member Death Reporting

As previously advised, following a request from the Scheme Advisory Board (SAB), the Pension Team have been assisting with the collection of data relating to fund member deaths to help understand the impact of the COVID-19 on the LGPS. With effect from April 2021 SAB no longer required this information.

8. McCloud Update

On the 19 July the Public Service Pensions and Judicial Offices Bill began its passage through Parliament. The Bill is intended to bring about changes to the Judicial schemes and to introduce the framework under which the McCloud remedy will be applied across all public service schemes.

Chapter 3 of Part 1 is relevant to the LGPS and, if enacted, would confirm the remedy period as being from 1 April 2014 to 31 March 2022 and allow for benefits for that period to be paid as final salary benefits, for those members in scope. The Bill has passed the first stage in the House of Lords and is due for a second reading on 7 September.

9. Scheme Pays (amendment proposal)

HMT is consulting on changes that would extend the time limit for mandatory 'Scheme Pays' when a member retrospectively acquires an

annual allowance tax charge. The change is designed to accommodate tax charges triggered by retrospective McCloud adjustments but is not restricted to McCloud cases.

The draft legislation proposes that members would be able to use retrospective mandatory Scheme Pays to cover the last 6 tax years, which wouldn't cover the whole of the McCloud remedy period. There is also a proposal to amend the deadline by which the administrator must report and pay the charge to HMRC for all Scheme Pays cases, not just those triggered by a McCloud remedy. Please refer to appendix 1 for more information.

10. Consultation response, policy paper and draft legislation on increasing NMPA (normal minimal pension age) published

On 20 July 2021, HM Treasury published their response to the consultation on implementing the increase to the normal minimum pension age (NMPA). On the same day, HMRC published a policy paper and draft legislation. The draft legislation will be part of the next Finance Bill and will amend the Finance Act 2004. The legislation increases the NMPA from 55 to 57 on 6 April 2028 and provides for protected pension ages.

The changes will not affect members who:

- are retiring due to ill health
- have a protected pension age
- are members of the firefighters, police and armed forces public service schemes.

Though the Finance Act 2004 will provide for protected pension ages, it will be up to MHCLG whether, in the Scheme's rules, to allow LGPS members to receive payment of benefits between 55 and 57. The LGA have raised this issue with MHCLG.

The response confirms two changes to the position set out in the original consultation:

1. If a member qualifies for a protected pension age in a pension scheme and transfers those benefits (not under a bulk transfer) into a different scheme which also contains a protected pension age (including individual and bulk transfers), the member will retain their protected pension age in the receiving scheme. The retained protection will, however, not apply on other benefits the member has in the receiving scheme: the transferred-in benefits will need to be ringfenced. Bulk transfers were already covered in the original consultation.
2. If there is an unqualified right to take a benefit at age 55 then that will be protected for members who had that right via the Scheme Rules on 11 February 2021 (the date the consultation started)

This will apply to anyone who becomes a member before 6 April 2023 (so joiners after 5 April 2023 won't be protected)

It will apply to all past and future service, and, will be protected on bulk and individual transfers.

These transitional elements relating to protected pension ages means that schemes, including the LGPS, will need to consider whether changes are required to the scheme rules.

Please refer to Appendix 2 for more information.

11. Pensions Dashboard Programme update

The Pensions Dashboard Programme (PDP) has announced the successful recruitment of seven major pension organisations to its initial Alpha test phase of pensions dashboards. Several pension software providers, including Enfield's, insurers and third-party administrators, listed below will work with the Programme and the successful central digital architecture supplier in the key develop and test phase of the programme.

Participating providers:

- Aquila Heywood
- Aviva
- Capita
- ITM
- Legal and General
- Mercer
- Phoenix Group

These seven volunteers represent a potential combined provider coverage of over 30 million pensions, which will eventually be accessible to consumers via dashboards.

Please refer to Appendix 3 for more information.

12. Women's State Pension Age changes

The Parliamentary and Health Service Ombudsman has concluded that DWP maladministration (grounded in its failure to live up to expectations established by various governmental codes, charters and policies) resulted in a delay of at least 28 months in writing directly to women affected by changes to the State Pension age. The next stage of the investigation will consider the extent of the injustice and what action should be taken to address the issue.

The DWP has responded to a petition that is calling for the age to be lowered to 60. The DWP is not keen on the idea and suggests that 'reducing it to 60 is neither affordable nor fair to tax-payers and future generations.

Please refer to Appendix 4 for more information.

13. Special Severance Payments - MHCLG consultation on Local Authority guidance in England

HM Treasury published its Guidance on Public Sector Exit Payments: Use of Special Severance Payments.

On 2 July the Ministry for Housing, Communities and Local Government (MHCLG) published its draft Statutory Guidance on the making and disclosure of Special Severance Payments by local authorities, alongside an explanatory covering letter.

The statutory guidance is intended to be part of the existing "Best Value" regime, noting the Best Value duty set out in section 3 of the Local Government Act 1999. The guidance states that statutory and contractual redundancy payments do not constitute Special Severance Payments and nor do redundancy payments made in line with the requirements of the Local Government (Early Termination of Employer) (Discretionary Compensation) (England and Wales) Regulation 2006 nor payments made to compensate for ill-health, injury or death.

However, pay or compensation in lieu of notice and pension strain payments arising from employer discretions to enhance standard pension benefits **may** constitute Special Severance Payments. The guidance doesn't explicitly say so, but an assumption is that where LGPS members are entitled to immediate benefits on redundancy/efficiency early retirement, such payments would arise due to a statutory right and so would not be covered by the guidance. That may of course change if the LGPS Regulations are amended in future.

The guidance does cover other examples in the LGPS where employers make use of discretions to waive early retirement reductions for an employee on voluntary retirement (e.g. on compassionate grounds) or to allow rule of 85 protections to apply to a member's benefits on voluntary retirement, so that some or all of the early retirement reduction would not apply. These cases result in strain payments but do not constitute a statutory or contractual right, so they possibly would fall under the definition above.

The guidance requires that local authorities should demonstrate the economic rationale behind proposed Special Severance Payments, including consideration of lower cost alternatives, public perception of the payment, the setting of possible precedents and evidence that the outgoing worker would not have been willing to leave with their statutory and contractual benefits alone.

Local authorities should also consider the impact of Special Severance Payments on efficiency and effectiveness, including:

- seeking legal advice on the prospects of defending a claim at employment tribunal;

- ensuring payments aren't made to avoid management action or unwelcome publicity;
- whether to align with less generous private sector practice; and
- the need to manage conflicts of interest.

Please refer to Appendix 5 for more information

14. Governance and Administration Survey 2020–21 results

TPR published the results from the Public Service Pension Scheme Governance and Administration Survey 2020-21 on 1 July 2021.

The survey was conducted online between January and March 2021 and aims to track governance and administration practices among public service pension schemes. The 2020-21 survey also included new questions on response to the pandemic, pensions dashboards and, for LGPS respondents, action taken in relation to climate-related risks and opportunities.

The survey found little change since 2019 for the key processes that TPR monitors as indicators of performance. Two-thirds of LGPS administering authorities who responded to the survey had all six processes in place. The six key processes are:

- have a documented policy to manage board members' conflicts of interest
- have access to the knowledge, understanding and skills needed to properly run the scheme
- have documented procedures for assessing and managing risk
- have processes to monitor records for accuracy and completeness
- have a process for resolving contribution payment issues
- have procedures to identify, assess and report breaches of the law.

The results also show improvements in risk management processes, cyber controls and the proportion of members receiving their annual benefit statement on time.

Implementing the McCloud remedy was highlighted by most schemes as a significant risk. Governance has generally stood up well given the unique challenges the last year has presented.

Please refer to Appendix 6 for more information

15. Stronger nudge to pensions guidance consultation

On 9 July 2021, DWP launched a consultation on draft regulations that will require occupational pension schemes, in most situations, to nudge

members aged 50 or above applying to access, or to transfer out for the purposes of accessing, their benefits.

The regulations will require pension schemes to explain the nature and purpose of Pension Wise guidance and facilitate the booking of a Pension Wise appointment as part of the application process.

The regulations will also require the member to have confirmed that they have received the guidance or opted out of receiving it before the scheme can action the application. It appears that the draft regulations will apply to LGPS members with AVCs.

Please refer to Appendix 7 for more information

16. The Pensions Regulator – Single code of Practice

The Consultation on the Single Code of Practice ended on 26 May 2021. The new single code will have implications across a broad spectrum of areas, including investment, administration, communications, alongside evolving governance areas, such as own risk assessment, cyber risk and diversity and inclusion. Whilst much of the Code is a consolidation of previous codes, there are some new requirements and potential implications to consider. The code is due to be completed later this year.

17. Annual Allowance Project

The Pension Team will start the Annual Allowance Project following the issuing of annual benefit statements.

Annual allowance is the most someone can save in their pension pot in a tax year (6 April to 5 April) before they have to pay tax. The Team will undertake checks to identify members, who may have exceeded or are nearing the annual allowance limit.

Pension savings statements will be issued to members affected. The statements are designed to help members keep track of their pension savings together with advising them of a possible tax charge that may be due.

It is a member's responsibility to obtain financial advice as the annual allowance check will only cover their pension in the Enfield fund and will not include other pensions members may have.

This project will be completed by 6th October 2021

18. Pensioner online Self-Service

The Team continue to roll out self-service to Fund members.

During the next couple of months an invitation, with guidance will be sent to all pensioner members encouraging them to register to access their record on-line.

This will complete the on-boarding of the self-service portal to all members – actives, deferred and pensioners.

Further work to encourage members to self-serve is planned together with the implication of additional functionality to the portal which include:

- making the rebranded annual benefit statements available on-line in order to reduce paper and printing costs
- uploading / downloading documents by members
- enable members to update their records and track workflows
- the use of the portal as the main communication channel, shifting away from emails, post as more secure option.

19. Fund Valuation Preparation

In preparation for next year's triennial fund valuation, the team are planning a provisional extract of scheme data which will be submitted to our scheme actuaries, Aon to review. Aon will analysis the data so any data issues can be identified and resolved in advance for the actual data extract in the new financial year.

20. Key performance Indicator (KPI's)

Please refer to attached background papers

Safeguarding Implications

21. No Safeguarding implications arising from the report.

Public Health Implications

22. The Enfield Pension Fund indirectly contributes to the delivery of Public Health priorities in the Borough

Equalities Impact of the Proposal

23. The Enfield Pension Fund is committed to fairness for all to apply throughout all work and decisions made. The Administration Authority serves all members of the Enfield Pension Fund and employees who are eligible to join the scheme fairly, tackling inequality through the provision of excellent services for all.

Environmental and Climate Change Considerations

24. There are no environmental and climate change considerations arising

from the report

Risks that may arise if the proposed decision and related work is not taken

25. The Pension Team risk register is attached to this report

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

26. The Pension Team risk register is attached to this report

Financial Implications

27. There are no financial implication to report

Legal Implications

28. The amended Admissions Policy drafted by the Council's actuaries Aon adhere to the LGPS Regulations 2013.

Workforce Implications

29. There are no workforce implications to report

Property Implications

30. There are no property implications arising from this report

Other Implications – None

Options Considered – none

Conclusions – None

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Appendices

Appendix 1

Scheme Pays (amendment proposal)

<https://www.gov.uk/government/publications/pension-scheme-pays-reporting-information-and-notice-deadlines/pension-scheme-pays-reporting-information-and-notice-deadlines>

Appendix 2

Increase to normal minimum pension age to go ahead

<https://www.gov.uk/government/consultations/increasing-the-normal-minimum-pension-age-consultation-on-implementation>

Appendix 3

The Pensions Dashboard Programme PDP update

<https://www.pensionsdashboardsprogramme.org.uk/2021/07/28/seven-data-providers-initial-dashboards-testing/>

Appendix 4

Women's state pension age

<https://www.ombudsman.org.uk/news-and-blog/news/womens-state-pension-age-communications-inadequate-ombudsman-finds>

<https://petition.parliament.uk/petitions/581736>

https://www.ombudsman.org.uk/sites/default/files/Women%E2%80%99s_State_Pension_age_-_our_findings_on_the_Department_for_Work_and_Pensions_communication_of_changes_Final.pdf

Appendix 5

Special Severance Payments - MHCLG consultation on local authority guidance in England

https://lgpslibrary.org/assets/cons/lgpsew/20210702_CL.pdf

https://lgpslibrary.org/assets/cons/lgpsew/20210702_DSG.pdf

(to open - cut and paste into browser)

Appendix 6

Governance and Administration Survey 2020–21 results

<https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/public-service-research-2021.ashx>

Appendix 7

Stronger nudge to pensions guidance consultation

<https://www.gov.uk/government/consultations/stronger-nudge-to-pensions-guidance>

Background Papers

- Key Performance Indicators report (01.04.2021 - 30.06.2021)
- Risk Register
- Annual Pension Statements – active and deferred - 2021

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LONDON BOROUGH OF ENFIELD PENSION FUND – ADMINISTRATION - RISK REGISTER – SEPTEMBER 2021

Area	Risk Register	Risk Rating Impact	Likelihood	X	Level of Risk	Project work	Cause of Risk	Risk Owner	Impact	Controls in place	Further action required	Review date
Benefits	Processing of Benefits	2	2	4	Low	No	Pension benefits not paid out accurately or at the right time	Pensions Administration Team	member not paid causing financial hardship. Plus financial and reputational damage to pension fund	Members identified with reporting controls in place and contacted in time. Benefits are checked by another officer and audit checks in place.	Controls and checks in place to be continued to be reviewed to ensure no errors.	01/01/2022
	Overage deferred records not paid	1	4	4	Low	No	Benefits not paid out to eligible members as not claimed by member	Pensions Administration Team	member not paid causing financial and reputational damage to pension fund	All identified have been written to but a Project plan in progress to find these members required	Project plan in progress to use external outsource to find missing members addresses. Systems Team to identify amount.	31/03/2022
	Over 75 benefits not paid - insert figures	1	4	4	Low	No	Benefits not paid out to eligible members	Pensions Administration Team	member not paid causing financial hardship. Plus financial and reputational damage to pension fund	Members identified and payroll notified - involves low numbers but vigilance required when reporting	Systems team to run future reports for 2021 to identify any future members reaching 75 this year. Missing member address tender required	31/12/2021
	AVCs at leaving	2	3	6	Medium	No	PF not notifying member of AVCs held so they are either not claimed or forgotten by the member	Pensions Administration Team	member not paid, could cause financial hardship. Also financial and reputational damage to pension fund	Checks are completed and further discussion is due with new client managers at Prudential	Constant communication with Prudential has been required to ensure work is on track	31/12/2021
	AVCs -Prudential annual statements	3	4	12	High	No	Prudential not notifying member of AVCs held within the agreed timelines so they are either not claimed or forgotten by the member	Pension Fund	Reputational damage and complaints direct to the Fund regarding Prudentials poor service.	Prudential have informed us that they have informed the Pension Regulator	To ask Prudential for proof to also look at other AVC providers	30/09/2021
Projects	Aggregation of benefits - pre and post April 14	2	3	6	Medium	Yes	Failure to offer linking of member services.	Pensions Administration Team	member not notified of benefits. Plus financial and reputational damage to pension fund	Project in place - new training and review took place in August 21	Historical Members identified - administration team working through both old and new cases as they appear each month	31/03/2022
	McCloud review	2	3	6	Medium	Yes	Government lost a test case which resulted in all public sector funds to review their data to ensure no one has lost out	Systems Team	member not paid the correct benefits. Plus financial and reputational damage to pension fund	Systems Team are currently working on identifying members who may be in scope	Ensure new legislation updates are reviewed. Systems Team to contact employers re data retention - esp hours previously held	31/12/2021

Area	Risk Register	Risk Rating Impact	Likelihood	X	Level of Risk	Project work	Cause of Risk	Risk Owner	Impact	Controls in place	Further action required	Review date
Projects	Annual Allowance	1	3	3	Low	Yes	All cases identified and notified within timelines	Andreas Andrea	Tax implications for both member and member if incorrectly notified	project team in place - actions left to complete -	Andreas to produce project plan for 2020 and involves Rebecca Moore in delivery	01/11/2021
	Lifetime Allowance [INCLUDE PROTECTIONS]	1	3	3	Low	Yes	All processed correctly?	Andreas Andrea	Tax implications for both member and member if incorrectly notified	All complex queries are referred to risk owner	Andreas to produce project plan for 2020 and involves Rebecca Moore in delivery	01/11/2021
	Triennial Valuation 2022	1	4	4	Low	Yes	Completion of the administration side of the triennial valuation in a timely manner.	Tim O'Connor	Incorrect benefits paid out. Financial and reputational damage to fund.	project team to be set up nearer the time	Risk owner to outline project timelines along with appropriate stakeholders.	30/10/2021
	GMP - HMRC	1	4	4	Low	Yes	All GMP related work to have been completed in line with the shutdown of GMP related work at the DWP.	Tim O'Connor	Incorrect data on records leading to incorrect payment. Taking on the responsibility of cases because we have not data cleansed sufficiently.	Final Cut of data now received from HMRC - project plan in place to work through.	project plan in place	31/03/2022
	ABS	1	3	3	Low	Yes	Sent out correctly and in line with prescribed timescales	Systems Team with support from Tim O'Connor	Incorrect statements can lead to members making incorrect financial decisions. Causing reputational damage to the fund.	Project plan in place - completed for 2021	Review in January for letters and also include online feedback survey	31/01/2022
	Workflow aligning with SLAs and all procedures captured	1	4	4	Low	Yes	Workflow completion timescales are currently more generous and consequently out of sync with SLA timescales and with disclosure of Regulations timescales this means our KPIs are reporting inaccurate data	Tim O'Connor with support from Systems Team	This could incur fines from the Pensions Regulator. Also impossible to plan resources when KPIs giving a different slant on work completion/outstanding.	Project plan in place	Project to align all the workflows to SLA and Disclosure of Regs timescales, this needs to be documented in test as steps within the workflows.	31/12/2021
	Correctly uploading factor tables	1	1	1	Low	No	are the correct factors in place in Altair?	Andreas Andrea	Incorrect factor tables could lead to incorrect payments of benefits if anomalies are not identified by the Benefits Team	Project plan in place - work is double checked by system team	None required at present	31/03/2022
	Event reporting	2	3	6	Medium	No	Capturing all area's of work	Andreas Andrea	HMRC fines for both fund and member. Reputational damage to fund in the event of any fine.	Project plan in place	System team to complete a written procedure for the procedure matrix	31/10/2021

Area	Risk Register	Risk Rating Impact	Likelihood	X	Level of Risk	Project work	Cause of Risk	Risk Owner	Impact	Controls in place	Further action required	Review date
	Missing Addresses	1	3	3	Low	No	Could lead to personal data going to a wrong address or benefits not claimed.	Tim O'Connor with support from the Systems Team	No having the ability to contact the member to notify or pay our benefits	Project plan in place	Tender required to outsource missing members addresses to a tracing agency. Systems Team to identify amount.	31/03/2022
	End of year updating (LGPS 2021 scheme and employer data issues)	3	3	9	Medium	Yes	Year updating of Altair IT System. Pensions Increase programme. Plus EOY factor tables. Employee data for salaries and contributions - If incorrect. Member could be wrongly paid.	Andrea Andrea	Impact on both members payments and incorrect ABS	Project plan in place - work is double checked by system team	None required at present - a written process to be produced for new systems team members to follow	31/10/2021
	Data cleansing meeting TRP record-keeping	1	3	3	Low	No	Establish a clear and consistent data cleansing programme. Expansion of pensions dashboard.	Tim O'Connor with support from both administration and Systems teams	Without a clear, consistent and routine data cleansing programme, the fund cannot be confident that errors will not occur. Pension Regulator targets will not be met causing reputational damage	project plan in place	Establishment of a comprehensive suite of routine data cleansing processes as part of a full programme. Procedure to capture this area of work.	31/12/2021
	Procedure matrix	3	3	9	Medium	Yes	procedures all captured and up to date?	Tim O'Connor with support from both administration and Systems teams	Without an up to date procedure matrix it will be impossible to know who is following the correct procedure. This could lead to cases been incorrect benefits been paid, also risk of reputational damage	Procedure project in progress	Team Leaders to routinely capture any missing processes and monthly reviews on updates	31/12/2021
	Training matrix	3	3	9	Medium	No	Up to date with all training work - 2 new members in systems currently learning. 2 experienced admin members going on maternity leave in autumn, new cover required	Tim O'Connor	Without an up to date training matrix it will be impossible to know who is skilled in what area, what training is required and this could lead to incorrect calculations due to a lack of knowledge	unknown - risk owner to confirm update	to complete upto date training matrix	31/10/2021

Area	Risk Register	Risk Rating Impact	Likelihood	X	Level of Risk	Project work	Cause of Risk	Risk Owner	Impact	Controls in place	Further action required	Review date
Management	KPI - statistic's	1	4	4	Low	No	Accurate and up to date?	Tim O'Connor	Without accurate and clear data it is impossible to plan the resources of the team. This has several risks	Yes	Review and annual update - new tasks to add	31/12/2021
	Discretions Employers	1	2	2	Low	No	All admin auth discretions made?	Tim O'Connor and Andreas Andrea	Members may suffer if Employers have not been a clear discretions policy as required.	Project plan in place as part of employer specific work	To chase remaining Employers to obtain a written discretions policy - arrange and visit remaining employers. i.e. attendance at town council meetings. Briefing paper to outline this area.	31/03/2022
	Staffing levels	2	3	6	Medium	No	Capacity issues: 2 Senior members of staff going on maternity leave	Tim O'Connor & Julie Barker	Resourcing work and all other projects could be hindered or slowed down by lack of team members.	Yes	more planning in next stage development required - McCloud impact	31/10/2021
	LGA Bulletins – bullet points being actioned	1	4	4	Low	No	all action points addressed by Managers?	Tim O'Connor, Andreas Andrea, Tracey Rogers	Action from Bulletin not completed could have financial implications for members. Risk of reputational damage	Bulletins are reviewed monthly, actions required	To review at Monthly team meeting meeting	31/12/2021
	Data Protection / Cyber training	2	3	6	Medium	No	Everyone adhering to the new data protection rules?	All	Member or other body wrongly notified of personal data. Heavy Fine from ICO plus reputational damage to pension fund.	Training, procedures. Routine reminders.	Annual refresher training before end of 31/05/2021 required. Auditing of cases on a routine basis.	31/10/2021
Governance	Local Pension Board - administration papers	1	3	3	Low	Yes	Providing administration data to the LPB	Tim O'Connor	Board members not being able to access information at the right time.	Yes. Dates of meetings and also dates of issue of papers to Committee members to be confirmed	To ensure all administration reports are sent by the deadline given - dates of issue to the Committee to be confirmed from Bola Tobun.	31/03/2022

Area	Risk Register	Risk Rating Impact	Likelihood	X	Level of Risk	Project work	Cause of Risk	Risk Owner	Impact	Controls in place	Further action required	Review date
Employer	Employer data provided on time	1	2	2	Low	No	Work received from all employers in a timely manner on a monthly basis which contains minimal errors	Karen Bennett	member could be paid incorrectly. Plus financial and reputational damage to pension fund	unknown - risk owner to confirm	establishment of procedure and routine monitoring of performance against targets	31/12/2021
	Legal turnaround times for Admission Agreements	2	3	6	Medium	No	Internal legal not responding to request or moving work in a timely manner.	Julie Barker with support from Tim O'Connor	Reputational risk with employers and lead to commercial issues occurring.	Project plan in place as part of employer specific work	SLA with HOP to discuss with legal to establish agreed turnaround times.	31/12/2021
Communications	Communications Quality Assurance	1	4	4	Low	No	letters, newsletters, website, emails, telephone calls clinics.	Tim O'Connor with support from all Pensions Team	Members not been updated at the right time.	Yes	Employer newsletter being worked on. Active & Pensioner newsletter to start work on.	31/03/2022
	Website	1	4	4	Low	No	not up to date and new branding to add to the site	Tim O'Connor with support from Systems Team	Members reading incorrect information could lead to incorrect decisions been made	Yes - project plan and review in place at present	some additions ready to now add - re governance page and AVCwise information and year end information	31/12/2021
	Presentations/online	1	4	4	Low	No	Various Managers trying to cover both this role and their own. Developing new online webinars for scheme members	Tim O'Connor with support from the Pensions Team	Not having the resources to cover adequately. Information not getting to the right people at the right time.	Yes	look at recording online presentations to be held on the website and sent as a link to members.	31/03/2022
	Pension Webinars	1	4	4	Low	Yes	EPF indicated Fund would hold these in 2020 but the pandemic meant cancelling. These could be introduced in an online facility	Tim O'Connor with support from the Pensions Team and with HR for online Pre-retirement courses	Members don't receive the service and are not as well informed as they should be.	Yes	1:1 online pension meetings - post issue of ABS to be set up with booking system	31/03/2022
	Member Self Service	1	3	3	Low	Yes	Members having issues accessing MSS and not seeing the correct screens - has been resolved but continue to watch	Systems Team	Members don't receive the service and are not as well informed as they should be.	Yes - a Systems team project plan is also in place - to look at when pensioners invited to see if any similar issue	Invite going out to Deferred Members during February inviting them to sign up and then Pensioners during May.	31/12/2021
Security	Cyber security	2	3	6	Medium	Yes	Increased risk of online attack due to pandemic	Julie Barker with support from Tim O'Connor and IT	Fraud, reputational damage	Yes	Await results of AON cyber security report	31/03/2022

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London Borough of Enfield**ENFIELD PENSION BOARD****Meeting Date: 08 September 2021**

Subject: Employers Contribution Report**Cabinet Member:** Cllr Maguire**Executive Director:** Fay Hammond**Key Decision:** []

Purpose of Report

1. This report updates the Board on the collection of Employer contributions up to June 2021 which were due on 19 July 2021.
2. The key decision making for, and management of, the Fund has been delegated by the London Borough of Enfield the Council to a formal Pension Fund Committee (PPIC), supported by officers of the Council and advisers to the Pension Fund.
3. The Executive Director of Resources is the Section 151 Officer and therefore has a statutory responsibility for the proper financial affairs of the Council including Fund matters.
4. A local pension board has been in place since April 2015 to assist in:
 - a) securing compliance of Fund matters; and
 - b) ensuring the efficient and effective governance and administration of the Fund.

Proposal(s)

5. The Pension Board is recommended to note the contents of this report and the attached Appendix.

Reason for Proposal(s)

6. The Pension Board is recommended to note this report and the activity of the team in bringing this area back to an acceptable standard.
7. The Pensions Board's role is to assist the Administering Authority in ensuring compliance with the regulations.

Relevance to the Council's Corporate Plan

8. Good homes in well-connected neighbourhoods.
9. Build our Economy to create a thriving place.
10. Sustain Strong and healthy Communities.

Background

11. Under the Local Government Pension Scheme (LGPS) Regulations, Enfield Council is required to maintain a pension fund for its employees and other 'scheduled bodies' as defined in the Regulations known as the Enfield Pension Fund (EPF or the Fund). The Regulations also empower the Fund to admit employees of other 'defined' (e.g. other public bodies) bodies into the Fund.
12. The Employers (scheduled and admitted bodies) are required to pay both employee and employer contributions to the Fund monthly. The contributions rates for members is set out in the LGPS Regulations. The Employer contribution rate is set at the triennial valuation and recorded in the rates and adjustment certificate issued by the Funds actuary.
13. The Employers are required by regulations to make the payment of contributions to the Fund be made no later than 19 days of the following month in which the contributions were deducted from payroll (22 days by means of an electronic communication).

2021/22 Contributions

14. The Enfield Pension Fund has set the 19 days following the month in which the contributions were deducted from payroll to determine if a payment has been received on time. The attached Appendix 1 sets out the number of payments received after the 19 days have elapsed.
15. Contributions are received after the 19th day of each month following contributions deducted up to the 19 July 2021 is shown as Appendix 1 to this report.
16. In total there has been 9 late payments of contributions out of 99 expected payments. This is attributed to three different employers in the Fund. Two employers have paid late on more than one occasion, paying late in consecutive months; April 2021 to June 2021.

Safeguarding Implications

17. The report provides clear evidence of sound financial management, efficient use of resources, promotion of income generation and adherence to Best Value and good performance management.

Public Health Implications

18. The Enfield Pension Fund indirectly contributes to the delivery of Public Health priorities in the borough.

Equalities Impact of the Proposal

19. The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

Environmental and Climate Change Considerations

20. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

21. The monitoring and timely collection of employer contributions will minimise risks relating to the management of the Fund and should assist in managing down the risk of non-compliance with the Council's obligations under the Regulation as the administering authority of the London Borough of Enfield Pension Fund.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

22. Not adhering to legal requirements could impact on meeting the ongoing objectives of the Enfield Pension Fund.

Financial Implications

23. Untimely payment of contributions or non-payment of contributions to the Fund can give rise to deficit whereby the Fund current Funding level of 103% can easily be depleted and the Fund ending up being severely underfunded.

Legal Implications

24. Regulation 106(1) of the Local Government Pension Scheme Regulations 2013 provides for each Administering Authority to establish its own Local Pension Board with responsibility for assisting the Administering Authority to secure compliance with the Regulations, other legislation relating to the governance and administration of the LGPS and the requirements imposed by the Pensions Regulator in relation to the LGPS. The Board must also ensure the effective and efficient governance and administration of the LGPS.

Workforce Implications

25. The employer's contribution is a significant element of the Council's budget and consequently any improvement will allow the Council to meet this

obligation easily and could also make resources available for other corporate priorities.

Property Implications

26. None

Other Implications

27. None

Options Considered

28. No other option.

Conclusions

29. The Pension Board is recommended to note this report and the activity of the team in bringing this area back to an acceptable standard.

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Date of report 20th August 2021

Appendices

Appendix 1 –Enfield PF Employers Late Contribution Payments Schedule July 2021

Background Papers - None

Enfield LGPS Employers Late Contribution Payments Schedule for 2021-22

Employers	April	May	June	Total
London Borough of Enfield				0
Scheduled Bodies				
Capel Manor College				0
Oasis Hadley Academy				0
Oasis Enfield Academy				0
Jewish Community Academy				0
AIM Academy North				0
Kingsmead Academy				0
Enfield Grammar Academy				0
Southgate School				0
Lea valley Academy				0
Enfield Learning Trust				0
Adnan Jaffrey Trust (One Degree Academy)				0
Attigo Academy Trust				0
ARK John Keats Academy				0
Meridian Angel Primary School				0
Ivy Learning Trust				0
North Srar Community Trust (was CHAT)				0
Edmonton County Academy				0
Children First Academy				0
Wren academy				0
Subtotal – Scheduled Bodies	0	0	0	0
Admitted Bodies				
Enfield Voluntary Action				0
Enfield Equality Centre (EREC)				0
Enfield Carers Centre				0
The Pantry (UK) Ltd				0
Hertfordshire Catering Ltd				0
Fusion Lifestyle				0
Sodexo				0
Reed Wellbeing				0
Birkin – Nightingale	1			1
Olive Dining - Edmonton	1	2	1	4
Olive Dining – Nightingale	1	2	1	4
European Cleaning Services				0
North London Homecare & Support Ltd				0
Fitzpatrick				0
NORSE commercial services				0
Churchill				0
Metropolitan Support Trust				0
Leisure Trust				0
Kier Group Services				0
Edwards & Blake				0
Hughes Gardner				0
Equion Facilities Management				0
Outward Housing				0
Elior UK				0
Birkin -Bishop Stopford				0
Birkin – Winchmore				0
Olive Dining – Aylward				0
BDI Securities UK Ltd				0
Purgo Supply Services				0
Sanctuary Housing				0
Lewis & Graves Partnership				0
Subtotal – Admitted Bodies	3	4	2	9
Total no. days payments being late	3	4	2	9

	April	May	June	Total
Total payments due	33	33	33	99
Payments received late	3	4	2	9

Employers with active members.

Latymer is part of LBE but pay their own contribution.

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London Borough of Enfield**ENFIELD PENSION BOARD****Meeting Date: 8 September 2021**

Subject: TPR Code of Practice Compliance Checklist Report**Cabinet Member: Cllr Maguire****Executive Director: Fay Hammond****Key Decision: []**

Purpose of Report

1. From 1st April 2015 the Pensions Regulator (TPR) assumed responsibility for public service pension schemes and put in place codes of practice for public service pension schemes covering a number of areas relating to the management of schemes.
2. The Code of Practice for Public Service Pension Schemes came into force from 1st April 2015 and all schemes must consider whether they comply with the Code.
3. This report covers an updated Compliance Checklist for the London Borough of Enfield Pension Fund up to 30th June 2021.

Proposal(s)

4. The Pension Board are recommended to:
 - a) Note the contents of this report;
 - b) Note the Code of Compliance Checklist, attached as appendices; and
 - c) Consider the findings and to comment and ask questions.

Reason for Proposal(s)

5. There has been much greater focus on whether the governance of LGPS pension funds is appropriate. The introduction of Local Pension Boards and focus on increased training are just two areas of the greater focus. The Pension's Regulator (TPR) now has greater legal powers of oversight that extend this further and the Code of Practice is a useful means to understand what good practice looks like in respect of pension funds.
6. A good standard of governance is crucial in minimising the key risks involved in managing the Pension Fund. Although there are clear benefits for many schemes of the greater oversight powers that have been given to TPR, ensuring compliance with these areas and the much greater focus on

governance results in additional work for officers and advisers of the Fund. Any costs associated with delivering the requirements of this Code and the related legal changes are not material in the context of the Pension Fund and any such costs are recharged to the Pension Fund.

Relevance to the Council's Corporate Plan

7. Good homes in well-connected neighbourhoods.
8. Build our Economy to create a thriving place.
9. Sustain Strong and healthy Communities.

Background

10. Although following the code itself is not a regulatory requirement, should TPR identify a situation where the legal requirements are being breached, the code will be used as a core reference document when deciding appropriate action.
11. In recent years there has been much greater focus on whether the governance of LGPS pension funds is appropriate. The introduction of local Pension Boards and focus on increased training are just two areas of the greater focus. TPR's greater legal powers of oversight extend this further and the Code of Practice is a useful means to understand what good practice looks like in these areas.
12. The Pensions Regulator's Code of Practice No 14 outlines expectations in relation to the governance and administration of public service pension schemes. It was issued in April 2015. The Code is split into the following categories, and within each of these categories there are a number of specific requirements:
 - a) Reporting duties
 - b) Knowledge and understanding
 - c) Conflicts of interest
 - d) Publishing information
 - e) Risk and internal controls
 - f) Maintaining accurate member data
 - g) Maintaining contributions
 - h) Providing information to Members and Others
 - i) Internal dispute resolution procedure
 - j) Reporting breaches.

13. In addition, there is a section in the Fund's compliance check relating to Scheme Advisory Board requirements which are separate.
14. Since the Code was issued the Fund has carried out regular reviews to assess its compliance against the requirements, some of which are legal requirements. Although compliance is assessed on an ongoing basis, periodically a more detailed review takes place, and this was carried out in the latter part of 2020. The findings were considered in detail by the Pension Board at their last meeting.
15. The findings of the latest review continue to show a high level of compliance by the Fund and improvements in a number of areas.
16. Appendix 1 shows the Fund previous position as at November 2018.
17. In relation to whether the Fund is compliant or not the breakdown is as follows:
 - Fully compliant – 84 areas
 - Partially compliant – 13 areas
18. The summary dashboard of Appendices 1 and 2 show how the current compliance compares with the previous review.
19. Appendix 2 provides the 13 areas that are partially compliant.
20. The partially non-compliant relate to the following categories:
21. **Publishing Information** – only 1 partially non-compliant relating to the need to add code of practice paragraph 96 about PB and PPIC and members unto the Council's website.
22. **Risk and Internal Controls** – the outstanding 1 partially non-compliant relates to AVCs:
 - to agree with the Prudential a way of ensuring compliance with regulations
 - To ensure robust processes for checking employer cashflows in relation to benefit payments.
23. **Maintaining accurate member data** – there are two partially non-compliant outstanding in this category:
 - i) To agree with Prudential a way of ensuring annual reconciliation is carried out and audited as part of annual report and accounts process.
 - ii) To have a formal documented data improvement plan in place
24. **Maintaining contributions** – the outstanding 1 partially non-compliant relates to AVCs to put in place an improved monitoring process for AVCs

25. **Providing information to Members and Others** – there are 6 partially non-compliant areas in this category, this is mainly due to the fact that I'm yet to contact Admin team for latest updates in the yellow highlighted areas as they are extremely busy currently.
26. **Internal dispute resolution procedure** - there two partially non-compliant areas in this category, this is mainly due to the fact that I'm yet to contact Admin team for latest updates in the yellow highlighted areas as they are extremely busy currently.
27. An updated checklist as at 30 June 2021 is attached at Appendix 2 for review and comment by the Board. The Fund is generally able to demonstrate good levels of compliance with the Code and these are highlighted in green.

Safeguarding Implications

28. Poor corporate governance and unsustainable business practices can impact on share prices and increases the risk that the Fund may experience a loss of value in its investments in the future

Public Health Implications

29. The Enfield Pension Fund indirectly contributes to the delivery of Public Health priorities in the Borough.

Equalities Impact of the Proposal

30. The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

Environmental and Climate Change Considerations

31. Environmental and climate change considerations are all over this report.

Risks that may arise if the proposed decision and related work is not taken

32. The rigorous robust management of LBE Pension Fund results in better quicker and more effective decision making which can lead to better Fund performance and reduction in the contribution required from the Council towards the Fund.
33. Ensuring good corporate governance and the adoption of sustainable business models at the companies in which the Fund invests should over the longer term ensure that they are able to deliver superior returns to the Fund.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

34. A good standard of governance is crucial in minimising the key risks involved in managing the Pension Fund. Although there are clear benefits for many schemes of the greater oversight powers that have been given to TPR, ensuring compliance with these areas and the much greater focus on governance results in additional work for officers and advisers of the Fund.

Financial Implications

35. There are no immediate direct financial consequences arising as a result of this report. However, understanding the risks that exist in respect of the Pension Fund and the management of those risks is important to the overall strategic management of the Pension Fund and the governance role of this Board. Not all risks are quantifiable from a financial perspective however should they not be appropriately managed they could impact on the reputation of the Fund and the Council.

Legal Implications

36. The Pensions Regulator Code of Practice for Public Sector Pensions came into force on the 1st April 2015. The Code introduces the framework for the governance and administration of public service pension schemes and provides an extended regulatory oversight by the regulator. Codes of practice provide practical guidance in relation to the exercise of functions under relevant pension's legislation and set out the standards of conduct and practice expected of those who exercise the functions. It is essential the Pensions Committee undertakes regular monitoring of the management and performance of the fund and use of the compliance checklist will assist with this.
37. The regulator is required under section 90(2) of the Pensions Act 2004, to issue one or more codes of practice covering specific matters relating to public service pension scheme. The Code is not a statement of the law and there are no penalties for failure to comply with its provisions. However, the Authority must ensure that it complies with the underlying legal duties in respect of those matters specified in section 90(2).
38. It is possible to adopt an alternative approach to that set out in the Code; however any such approach must meet any underlying legal duties of the scheme manager. Failure to do so may result in a penalty being imposed and the regulator also has the power to issue an improvement notice under section 13 of the Pensions Act 2004. The notice may be drafted with reference to the code of practice
39. When exercising its functions, the Pensions Board, must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector duty).

Workforce Implications

40. The employer's contribution is a significant element of the Council's budget and consequently any improvement in investment performance will allow the Council to meet this obligation easily and could also make resources available for other corporate priorities.

Property Implications

41. None

Other Implications

42. None

Options Considered

43. There are no alternative options.

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Date of report 31st August 2021

Appendices

Appendix 1 – Enfield Pension Fund Compliance Checklist as at November 2018

Appendix 2 – Enfield Pension Fund Compliance Checklist as at 30th June 2021

Background Papers

- The Pensions Act 2004
- The Pensions Regulator's Code of Practice

The Pension Regulator’s and Scheme Advisory Board Compliance Checklist

Date of Completion: 09/11/2018

Contents

- Introduction
- Summary Results Dashboard
- A - Reporting Duties
- B - Knowledge and Understanding
- C - Conflicts of interest
- D - Publishing information about schemes
- E - Managing risk and internal controls
- F - Maintaining accurate member data
- G - Maintaining contributions
- H - Providing information to members and others
- I - Internal Dispute Resolution
- J - Reporting breaches of the law
- K - Scheme Advisory Board - Guidance on the creation and operation of Local Pension Boards in England and Wales

Introduction

This document outlines how Northumberland County Council complies with the Pensions Regulator's (TPR) Code of Practice No 14 Governance and administration of public service pension schemes ('the TPR Code') in relation to the management of the Northumberland County Council LGPS Pension Fund which is part of the Local Government Pension Scheme (LGPS). It will be updated regularly by officers of the Fund and reported annually to the Pension Panel and LGPS Local Pension Board.

This document highlights all the key elements of the TPR Code and then evidences whether Northumberland County Council meets these areas of best practice. As part of this evidence it shows when the element was last checked and whether, at that point, it was considered fully, partially or not compliant. Where they are partially or not compliant, it also highlights whether the Council have identified actions to be carried out to improve their current practices. Where an element is not yet active, the commentary will generally still highlight where advanced progress is being made.

Those reading this document should be mindful that the TPR Code applies equally to all public service pension schemes and therefore it is generic in nature. There may be a number of elements that are more specifically stipulated within LGPS legislation and it is not the purpose of this compliance checklist to consider that level of detail.

Further, Northumberland County Council may also incorporate key elements of national guidance from the LGPS Scheme Advisory Board into this compliance checklist. This version contains the checklists included as part of the Shadow Scheme Advisory Boards "Guidance on the creation and operation of Local Pension Boards in England and Wales".

Key

Frequency of review and last review date: Where a process, policy or practice is officially reviewed at a set interval, the actual interval will be shown as well as the last interval date. However, in many circumstances processes and procedures are ongoing and part of the day – to - day operation of the Fund. In these circumstances, an annual check will be carried out to ensure that the ongoing process meets the TPR Code expectations and therefore the date shown will be the date that annual check was carried out and the frequency will be shown as "ongoing (annual check)".

Completed:	Compliant:	Where responsibility relates to employers:
Fully completed	Fully compliant	Employers - Fully compliant
In progress	Partially compliant	Employers - Partially compliant
Not started	Non-compliant	Employers - Non-compliant
Not yet relevant	Net yet relevant	Not yet relevant

Definitions:

<i>PSPA13</i>	Public Service Pensions Act 2013
<i>LGPS</i>	Local Government Pension Scheme
<i>TPR</i>	The Pensions Regulator
<i>TPR Code</i>	The Pensions Regulator's Code of Practice No 14 Governance and administration of public service pension schemes
<i>Scheme Manager</i>	For the London Borough of Enfield Pension Fund, this is Enfield Council
<i>Administering Authority</i>	The LGPS specific term for Scheme Manager. For the London Borough of Enfield Pension Fund, this is the London Borough of Enfield, also referred to as Enfield Council.
<i>IDRP</i>	Internal Dispute Resolution Procedure
<i>SAB</i>	The national LGPS Scheme Advisory Board
<i>Panel</i>	Enfield Pensions Policy and Investment Panel
<i>PB</i>	London Borough of Enfield Local Pension Board
<i>HoPFI</i>	Head of Pension Fund Investment

Summary Dashboard

A dashboard showing the summary of the results of the latest compliance checklist is shown below:

No.	Completed	Compliant
Reporting Duties		
A1	Fully completed	Fully compliant
A2	Fully completed	Fully compliant
A3	Fully completed	Fully compliant
A4	Fully completed	Non-compliant
Knowledge and Understanding		
B1	Fully completed	Partially compliant
B2	Fully completed	Partially compliant
B3	Fully completed	Fully compliant
B4	Fully completed	Fully compliant
B5	Fully completed	Partially compliant
B6	Fully completed	Fully compliant
B7	Fully completed	Fully compliant
B8	Fully completed	Fully compliant
B9	Fully completed	Fully compliant
B10	Fully completed	Partially compliant
B11	Fully completed	Partially compliant
B12	Fully completed	Partially compliant
Conflicts of Interest		
C1	Fully completed	Partially compliant
C2	Fully completed	Fully compliant
C3	Fully completed	Fully compliant
C4	Fully completed	Fully compliant
C5	Fully completed	Partially compliant
C6	Fully completed	Non-compliant
C7	Fully completed	Partially compliant
C8	Fully completed	Fully compliant
C9	Fully completed	Fully compliant
C10	Fully completed	Fully compliant
C11	Fully completed	Fully compliant
Publishing Information		
D1	Fully completed	Partially compliant
D2	Fully completed	Partially compliant
D3	Fully completed	Fully compliant
D4	Fully completed	Fully compliant

No.	Completed	Compliant
Risk and Internal Controls		
E1	Fully completed	Fully compliant
E2	Fully completed	Fully compliant
E3	Fully completed	Fully compliant
E4	Fully completed	Partially compliant
E5	Fully completed	Fully compliant
E6	Fully completed	Fully compliant
E7	Fully completed	Partially compliant
E8	Fully completed	Partially compliant
Maintaining Accurate Member Data		
F1	Fully completed	Fully compliant
F2	Fully completed	Fully compliant
F3	Fully completed	Partially compliant
F4	Fully completed	Fully compliant
F5	Fully completed	Fully compliant
F6	Fully completed	Fully compliant
F7	Fully completed	Fully compliant
F8	Fully completed	Fully compliant
F9	Fully completed	Partially compliant
F10	Fully completed	Fully compliant
F11	Fully completed	Partially compliant
Maintaining Contributions		
G1	Fully completed	Fully compliant
G2	Fully completed	Fully compliant
G3	Fully completed	Fully compliant
G4	Fully completed	Fully compliant
G5	Fully completed	Fully compliant
G6	Fully completed	Partially compliant
G7	Fully completed	Fully compliant
G8	Fully completed	Fully compliant
G9	Fully completed	Partially compliant
Providing Information to Members and Others		
H1	Fully completed	Partially compliant
H2	Fully completed	Partially compliant
H3	Fully completed	Fully compliant
H4	Fully completed	Partially compliant
H5	Fully completed	Fully compliant
H6	In progress	Fully compliant

No.	Completed	Compliant
H7	Fully completed	Fully compliant
H8	Fully completed	Non-compliant
H9	Fully completed	Partially compliant
H10	Fully completed	Fully compliant
H11	Fully completed	Fully compliant
H12	Fully completed	Partially compliant
H13	Fully completed	Fully compliant
Internal Dispute Resolution		
I1	Fully completed	Fully compliant
I2	Fully completed	Non-compliant
I3	Fully completed	Partially compliant
I4	Fully completed	Fully compliant
I5	Fully completed	Fully compliant
I6	Fully completed	Partially compliant
I7	Fully completed	Fully compliant
I8	Fully completed	Non-compliant
I9	Fully completed	Fully compliant
Reporting Breaches		
J1	Fully completed	Partially compliant
J2	Fully completed	Partially compliant
J3	Fully completed	Partially compliant
Scheme Advisory Board Requirements		
K1	Fully completed	Fully compliant
K2	Fully completed	Fully compliant
K3	Fully completed	Fully compliant
K4	Fully completed	Partially compliant
K5	Fully completed	Fully compliant
K6	Fully completed	Fully compliant
K7	Fully completed	Partially compliant
K8	Fully completed	Partially compliant
K9	Fully completed	Fully compliant
K10	Fully completed	Fully compliant
K11	Fully completed	Non-compliant
K12	Fully completed	Non-compliant
K13	Fully completed	Non-compliant
K14	Fully completed	Non-compliant
K15	Fully completed	Partially compliant

A - Reporting Duties

Note the requirements in this section are not included in the TPR Code but they are a fundamental to the relationship with TPR.

Legal Requirements

All public service pension schemes have to be registered with TPR. In addition, all schemes must provide a regular scheme return to TPR, containing prescribed information. A return is required when the scheme receives a scheme return notice from the regulator. The scheme manager must also keep the regulator informed of any changes to registrable scheme details.

Note the requirements in this section are not included in the TPR Code but are a requirement for all schemes.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
A1	Is your scheme registered with the Pension Regulator?	<p>Aon has checked with the Regulator and the Enfield Fund is registered - further evidence is that scheme returns and surveys are sent to be completed.</p> <p>The contact for such surveys/returns is zpensions@enfield.gov.uk. It may be possible that important information is not seen or dealt with using a generic mailbox so the fund could consider having a specific individual as the key contact on the Regulator's exchange system.</p> <p>The Head of Exchequer Services, Head of Pension Fund Investment (HoPFI) and the Principal Exchequer Officer have their own log in to the Exchange site to make changes.</p>	One off - i.e. is registered	n/a	Fully completed	Fully compliant		Consider having a specific individual rather than the generic pensions mailbox as the key contact on the Regulator's exchange system.
A2	Is the information held on the Pensions Regulator's website about the scheme up-to-date?	The number of Employers does not change significantly (there are usually a very small number, if any, exiting employers each year) and so it is considered that an annual update for the scheme return is a reasonable approach. We therefore consider this to be fully compliant.	Annual	08/10/2018	Fully completed	Fully compliant		
A3	Have you completed this latest Scheme Return in the required timescale?	The 2018 scheme return was sent to Enfield on 25 September and was submitted on 1st November. It should be noted that there is a new requirement to test the common and conditional/scheme-specific and report a score in the 2018 scheme return. There is no central agreed list of scheme-specific items for the LGPS in this first year so Funds have to use their own judgement. It is possible to not enter a score, but this may attract attention from the Regulator as may indicate that annual data testing doesn't take place which is an expectation. Enfield have submitted data scores based on information provided by Heywoods supplemented by their own approach.	Annual	08/10/2018	Fully completed	Fully compliant		
A4	Have you responded to the latest TPR public service pension scheme survey/questionnaire?	The last survey completed was December 2016 so the 2017/18 survey was not completed. While this is best practice rather than a requirement, the Regulator is likely to focus case work on Funds who do not complete the annual surveys.	Annual	08/10/2018	Fully completed	Non-compliant	The Regulator is likely to pay particular attention in their case work in coming years to those Funds who do not carry out basic governance and administration activities, including the annual survey.	Suggest that the 2018/19 survey is completed (issued 5 November 2018) - the results of this TPR compliance review should help with the responses to the survey

B - Knowledge and Understanding

Legal Requirements

A member of the pension board of a public service pension scheme must be conversant with:

- . the rules of the scheme, and
- . any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

A member of a pension board must have knowledge and understanding of:

- . the law relating to pensions, and
- . any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B1	Are there policies and arrangements in place to support pension board members in acquiring and retaining knowledge and understanding?	<p>The Fund has a training policy for Pension Policy and Investment Committee (PPIC) and Pension Board (PB) members - though this is not on the Fund or the Council website. This policy does not include training objectives, details of how training will be documented nor how attendance at events will be recorded and monitored. It does mention self assessments on an annual basis to identify needs.</p> <p>There are various processes carried out to ensure members can obtain relevant knowledge and understanding. This involves offering attendance to induction training events, attendance of PB members at PPIC meetings (as observers), and identifying training needs in business planning so that relevant training is provided before PPIC and PB meetings.</p> <p>The HoPFI and Head of Exchequer Services meet with new Chairs of the PPIC/PB to help them understand their role and about the Fund before their first meeting. The Chair of the PPIC attends the PB meetings to give updates on the decisions made and work in progress.</p>	Not specified in policy. Suggest annually.	01/09/2017	Fully completed	Partially compliant		<p>The policy should be reviewed every three years at least, specify this in the policy.</p> <p>The policy should ideally include the objectives of the policy, and specify how training will be recorded and monitored.</p>
B2	Has a person been designated to take responsibility for ensuring the framework is developed and implemented?	HoFPI is responsible for training, the Training Policy and its implementation, including the maintenance of the monitoring - however this responsibility is not set out in the training policy.	Not specified in policy. Suggest annually.	01/09/2017	Fully completed	Partially compliant		Include responsibility in policy.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B3	Is the Fund providing assistance to pension board members to determine the degree of knowledge and understanding required?	<p>The Training Policy says the members should do the TPR online training toolkit -this is a requirement in first year - the HoPFI will review if this has been completed by new members by the end of the year (2018). Other requirements are set out in the Training Policy which should indicate the level of knowledge required. The policy specified that an annual training needs assessment will be carried out which will feed into training plans.</p> <p>The PPIC training is based on what's coming up in meetings, and similar approach is take for the PB, but focused on governance - training is carried out at every meeting which helps indicate the level of knowledge required. All future activities and therefore what knowledge is needed is set out in the 3 year business plan, eg ABS.</p> <p>New members attend induction training (e.g. provided by Aon or LGA), which gives indication of knowledge requirements.</p>	Annual	01/09/2017	Fully completed	Fully compliant	We haven't seen evidence of the Business Plan but if this is in place and regularly updated it provides a useful tool for identifying knowledge requirements.	
B4	Are the roles and responsibilities of pension boards and members of pension board clearly set out in scheme documentation?	<p>Core functions of the board, terms of office and duties are included in the Board's Terms of Reference which has been formally agreed. The ToR is based on the SAB board draft TOR template, but has been tailored appropriately to Enfield's circumstances. The TOR is not available on the Fund website.</p> <p>Requirements for training and knowledge are also set out in the Training Policy. This is more focused on new members than existing members (existing members are encouraged but not required to attend general awareness events).</p>	Not specified in policy. Suggest annually.	01/09/2017	Fully completed	Fully compliant		Consider adding more detail on requirements for existing members into policy e.g. to attend at least a certain number of training events each year.
B5	Are pension board members aware of their legal responsibility in terms of Knowledge and Understanding?	<p>Enfield confirmed members are told about this on appointment, it is included in Aon's induction training, and Unison have done some training for employee members as well.</p> <p>However this is not set out in the formal training policy.</p> <p>These responsibilities are mentioned in Terms of Reference, so PB members are already aware of their responsibilities - also responsibilities mentioned in initial PB meeting on 31 July 2015</p>	Each time new member appointed, and TPR Compliance review carried out	01/10/2018	Fully completed	Partially compliant		Add legal requirements (for PB) and consider extending to PC in formal policy.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B6	Have all pension board members got access to copies of the scheme rules and relevant Fund documentation?	<p>New members are given the terms of reference and Fund policies etc, lots of these are in one place in the annual report.</p> <p>Fund documents such as Funding Strategy Statement and Investment Strategy Statement are also on the Fund website: https://new.enfield.gov.uk/pensions/forms/ which also has useful links to LGPS member website, LGPS Regulations etc. However the Terms of Reference for the PB are not on the website.</p> <p>Each set of meeting minutes from the Pension Policy and Investment Committee is circulated to PB members, and they are read at PB meetings.</p> <p>The list of key documents is set out in the training policy.</p>	Each time TPR Compliance reviewed	01/10/2018	Fully completed	Fully compliant		
B7	Is there an up-to-date list of the Fund specific documents with which pension board members need to be conversant in?	<p>The training policy drafted sets out the requirements (and this is given to existing PB members and new PB members when they join). A formal list of documents is included in the training policy.</p> <p>The key documents such as annual report and funding and investment strategies are available on the website (the annual report includes strategies and policy statements but the annual report on the website is more than a year out of date. HoFPI mentions the key items when he distributes the annual accounts in the meeting with new members - and explains which bits of the accounts to focus on.</p>	Not specified in policy. Suggest annually.	01/09/2017	Fully completed	Fully compliant		
B8	Are all pension board members investing sufficient time in their learning and development?	<p>Bite-sized training is currently carried out at each PB meeting according to need and what is to be discussed in the course of the meeting.</p> <p>Employee members have gone on Unison training and new members attended Aon induction course. Chair has had significant training.</p> <p>Provided members attend the meetings, this is considered sufficient to meet requirements.</p>	Annual	01/10/2018	Fully completed	Fully compliant	<p>Suggest training plans are agreed when annual business planning exercise takes place.</p> <p>Suggest method of monitoring of training and documenting the level of investment of time in training is included in formal training policy.</p>	

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B9	Does the Fund offer pre-appointment training for new pension board members or mentoring by existing members?	<p>Pre-appointment training is not currently provided, and nor is mentoring as this is difficult to arrange and the commencement of the role is very soon after selection/appointment. However newly appointed board members are invited to attend Committee and Board meetings and training events taking place before their first meeting to develop their knowledge of the Fund. Board members can now remain in meeting even if not open to the public.</p> <p>When appointed, members have a meeting with the PB Chair as soon as possible in order to explain the PB member's responsibilities.</p> <p>In addition, the Chair of the PB did attend the CIPFA / Barnet Waddingham training before taking the Chair position, and attended induction training provided by Aon before first PB meeting.</p> <p>The HoPFI will also visit the new school representative to explain how the PB works before their first meeting. The PPIC Chair presents information on the last PPIC to every PB to inform what the PB will look at. The Chair of PB also attends PPIC as an observer.</p>	Each time new member appointed	01/10/2018	Fully completed	Fully compliant	An individual approach is taken to new appointments which ensures the members are as well-informed as possible which we believe to be compliant.	Ensure approach is documented in formal training policy
B10	Is there a process in place for regularly assessing the pension board members' level of knowledge and understanding is sufficient for their role, responsibilities and duties?	<p>A Training log is maintained - PPIC and PB members email the HoPFI about training attended, who keeps these on record and puts it in in annual report. The draft report on training attended is provided to members before the accounts are produced give members time to attend training to increase knowledge if required.</p> <p>Formal regular assessment of knowledge and understanding against required competencies (e.g. CIPFA) does not appear to be taking place.</p>	Annual	01/03/2018	Fully completed	Partially compliant		Recommend that annual review of records kept (in PB or PPIC meetings) will highlight any individuals with outstanding requirements (PPIC, PB and officers). This should be against CIPFA and other required competencies.
B11	Are records of learning activities being maintained?	The HoPFI collects the information about attendance in emails from the PPIC and PB members and collates this into the annual report and accounts on an annual basis. Members are given the information before the report is published to give them time to complete further training if felt necessary.	Annual	31/03/2018	Fully completed	Partially compliant		Consider keeping an ongoing record of training carried out, for example in a spreadsheet and consider this at each PB meeting or on annual basis.
B12	Have the pension board members completed the Pension Regulator's toolkit for training on the Code of Practice number 14?	<p>The PB have been advised to carry out these modules and this is included in the training policy. Members have a year to complete the modules after being appointed, and will inform HoPFI when completed.</p> <p>The HoPFI is considering completing modules in group training sessions as a "bitesize" approach.</p>	Twice-yearly	08/10/2018	Fully completed	Partially compliant	Partially compliant as it's not been confirmed that all members have completed this.	

C - Conflicts of interest

Legal Requirements

The Public Service Pensions Act 2013 sets out the legal requirements for scheme managers and pension boards for conflicts of interest.

In relation to the pension board, scheme regulations must include provision requiring the scheme manager to be satisfied:

- that a person to be appointed as a member of the pension board does not have a conflict of interest and
- from time to time, that none of the members of the pension board has a conflict of interest.

Scheme regulations must require each member or proposed member of a pension board to provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of meeting the requirements referred to above.

Scheme regulations must include provision requiring the pension board to include employer representatives and member representatives in equal numbers.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C1	Does the Fund have a conflict of interest policy and procedure, which include identifying, monitoring and managing potential conflicts of interest?	<p>There is a CoI policy which is detailed in the Council Code of Conduct which applies to PB and PPIC members - this covers identification/declaration requirements but not all points recommended by TPR guidance. This is not on the Fund website and is not a Fund document.</p> <p>Council sends register of interests to members to complete.</p> <p>Standing item on PPIC and PB meetings to identify conflicts.</p>	TBC	TBC	Fully completed	Partially compliant		<p>Ideally the Fund would have it's own COI Policy.</p> <p>Include Code of Conduct on website when upgraded, and recommend reviewing to include all relevant areas of TPR guidance</p>
C2	Do pension board members have a clear understanding of their role, the circumstances in which they may have a conflict of interest and how to manage potential conflicts?	<p>Yes - this was covered in recent training in October.</p> <p>Their role is set out in the TOR which all members have been provided with, and responsibilities also set out in the COI policy.</p> <p>Inclusion of conflicts as standing item in meetings ensures members understand the requirements.</p>	Whenever new members appointed	01/10/2018	Fully completed	Fully compliant		
C3	Have all Pension Board members provided appropriate information for the Administering Authority to determine whether a conflict exists (on appointment and from time to time)?	<p>Standing item on each PPIC and PB meeting.</p> <p>HoPFI checks declarations of interests when member appointed, to make sure can carry out the role without conflict.</p> <p>Declarations are completed annually for Council staff via an annual questionnaire, and any hospitality or gifts are declared at the time of offer.</p>	Quarterly i.e. each PB meeting	01/10/2018	Fully completed	Fully compliant		It would be useful if the Fund ensured annual declarations were on the Fund website for all members (not just Council staff)
C4	Does the appointment process for pension board members require disclosure of interests and responsibilities which could become conflicts of interest?	<p>No formal pre-appointment declaration of interest takes place currently.</p> <p>However the HoPFI checks declarations of interests when member appointed, to make sure can carry out the role without conflict.</p>	Each time new member appointed	01/10/2018	Fully completed	Fully compliant		Suggest declarations are requested at appointment/interview phase for future PB and PPIC members.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C5	Is the conflicts policy regularly reviewed?	The gift list in the Code of Conduct is reviewed annually but it is not clear how often the policy itself is reviewed. Conflicts policy (within Code of Conduct) was agreed before first PB meeting - there is no comment about how often it is reviewed. This is a Council document so review is outside Fund control.	Unknown - not stated in policy.	Unknown	Fully completed	Partially compliant		Recommend reviewing at least every 3 years (or when changes in regulations apply to mean some elements need updating). Detail frequency of review within conflicts part of Code of Conduct - may be a challenge as not a Fund document.
C6	Does the Fund have a conflicts register and it is circulated for ongoing review and published?	The Council website has a space for declarations of interest on the committee meetings pages, but there aren't any recorded declarations published. Conflicts is discussed at each meeting as a standing item so minutes would provide record of any identified conflicts. However this is no formal register for the Fund. Conflicts are not reported on in the annual report and accounts.	n/a	n/a	Fully completed	Non-compliant		Implement conflict register and consider reporting on this in annual report and accounts.
C7	Is appropriate information included in the register?	The PPIC and PB declarations in meetings are just shown on each meeting minutes. The Council has a register of interests but it won't include non-Council staff.	At each meeting, i.e. quarterly	01/10/2018	Fully completed	Partially compliant		Implement a fund register which includes all the recommended information.
C8	Is there a standing item on the agenda for declaring conflicts of interest?	Yes - for both PPIC and PB.	At each meeting, i.e. quarterly	01/10/2018	Fully completed	Fully compliant		
C9	Do those involved know how to report a conflict of interest?	Members have been told in first meeting and have been given Code of Conduct so are aware of responsibilities. Is also standing agenda item for PPIC and PB meetings, so fully covered. Also members will be encouraged to complete Toolkit module as part of Training requirements which is additional training on how this can be done.	At each meeting, i.e. quarterly	01/10/2018	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C10	Is the number of employer and member representatives on the board in line with legal requirements?	<p>There are four representatives on each side, so this is compliant, and set out in the Terms of Reference. The Chair and Deputy Chair are appointed by PB at the first meeting, and where the Chair is an employee rep the Deputy is then a employer rep, and vice versa.</p> <p>An Independent adviser is being considered to help the Chair formulate an agenda independently.</p>	Each time members leave or new members appointed	01/10/2018	Fully completed	Fully compliant		
C11	Is the board made up of the appropriate mix of representatives in order to minimise potential conflicts?	<p>Yes - see details above in C10.</p> <p>There is 1 Academy representative, and 3 council representatives which is in a suitable proportion for the make-up of the Fund. There is 1 pensioner representative and 3 employee representatives. Unions suggested employee names so that suitable candidates were selected.</p>	Each time members leave or new members appointed	01/10/2018	Fully completed	Fully compliant		

D - Publishing information about schemes

Legal Requirements

The scheme manager for a public service scheme must publish information about the pension board for the scheme(s) and keep that information up-to-date.

The information must include:

- who the members of the pension board are
- representation on the board of members of the scheme(s), and
- the matters falling within the pension board's responsibility

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
D1	Does the Administering Authority publish information about the pension board?	At the previous review the Fund website had basic details of who the PB members were, but there is no information about the PB or the PPIC on the new fund website. The Council website has a link to the PPIC and the PB: https://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=707 . However this only shows the names of the members and whether they are an employee/employer representative, but not the additional information on responsibilities. The data on the Council website is up to date.	Ongoing and at end of specific terms (i.e. as LPB members change)	08/10/2018	Fully completed	Partially compliant		Update/expand Council website information to include the full details of the pension board representation, and the Terms of Reference, and add PB and PPIC information to Fund website in line with TPR requirements/best practice.
D2	Does the Administering Authority publish other useful related information about the pension board?	The Council website, if you click on links for the Councillor members, will show the job information and other positions held. There is no further information on the Council website and no information about PPIC or PB members on the fund website. The HoPFI has noted that he will escalate this with the Head of Democratic Services to ensure the information is updated.	Ongoing and at end of specific terms (i.e. as LPB members change)	08/10/2018	Fully completed	Partially compliant		Consider adding additional information from Code of Practice paragraph 96 about the PB and PC members onto the Fund website. Ask Head of Democratic Services to update the Council website.
D3	Is all the information about the Pension Board kept up-to-date?	The information on the Council website is up to date, but is not complete and there is no information on the Fund website. Given we marked the above as partially compliant relating to what is actually published, we are comfortable that this information will be kept up to date once published, as it currently is up to date on the Council website - therefore this is marked as compliant.	Ongoing and at end of specific terms (i.e. as LPB members change)	08/10/2018	Fully completed	Fully compliant		Consider adding to pension fund website, even if just a link back to Council site.
D4	Does the Administering Authority public information about pension board business?	The Council website shows meeting dates, agendas and meeting minutes, and is up to date to the last meeting on 4 October 2018. Some meetings in 2016/17 have no details and papers aren't published.	Quarterly	08/10/2018	Fully completed	Fully compliant		Consider adding to pension fund website, even if just a link back to Council site.

E - Managing risk and internal controls

Legal Requirements

The scheme manager must establish and operate internal controls which adequately ensure the scheme is administered and managed in accordance with the scheme rules and the requirements of the la

Internal controls are defined in the legislation as:

- arrangements and procedures to be followed in the administration and management of the scheme
- systems and arrangements for monitoring that administration and management
- arrangements and procedures to be followed for the safe custody and security of the assets of the scheme

The legal requirements apply equally where a scheme outsources services connected with the running of the scheme.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant
E1	Is there an agreed process for identifying and recording scheme risks?	<p>There is a formal risk policy which sets out how risks are identified and recorded, which is soon to be approved by the Pension Board, and there is a risk register to help identify and record risks, and this has a covering note which is produced for each PPIC meeting. The PB also see the register every quarter. The risks on the risk register are clearly related to key fund objectives such as paying member benefits on time and achieving good returns for limited risk.</p> <p>The HoPFI has commented that it is currently being updated for MIFID II etc, ongoing news from the regulator etc. Register shows who has responsibility for each risk and the current control in place to manage it as well as new controls required - if new risks were to arise a new internal control (or development of existing controls) would take place to mitigate/manage the risk.</p> <p>HoPFI has mentioned this is currently being updated it to use a Red, Amber, Green approach, the current approach isn't that clear on how they are "scored" or prioritised - it's currently using a E or D and number "score" format based on high, low or medium. Risks are currently added as and when the HoFPI is preparing for PPIC meetings. Typically it is HoPFI's judgement on how to rate the likelihood and impact of each risk.</p> <p>It's not clear if any other party feeds into the main risk register but the Pensions Manager also has a risk register for administration items under development, which is much more detailed.</p>	Quarterly i.e. at each meeting	01/10/2018	Fully completed	Fully compliant
E2	Does the Fund have an adequate process to evaluate risks and establish internal controls?	<p>Register shows who has responsibility for each risk and the current control in place to manage it as well as new controls required - if new risks were to arise a new internal control (or development of existing controls) would take place to mitigate/manage the risk.</p> <p>Risk ratings and controls are considered by PPIC at each meeting where the risk status has changed, or if new risks are included on the register. The PB has also requested to see the full register at each PB meeting.</p> <p>The Pensions Manager is also developing a separate administration risk register which will be used from April 2019, as the main Fund risk register only includes a few key administration risks. This will be updated on an ongoing basis and will help inform what risks should be included on the wider fund register.</p> <p>The administration risks are identified through ongoing projects such as undecided members, transfers, GMP reconciliation as well as through ongoing day to day tasks. Monitoring of progress on these projects is carried out. The register identifies current controls and additional actions, but it is not yet fully complete in these sections. The Pensions Manager agrees it would be ideal to document these activities in a formal data improvement plan and risk policy.</p>	Quarterly i.e. at each meeting	01/10/2018	Fully completed	Fully compliant

E - Managing risk and internal controls

Legal Requirements

The scheme manager must establish and operate:

Internal controls are defined in the legislation as:

- arrangements and procedures to be followed
- systems and arrangements for monitoring
- arrangements and procedures to be followed

The legal requirements apply equally where a scheme is

No.	TPR Requirement	Notes	Action
E1	Is there an agreed process for identifying and recording scheme risks?		
E2	Does the Fund have an adequate process to evaluate risks and establish internal controls?		Complete the administration risk register and consider sharing with PB on, say, annual basis. Capture high level process to establishing controls and monitoring in the formal risk policy.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant
E3	Does the Administering Authority have a risk register to record all risks identified and action taken?	<p>There is currently a risk register which includes 7 key high-level strategic fund risks. The scoring of risks is based on judgement and the risks are categorised as either D or E with a number which rates them in terms of priority - this is based on high/medium or low likelihood and impact. This is reviewed in PPIC meetings quarterly but the HoFPI adds to it when new risks arise e.g. following from an audit.</p> <p>It is noted the risk register does include the required items including actions to manage risk and current progress against those actions, but these could be in greater detail and include timescales for review.</p>	Each time TPR compliance reviewed	01/10/2018	Fully completed	Fully compliant
E4	Does the Administering Authority review the effectiveness of the risk management and internal control systems of the Fund?	<p>There is an external audit once a year - reported to council, Committee and PB. There have been 6 or 7 internal and external audits carried out in the last few years, last one had got best result for the last few years. Audit reports are passed to the PB for consideration.</p> <p>However it has been noted that the auditors weren't experienced in pension matters so couldn't necessarily ask the right questions, and so perhaps the control systems have not been fully tested. This concern has resulted in the TPR Compliance and wider governance review.</p> <p>There is no formal review of risk management (other than review of the risk register). The risk policy sets out a lot of detail on the aims and objectives and principles of risk management, and how risks are identified and recorded, but could be developed in the setting up of controls and management of risks.</p> <p>There is also no formal processes for reporting of breaches of the law.</p> <p>In addition to the above, the risk management and internal controls are reviewed regularly (albeit this does not follow a formal process and is not always documented) for effectiveness as part of a number of processes including:</p> <ul style="list-style-type: none"> - Finance targets set and monitored by HoFPI on regular basis - The ongoing updating and annual review of the risk register which includes the control of those risks 	Annual	01/03/2018	Fully completed	Partially compliant
E5	Does the Administering Authority regularly review the risk register?	<p>The PPIC and PB see the register at each meeting. It is added to when required and as part of audit process and meetings or through discussions with advisors, if new risks come to light.</p> <p>There is a formal risk policy but it does not specify when the format of the register should be reviewed and there are limited details on the process for managing risks.</p>	Quarterly i.e. at each meeting	01/10/2018	Fully completed	Fully compliant
E6	Is there a standing item on the Pension Board agenda to review scheme risks?	Yes - So are conflicts of interest, breaches, minutes, business plan for Committee, report from Committee Chair for PB. All of which may help identify further risks.	Quarterly i.e. at each meeting	01/10/2018	Fully completed	Fully compliant

No.	TPR Requirement	Notes	Action
E3	Does the Administering Authority have a risk register to record all risks identified and action taken?		The register could include details on what the impact of the risk event occurring would be on the Fund.
E4	Does the Administering Authority review the effectiveness of the risk management and internal control systems of the Fund?	<ul style="list-style-type: none"> - Fraud initiative checks. - Council have external audit of their accounts and fund accounts audit. - Any areas of concern or non-compliance are discussed at Chief Exec/MOM meetings. - For investment - annual internal control reports from custodian and fund managers. - Update of TPR Code compliance checklist approximately every 3 years. - The external audit will require SAS70 reports so internal controls of external asset managers are covered. - Heywoods also have a risk management policy for their systems which is reviewed regularly. - Disaster recovery tests have been carried out included where staff would be located. <p>The Council also has a risk policy where any disaster/emergency recovery risks and staff risks are covered.</p> <p>There are some possible areas where the effectiveness could be more easily monitored, e.g. having a formal risk management policy, including the methods by which to carry out such a review, formal breaches processes.</p> <p>Altair management system has ability to be reported against, and the Pensions Manager has a dashboard spreadsheet which includes the statistics on various administration projects and ongoing work (items completed and outstanding, and those not meet required timescales) so that areas for improvement can be identified. These don't report on whether legal timescales are met.</p>	<p>Suggest implementing the following to document how and when additional reviews will be carried out:</p> <ul style="list-style-type: none"> - Breaches procedure and register - Risk management policy - Administration strategy - Monitoring against legal administration requirements e.g disclosure requirements <p>Ensure audits carried out by those with sufficient expertise.</p>
E5	Does the Administering Authority regularly review the risk register?		Add detail on regularity of review of the register and how it is used in the risk management policy.
E6	Is there a standing item on the Pension Board agenda to review scheme risks?		

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant
E7	Does the Administering Authority have adequate systems, arrangements and procedures (internal controls) in place for the administration and management of the Fund and are they documented ?	<p>It is considered that there are adequate internal controls in place. Most are set out in the risk register, though it is recognised this could be more comprehensive and better documented. The Pensions Manager is developing a more detailed administration risk register which includes more details on the internal controls.</p> <ul style="list-style-type: none"> - Enfield Council use the Altair task management system - every day, tasks on task list are allocated, and can monitor all tasks on the team to prioritise and allocate to other members on team if task overdue. Each task has a priority response time on system (e.g. 7 would be death) and has a guideline workflow to follow - cipfa timescales are followed. - The system provides individual reports on what staff members have done, and the first appraisals have just been carried out using this information which drive training, and the next one is in March. Each person only see smaller number of tasks allocated to them to give them focus. - There is currently a do/check procedure which depends on tasks i.e. estimates are not always checked due to time restrictions. Final benefit calculations are reallocated to a checker after calculation is done - and the job can't be sent to the "doer" , has to go someone else and can't go further until checked. - All members of team can check calcs - but payment is only authorised by a senior member of staff - was Pensions Manager, now Principal Exchequer Officer can as well. This process is not formally documented but staff know the systems - it has been suggested that an improvement would be to have the duties allocated as the system can be altered to set levels of checking. The workflow system shows who has checked calculations. <p>More details are provided in the notes column as there is limited space.</p>	Annual audits and tri-yearly TPR Compliance checks, and quarterly risk register review.	01/10/2018	Fully completed	Partially compliant
E8	Do these procedures apply equally to outsourced services, are internal controls reflected in contracts with third party providers and is there adequate reporting in relation to those controls?	<p>The only outsourced process relates to AVCs. A contract review has not been done for some time, and now Prudential have reduced the amount of member communications i.e. not doing presentations.</p> <p>No regular updates are provided in relation to AVC services. There have been some issues about the admin of AVCs when members near retirement, in terms of getting information from/to Prudential using secure systems, but they are now resolved. Members are told the retirement process can take longer if AVCs are involved as sometimes takes a bit longer.</p> <p>Pru have in the past done a transfer to Enfield when a member didn't want to. But these incidents are rare - but do show that controls could be improved.</p> <p>Payroll are completely separate and they arrange the payroll for AVCs. I-Connect is now used to gather monthly returns for contributions, which includes AVCs, so it will be possible to check against Prudential records. It's not clear this is taking place.</p> <p>Member records only show there is an AVC and at retirement the administrators will ask Prudential to do a quote etc. There is a risk of errors occurring that would be impossible for the Enfield administration team to detect under the current process.</p>	n/a	n/a	Fully completed	Partially compliant

No.	TPR Requirement	Notes	Action
E7	Does the Administering Authority have adequate systems, arrangements and procedures (internal controls) in place for the administration and management of the Fund and are they documented ?	<ul style="list-style-type: none"> - Jobs of different types are spread around the team so people can learn to do more different things, other than where small numbers of cases where there will be a small number of specialists who deal with them e.g. divorce cases. - All correspondence is scanned and recorded on member file, new post that arrives is allocated to member files and tasks allocated to suitable member of staff by post team who have had training on this. - A senior member of staff monitors the workflow for team members. - There is a calculation/query backlog so workflow can be difficult - the team have a priority for deaths and redundancy exercise retirements. There is a plan to come back to overdue tasks afterwards. - Task procedures are written already and can be followed - auditors see these as part of the audits carried out. - There is currently no formal breaches procedure despite having adequate processes. - Decisions on investments are made by the PPIC and fully documented. - Contributions are monitored throughout the year - minor breaches in payments are recorded by HoFPI and reported in the annual report. - There is currently no formal breaches procedure despite having adequate processes. - Payments to investment managers can be authorised only by HoFPI (other than tax and non financial issues). 	<p>The risk policy could add more detail to document approaches to establishing internal controls once risks are identified.</p> <p>The Pensions Manager is considering reporting on cases having to be redone so can identify training needs - rets are OK - other things, eg GMP.</p> <p>Ensure all calculations are checked by another member of staff to the "doer" including quotations.</p>
E8	Do these procedures apply equally to outsourced services, are internal controls reflected in contracts with third party providers and is there adequate reporting in relation to those controls?		The specific administration services provided and responsibilities delegated to the administrator should be documented in the terms of engagement and contract between the Fund and any third party which carries out any outsourced admin service (such as AVC providers and tracing agencies).

F - Maintaining accurate member data

Legal Requirements

Scheme managers must keep records of information relating to:

- member information
- transactions, and
- pension board meetings and decisions.

The legal requirements are set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 ('the Record Keeping Regulations').

The Data Protection Act 1998 and the data protection principles set out additional requirements for using, holding and handling personal information. Other requirements are set out in the:

- Pensions Act 1995 and 2004
- Pensions Act 2008 and the Employers' Duties (Registration and Compliance) Regulations 2010
- Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715)
- Occupational Pension Schemes (Scheme Administration) Regulations (Northern Ireland) 1997 (SR 1997 No 94)
- Registered Pension Schemes (Provision of Information) Regulations 2006 (SI 2006/567)

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F1	Do member records record the information required as defined in the Record Keeping Regulations and is it accurate?	<p>Checks were carried out in relation to each of the requirements in the Record Keeping Regulations and all were considered compliant except for in relation to clause 4(3) which relates to information for members who pay AVCs.</p> <ul style="list-style-type: none"> - Altair system won't allow a new member entry without key details - Benefits won't be paid until a birth certificate is provided - this is a useful extra check as if there are any issues with the birth certificate, fraud investigation is commenced. - Members are identified by NINO - ICONNECT uploads data on a monthly basis so easier to manage - this system creates new starters on Altair (and flags a new starter to the team) and updates the pay onto each members record. Any changes to hours etc will also automatically update so records will be kept up to date. - Admin team confirmed both CARE and old 2008 pay data are recorded for each member - this is just called something different (i.e. "pensionable" for 2008 pay) - Pension increases are included on member records (via original and increased pension - the actual rate isn't on the record but is easily derived), and benefit calculations are automatically saved onto the member record. - Enfield will need to check with Prudential that members' AVC choices are recorded i.e. forms they originally completed when they signed up to AVCs. - Data accuracy and completeness reports are also received via the triennial valuation, which cover some of these elements. <p>Common and conditional data scores as at 31 March 2018 were both 95%. It is not clear how the conditional (scheme specific) data score was obtained but it is much higher than has been observed at other pension Funds to date. It is unusual for it to be at a similar level to the common data score.</p>	Ongoing	01/10/2018	Fully completed	Fully compliant		<p>Further investigation into conditional data score to determine if testing adequate to identify any data issues which need to be resolved.</p> <p>The 2018 data validation carried out by the Fund actuaries will also give a useful indication of the data quality.</p>

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F2	Does the Fund have the appropriate processes in place so employers can provide timely and accurate information?	<p>Monthly information submission via I-connect is being implemented - all Enfield Council payrolls are already implemented, which is a large majority of the Fund. This process reduces automation and manual entry and has built-in checks to help ensure the employer's submission is as accurate as possible. The data is tested when submitted but the i-conncnt system and it produces a validation report showing cases which are fine, and warnings/error reports. Error reports from I-connect are checked and resolved, and if required the employer is contacted to provide further information. If people have multiple posts this I-connect system can generate new starters/leavers when that is not he case, which is a challenge.</p> <p>Then next to be implemented are Capel Manor (155 actives) and Oasis Enfield Academy (c400 actives) are next to be implemented (November deadline). Then employers that have more difficulty with providing what's required will be supported through the process (e.g. ELT and Cuckoo). Then smaller employers will lbe picked up.</p> <p>IConnect will be offered to all new employers. It is recognised that this can be difficult when staff TUPE out and the new employer has a new payroll provider.</p> <p>The Iconnect run is on the 30th of the month. If employers aren't using i-connect yet, they send returns via email to the Senior Finance Officer, who checks the contributions amounts paid is same as what employer has put on the return spreadsheet. She also checks they are paying the right rate (member and employer). If there are any discrepancies it suggests the data may not be correct and this is investigated with the employer, and where changes are needed these are made manually.</p> <p>See notes for more information as limited space.</p>	Ongoing	01/10/2018	Fully completed	Fully compliant	<p>For new employers - The admin team give forms to employers (bit there is no employer section of the Fund website - this may be added on future). Leaver forms etc are provided at commencement, and the team have given the employers notes on how to fill in the return spreadsheet - though as time goes on i connect will reduce need for this. The Pensions Manager also plans to visit the new employer as well to tell the employer exactly what's needed, though this has not been carried out to date - the employers will be invited to a meeting for the 2019 valuation and arrangements to visit them will take place then.</p>	<p>Continue to implement i-connect for all employers and work on employer engagement as planned. This will reduce risk of inaccurate information being submitted.</p> <p>Formalise approach in administration strategy.</p> <p>Formalise breaches policy and procedure and inform employers of this when it is in place so they understand their obligations and the possible consequences of not providing required data.</p>
F3	Does the Fund keep records of and reconcile transactions as required by the Record Keeping Regulations?	<p>Checks were carried out in relation to each of the requirements in the Record Keeping Regulations and all were considered compliant except for in relation to AVCs, where compliance is likely but can't be confirmed without Prudential confirmation.</p> <p>Annual reconciliation is required and audited as part of annual report and accounts process. We have not seen evidence of the checking of benefit outgo cashflows and reconciling by employer, but in the 2016 valuation there were some discrepancies with the membership data which were quickly resolved. This did not impact the majority of employers.</p> <p>For death overpayment cases, the authority makes a payment to fund for the amount and then they try to recover the cost - they then make decision to write off if necessary. This is outside of the pension Fund so the Fund should have minimal write-offs.</p>	Ongoing		Fully completed	Partially compliant		<p>Agree with Prudential a way of ensuring this is carried out in in with Regulations for AVCs</p> <p>Ensure robust processes for checking employer cashflows in relation to benefit payments as required for triennial valuations.</p>
F4	Are records kept of pension board meetings as required by the Record Keeping Regulations?	<p>These are stored on the Council website and are up to date - the papers are not on the site but the agendas and minutes are. Ideally there would be a link from the Fund page to allow scheme members to easily find this information.</p>	Ongoing (3 meetings a year)	04/10/2018	Fully completed	Fully compliant		<p>Consider adding a link to the minutes/agendas etc on the fund website.</p>

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F5	Are records kept of decisions made by the pension board, outside of meetings as required by the Record Keeping Regulations?	<p>The PB are not a decision making body so it is not expected that there will be any decisions outside of meetings (or even in meetings other than decisions within the PB to make recommendations or to request information for oversight purposes).</p> <p>For the PPIC, members are emailed by HoPFI if something needs to be done between meetings, with a note that unless there is objection they will proceed with the stated action, and then there is an update at next meeting for discussion.</p>	Ongoing	08/10/2018	Fully completed	Fully compliant		
F6	Are records retained for as long as they are needed?	<p>Records are retained indefinitely as part of the members records set up on Altair.</p> <p>A number of old record cards had recently been discovered in archiving so are being scanned into the system to make records easier to find (though to link them to individual member records would be significantly time consuming so that is not being carried out). All paper records and microfiche had previously been added to the systems at the time of the last review.</p> <p>Cashflow records (contributions and benefit payments) are also kept indefinitely (on Altair for individual member cashflows and on the payroll/cashflow systems).</p> <p>Given the long term nature of pensions and the possibility for queries arising many years after a member has left or died, this is considered a suitable approach.</p>	Ongoing	08/10/2018	Fully completed	Fully compliant		
F7	Does the Administering Authority have policies and processes to monitor data on an ongoing basis?	<p>NFI is completed each year and workflows established for any work produced via this route.</p> <p>Member information is also checked at the year-end when benefit statements are being produced i.e. CARE pay compared to previous years, and contributions are checked to see if paid in line with the CARE pay. Anything unreasonable in terms of data or data changes since last year are queried with the employer. If corrections are required, these are put onto member records immediately (it is done and checked by different staff).</p> <p>Reporting is carried out on quality under various categories on an ad hoc basis. The Pension Manager will add data review to the pensions dashboard which is produced by Altair then updated by the Pensions Manager. This dashboard is not given to PB but has been offered - this is a record of projects eg unprocessed leavers i.e. how much completed per month.</p> <p>Common and conditional data scroing has been carried out as at 31 March 2018 (scores of 95% each).</p> <p>The fund actuary is due to carry out pre-valuation data testing and is waiting for the administering authority to provide the data extracts.</p>	Annual	01/03/2018	Fully completed	Fully compliant		Provide data to Fund Actuary Aon to carry out early valuation data testing.
F8	Does the Administering Authority carry out a data review at least annually?	<p>Active member data is reviewed for the benefit statements but other than that there is no annual check.</p> <p>The Fund will carry out common and conditional data scores on an annual basis now this is a requirement of the pensions regulator scheme return.</p> <p>Actuaries Aon carry out data validation at each triennial valuation, and are carrying out a validation exercise on March 2018 data to attempt to resolve queries before the 2019 valuation date.</p>	Triennial (annual for actives)	01/03/2018	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F9	Is a data improvement plan in place which is being monitored with a defined end date?	<p>There are various data improvement activities in place. There is a pensions dashboard which shows the progress of each administration - related project such as tracking all transfers in and out, (will be a delay for factors after November), In terms of dealing with employers. the team was moving towards a more interventionist approach for one employer to ensure better data, however, they have over the summer replaced many of their staff and there has been a noticeable improvement, although Enfield are keeping a close watch on this area.</p> <p>In terms of general improvements to data collection processes, -iconnect is also due to be rolled out to more employers as explained above.</p> <p>MSS is in place to help - actives can update some of their own addresses etc. MSS will be opened up to deferred and pensioners as well in due course. The Pensions Manager will be looking at usage statistics to inform where improvements could be made. There is comprehensive help online for members who are using this - benefit statements will be on here as well.</p> <p>The Pensions Manager is also monitoring statistics produced by Altair on work being carried out. There were lots of workflows which weren't being assigned to staff, but that has been sorted now and the system is more transparent. There isn't any improvement activities to improve data scores (common and conditional) or act on queries from valuation data testing.</p> <p>It is recognised the PB should be keeping annual eye on this dashboard/statistics and progress against agreed activities but the PB are quite new so this has not yet been requested. A short report to summarise work being done can be produced. See notes section for more detail.</p>	Ongoing	01/10/2018	Fully completed	Partially compliant	<p>A formal documented data improvement plan is not in place but the work carried out by the Pension Manager and the spreadsheets are useful documentation of the activities underway. It would be useful for a data improvement plan with a defined end date which also looks at wider improvements which can be made to improve likelihood of Fund meeting it's objectives to be created. A formal administration strategy should be in place in order to support this.</p> <p>SLAS are all different days and HR expectations different - The Pensions Manager will be improving them as part of data improvement activities and will be discussing with Board.</p>	<p>Formal administration strategy to set out objectives.</p> <p>Formal data improvement plan to document activities in dashboard and with a target timescale, so that progress can be easily monitored.</p> <p>Inclusion of wider range of improvement activities in plan - dashboard mainly focuses on completion of day to day admin tasks (albeit there are backlogs being resolved).</p>
F10	Are processes and policies in place to reconcile scheme data with employer data?	<p>Reconciliations are on a continual process until the team is satisfied they have reached a level that the Pensions Manager is happy with.</p> <p>The Senior Finance Officer highlights where there are unusual changes month on month and where information doesn't tie up to contributions paid, and this is passed to the team to investigate with the employer on a monthly basis.</p> <p>Employers who submit returns in excel sheet include details like changes to membership (and addresses etc) which are automatically updated using I-connect or manually changed if I-connect not used. A small number of employers still send in paper records - and these are manual entries by the team e.g. for change of address or hours - these changes are not checked.</p> <p>Some examples of upcoming areas to be looked at in more detail include -</p> <ul style="list-style-type: none"> a) Marital status review - any missing b) CARE reconciliation - that every active member has CARE upto 30/09/2018 c) currently working on frozen refunds review to ensure none have missed the automatic linking to active records <p>A report can be run in Altair to give the people upcoming for retirement - the team keep an eye on unprocessed leavers as they come through as well.</p> <p>There is a new systems team to carry out things like projects, running reports like this. Altair recent upgrades make it easy to identify those nearing retirement. This report is carried out 2 times a year. Heywoods came to deliver training for Enfield staff a few weeks ago on the upgrades.</p>	Ongoing	01/10/2018	Fully completed	Fully compliant		Ensure any manual entry into member records is checked by another member of staff, where incorrect entries could affect the amount of member's benefits or ability to pay benefits on time.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F11	Do the Administering Authority's member data processes meet the requirements of the Data Protection Act 1998 and the data protection principles, and the new requirements of GDPR (from 25 May 2018)?	<p>All Enfield Council staff undertook a very comprehensive online training session that required the staff member to pass to ensure they were signed off as GDPR compliant. Egress system is compliant with data protection requirements.</p> <p>Benefit statements are all sent in paper form where an address exists, and will be added to member records online and staff payroll and pension payslips moving to electronic where requested. Only if £5 plus difference and after pension increase.</p> <p>MSS is secure - members get their activation code when they log on and the information goes to the admin team and on the member record. Members have to use work email address.</p> <p>Staff do work from home using a remote server which works the same as if in office.</p> <p>Passwords are required to get into staff laptops which changes, regularly. Heywoods requested staff change log ins more often now, ie. every month. This has 2 levels, one has to be resent by heywoods.</p> <p>There is not currently a privacy notice on the member website, and members should be informed by data controllers how their data will be used.</p>	Ongoing	01/10/2018	Fully completed	Partially compliant		Privacy notice on website

G - Maintaining contributions

Legal requirements

Contributions must be paid as detailed below, and where not done, they should be reported to TPR in circumstances where the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to TPR in the exercise of any of its functions. Reporting must be carried out as detailed below.

Contribution Type	Contributions must be paid	When a failure should be
Employer	On or before the due date as defined by the scheme regulations	To The Regulator: As soon as reasonably practicable
Employee	Paid within the prescribed period (19 th day of the month, or 22 nd day if paid electronically) or earlier date if required by the scheme regulations	Regulator: Within a reasonable period – 10 working days

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G1	Does the Fund have procedures and processes in place to identify payment failures?	<p>There are processes which are followed on a monthly and annual basis, based on a spreadsheet. This is explained below.</p> <p>The key person involved with this process has minimised the risk involved as they have produced a comprehensive guide and instructions for this checking proces, and the spreadsheet formulae etc from previous months would serve as a useful guide if someone were spreadsheet-proficient.</p>	Annual	01/10/2018	Fully completed	Fully compliant	We are confident that the process will identify payment failures in terms of timing and amount.	
G2	Do those processes and procedures include a contributions monitoring record to determine whether contributions are paid on time and in full?	<p>The Senior Finance Officer's spreadsheet sets out what payments are expected for each employer each month based on rates in R&A certificate and previous month's payment. The Senior Finance Officer will compare month on month to see if they are paying what they are expected to. In doing this, she will check member numbers and if there has been a big jump it can justify a big contribution difference. She also looks at the average per member per month to see if this looks reasonable.</p> <p>Discrepancies are investigated. This is broken down by Scheduled Bodies, Admitted Bodies, and both employee and employer contributions are split out.</p> <p>The Senior Finance Officer also checks the dates of payment - late payments are identified and put into a separate sheet for following up. If payments are late, it's usually because the employer is new or they have technology issues, The Senior Finance Officer emails them, and has never then had to escalate to the HoPFI. Sometimes the information provided is correct.</p> <p>The processes are all documented in a comprehensive procedure note with screenshots.</p>	Annual	01/10/2018	Fully completed	Fully compliant	Late payments are shown in annual report.	Processes could also briefly be recorded in a formal administration policy.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G3	Do those processes and procedures include monitoring payments against the contributions monitoring record on an ongoing basis?	<p>The payroll (SAP) information on what has been received is held in separate tab, and matched to each employer for comparison. This is broken down by Scheduled Bodies, Admitted Bodies (which helps as size and materiality differs between these groups, and both employee and employer contributions are split out.</p> <p>Discrepancies are investigated by looking at member numbers, employer submissions, and by contacting employers if a reason can't be found.</p> <p>No process is currently in place in relation to reconciling AVC payments with contributions record. This should be discussed with Prudential representative to ensure required information is provided.</p>	Ongoing	01/10/2018	Fully completed	Fully compliant		Consider how AVC contributions could be checked and monitored.
G4	Are these procedures regularly reviewed to ensure they are effective?	Audited at end of year and mid year audit last year.	Annual	01/03/2018	Fully completed	Fully compliant		Processes are not formally documented. Administration policy/strategy should be drafted which will be subject to regular review, as well as the reporting under the requirements set out within the policy.
G5	Do the Administering Authority's processes include managing overdue contributions in line with TPR's suggested approach?	<p>There are no employers who are continual offenders where any significant action would be required.</p> <p>The Senior Finance Officer/HoFPI will identify payments if outside of 19 day statutory period. When a payment issue is identified they are split out in a separate spreadsheet and the employer contacted promptly to alert them to the payment failure, find the cause and circumstances and to seek to resolve the overdue payment. Any late payments are typically due to new staff or technology changes at the employer.</p> <p>If it a minor breach which is subsequently quickly paid it is not reported to TPR (just recorded), but if persistent will raise with employer to try to resolve.</p> <p>Any late payments are reported in the report and accounts.</p>	Ongoing	01/10/2018	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G6	Does the Fund maintain a record of any investigations and communications with employers?	The Senior Finance Officer provided evidence of all email communications filed, which includes monthly/annual submissions of member and contributions information, as well as any investigation correspondence.	Ongoing	01/10/2018	Fully completed	Partially compliant		Conversations with employers could be recorded more formally e.g. in a log so that doesn't rely on a person's inbox, and this could be a report to the Pensions Board if any communications with employers are needed in relation to payment of contributions.
G7	Do employers provide sufficient information to monitor contributions and is this in accordance with the LGPS regulations?	Generally the employers do provide what's needed unless one-off occasions e.g due to personnel changes at employers - all current employer payroll providers can do this. I-connect is being implemented which means monthly submissions for the majority of employers. Missing information will be raised with employers immediately following the return as Altair will require it.	Ongoing	01/10/2018	Fully completed	Fully compliant		Set out employer requirements in formal Administration Strategy, including how performance of employers will be reported upon and remedial action taken.
G8	Is there a satisfactory process in place to assess the materiality of any payment failures and ensure that those which are material are reported to the Regulator within a reasonable period?	Yes - The Senior Finance Officer bears in mind the size of the employer and the payment (see above) - some employers are very small. So far no failures have been material to the Regulator, and have been resolved by the next month's payment so not a cause for concern. Processes should be documented so that it can be evidenced to the Regulator if ever required. Breaches are shown in the spreadsheet records kept, but there is not a separate breaches log. Failures are reported in the annual report and accounts. Since none have been considered serious/material employers have not been named.	Ongoing	01/10/2018	Fully completed	Fully compliant		Formalise reporting and monitoring requirements in formal process notes and in administration strategy.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G9	If the administration of contributions outsourced to a service provider, is there a process in place to obtain regular information on the payment of contributions to the scheme?	N/A Except for AVCs, where contribution information is passed directly to Prudential from employers and admin team do not reconcile payroll with AVCs paid. This is something to be considered to increase confidence in the contributions paid and ultimate benefits settled via AVCs. Prudential do provide an annual spreadsheet with contributions for each member so this could be checked against expectations and finance systems to ensure correct.	n/a	n/a	Fully completed	Partially compliant	Not outsourced other than AVCs	Put in place improved monitoring for AVCs

H - Providing information to members and others

Legal requirements

The law requires schemes to disclose information about benefits and scheme administration to scheme members and others. This includes requirements relating to benefit statements and certain other information which must be provided under the requirements of the 2013 Act, HM Treasury directions and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 ('the Disclosure Regulations 2013'). In addition to these duties, there are other legal requirements relating to the provision of information to members and others under other legislation.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H1	Has an annual benefit statement been provided to all active members within the required timescales?	<p>97.5% of ABS were issued for Actives were sent by the deadline of 31 August.</p> <p>The statements for one Academy Trust didn't go in time as there was a change in personnel and the timescales made it difficult to obtain the required information, but those statements have now been sent.</p> <p>This is not seen as a material breach for reporting to the regulator.</p>	Annual	Oct-18	Fully completed	Partially compliant	Only partially compliant as was not 100%, but this was largely out of the control of the Administering Authority. No cause for concern.	
H2	Do these meet the legal requirements in relation to format?	<p>The active benefit statements have been provided and compared with the HMT Directions (i.e. the Disclosure Regulations) and they are compliant other than the following pieces of information which are not included:</p> <ul style="list-style-type: none"> - Date of starting pensionable service - Summary of the method used for calculating member and survivor benefits (there is a breakdown of the annual CARE calculation but this is missing for any final salary elements). This was also noted as being omitted at the last TPR Compliance review. - It's not clear how any deductions e.g. for pension debits or scheme pays debits would be shown on the statement if they were to apply. 	TBC - At least each time TPR Compliance is reviewed	01/10/2018	Fully completed	Partially compliant		<p>We recommend including the following information to make the statements compliant:</p> <ul style="list-style-type: none"> - Date of starting pensionable service - Summary of the method used for calculating member and survivor benefits (e.g. including the member's final salary and the pre 08 and pre 14 accrual rates). The explanation could be in additional explanatory notes to support the statement figures if the desire is to keep the statement simple. - Any deductions e.g. for pension debits or scheme pays debits would be shown on the statement if they were to apply. It may be necessary to use a different statement for those with any deductions as would need more explanation.
H3	Has a benefit statement been provided to all active, deferred and pension credit members who have requested one within the required timescales?	<p>For deferred members where an address was held, 100% were issued by end of June 2018 (i.e. by LGPS deadline).</p> <p>Enfield have confirmed that they are compliant in this area for other membership categories where there has been a request. There are no KPI statistics as evidence to confirm this is the case.</p>	Ongoing	01/06/2018	Fully completed	Fully compliant	<p>Enfield Council to confirm these statements include the required information about the amount of benefits by reference to a particular date and how they are calculated.</p> <p>Alternatively, example statements for these cases can be provided for evidence.</p>	<p>We suggest that KPI/SLA statistics are held on whether benefit statements following a request by an active, deferred or pension credit member are provided no more than two months after the date the request is made.</p>

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H4	Does this meet the legal requirements in relation to format?	The deferred benefit statements have been provided and compared with the HMT Directions (i.e. the Disclosure Regulations) and they are compliant other than the following pieces of information which are not included: - Date of starting pensionable service - Summary of the method used for calculating member and survivor benefits. This was also noted as being omitted at the last TPR Compliance review. - It's not clear how any deductions e.g. for pension debits or scheme pays debits would be shown on the statement if they were to apply. - The amount of the member's pensionable remuneration on the date pensionable service ended (CARE and Final Salary definition).	TBC - At least each time TPR Compliance is reviewed	01/10/2018	Fully completed	Partially compliant	We have not seen evidence of a statement for a pension credit member.	We recommend including the following information to make the statements compliant: - Date of starting pensionable service - Summary of the method used for calculating member and survivor benefits (e.g. including the member's final salary and the pre 08 and pre 14 accrual rates). The explanation could be in additional explanatory notes to support the statement figures if the desire is to keep the statement simple. - Amount of pensionable remuneration on date of leaving (CARE and final salary) - Any deductions e.g. for pension debits or scheme pays debits would be shown on the statement if they were to apply. It may be necessary to use a different statement for those with any deductions as would need more explanation.
H5	Has an annual benefit statement been provided to all members with AVCs within the required timescales?	Prudential issued statements in May. These are sent directly to the member by the Prudential.	Annual	01/05/2018	Fully completed	Fully compliant		
H6	Do these meet the legal requirements in relation to format?	Aon has not seen statements from the Enfield Fund for 2018, but has seen example statements from Prudential for other LGPS Funds from previous years (the format is the same across LGPS Clients for Prudential) and they were complaint, so we are confident that these are likely to still be compliant.	Annual	01/05/2018	In progress	Fully compliant	While Prudential manage the AVCs in terms of administration, it is important for the Administering Authority to recognise that it is still their responsibility to ensure the AVCs are managed in line with the LGPS Regulations and other legal requirements. It is known that Prudential are reducing the level of communications for members relating to AVCs.	In future years make sure that appropriate levels of member information is provided to those who have AVCs.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H7	Is basic scheme information provided to all new and prospective members within the required timescales?	<p>For Enfield staff, scheme information is issued by HR as part of their new joiner pack, which includes a new starter form, nomination form. Member can ask for various forms, and will be directed to the website for these. Other individual employers have been instructed to provide same info as HR to new staff.</p> <p>Once a new starter is in the fund the Employer is meant to send member information to the Council. If the Fund doesn't receive the required information Enfield then sends a pack to members once SAP identifies that there is a new joiner with no information received. This pack includes a form to complete, with an expression of wish form, and mentions that a pensions/LGPS guide is available on request.</p> <p>It is recognised that the process needs improvement to ensure members are fully informed within the required timescales, and to prevent duplication. This matter has recently discussed at a HR/Pensions meeting at Enfield Council, as part of a full review of processes between departments. Sometimes info is passed to the pensions team that isn't needed which causes GDPR issues.</p> <p>The timescales of sending information to members and setting them up is monitored using the Heywoods task management system (the example provided shown none outside of required timescales), - the workflow system records dates of tasks so can identify late responses, and use of automation via I-connect is ensuring new members are identified quickly. This means responses within required timescales could be reported on if required - the team can prioritise cases by deadlines.</p>	Annual	01/10/2018	Fully completed	Fully compliant	Enfield Council has limited control over what employers send prospective members but they are all provided with the new starter information to provide and there is sufficient information on the Fund website.	<p>The Pension Manager also wants to send Heywoods statutory notice to new joiners which gives more information e.g. if someone transfers in. In addition he has said that some documents are out of date so need updating.</p> <p>Ensure requirements met as action of the current review of processes with HR.</p> <p>Monitor legal disclosure timescales as part of formal KPI/SLA monitoring.</p>
H8	Does this meet the legal requirements in relation to format?	<p>We have been provided with a sample document which is a guide to the LGPS and some attached forms, which is provided to members on joining.</p> <p>This is compliant in all areas except that:</p> <ul style="list-style-type: none"> - the member contribution rate table is out of date and refers to the 2014/15 table. - Fuller details re transfers into the Fund as per Regulation 6 i.e. Part 1.6 of Schedule 2. - Relating to Part 1.4 of Schedule 2, a statement as to whether charges apply on transfers out - In relation to Part 1.16 of Schedule 2, a statement relating to AVCs - this may already be provided by Prudential once a member opts to pay AVCs but it should be set out at this early stage. - In relation to Part 1.18, the postal address of the person to contact in relation to IDRPs (this is in the IDRPs leaflet but to ensure compliance it could be included in the guide). <p>In addition the guide still refers to being contracted out of the S2P which is no longer applicable from 2016.</p> <p>These comments are largely unchanged from the previous TPR compliance review. Given the information is now so out of date, we consider this to be non-compliant.</p>	Doesn't appear to be reviewed/updated regularly	Around 2014/2015 based on contribution table.	Fully completed	Non-compliant		Update the guide provided to members.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H9	Is all other information provided in accordance with the legal timescales?	<p>We have not been able to gather the full evidence to guarantee the Fund is fully compliant in this area.</p> <p>There is monitoring of internal SLAs on timescales but these may not be the same as the legal timescales. The dashboard shows that target timescales are missed in some cases (transfers, retirements, and a significant amount of leavers) although this may often be out of the Administering Authority's control.</p> <p>Changes to the scheme are set out in communications which accompany the ABS as this is the best way of targeting members.</p>	Ongoing	01/10/2018	Fully completed	Partially compliant	<p>Enfield Council to confirm that when information is provided to members/beneficiaries on death, receipt of transfer credits, and in relation to AVCs etc., the requirements of the Disclosure Regulations 2013 are complied with. These requirements are set out in a separate tab as a checklist to complete.</p> <p>Enfield Council to confirm how compliance is monitored on a regular basis. Please provide details of how this is reported, e.g. to the PPIC and/or pensions board.</p>	
H10	Is all other information provided in the format and methods required by law?	<p>We haven't seen evidence of the information Prudential provide but based on previous experience we are confident they are meeting the requirements.</p> <p>While we haven't been able to gather evidence of all possible communications we are confident the requirements are being met.</p>	Ongoing	01/10/2018	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H11	Where any information is only provided electronically (i.e. instead of any hard copy) does it comply with the legal requirements?	Only pensioner payslips are provided electronically, and only for members who have not opted out. The requirements set out have been complied with.	Each time TPR compliance reviewed	01/10/2018	Fully completed	Fully compliant		
H12	Does the Administering Authority aim to design and deliver communications in a way that ensures scheme members are able to engage with their pension provision?	This work will be for the newly created systems team but there has not been much focus on this to date in the existing pensions team. There are no statistics gathered on the use of the member website but staff do act on ABS feedback received. Nomination forms and MSS has driven a lot of the feedback. Spikes in email communications are investigated and acted upon. Also, the Enfield design team haven't been involved in the ABS design. A planned rebranding to match the investment information is going to be undertaken by the Head of Exchequer Services.	Annual based on ABS feedback	01/10/2018	Fully completed	Partially compliant		Carry out review and updating of communications including ABS.
H13	Does the Administering Authority use a tracing service?	NFI is completed each year for all scheme members, but differences arise with abatements across London Funds. Individual DWP tracing has been used for pensioners when a "gone away" notification is received. This is more difficult to monitor for emails, but if no reply is received, it's marked as a gone away. A tender exercise is planned for a one off tracing exercise. Assuming this goes ahead we have marked this as compliant.	Ongoing for gone-always and one off tracing at intervals i.e. every 3 years	01/10/2018	Fully completed	Fully compliant		Ensure tracing exercise is carried out as planned

I - Internal Dispute Resolution

Legal requirements

The Pensions Act 1995 requires scheme managers to set up and implement an Internal Dispute Resolution Procedure (IDRP) to help resolve disputes between the scheme manager and people with an interest in the scheme.

The act states that a person has an interest in the scheme if they:

- are a member or beneficiary
- are a prospective member
- have ceased to be a member, beneficiary or prospective member
- claim to be any of the above and the dispute relates to this claim.

The Act also states that the procedure must include:

- how an application is to be made
- what must be included in an application
- how decisions are to be reached and notified
- a specified period (which is reasonable) within which applications must be made.

The procedure may require people with an interest in the scheme to first refer matters in dispute to a 'specified person' in order for that person to consider and give their decision on those matters. This decision may then be confirmed or replaced by the decision taken by the scheme manager after reconsideration of the matters. However, legislation provides flexibility for scheme managers to decide the details of these.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
I1	Has the Administering Authority put in place an internal dispute resolution procedure?	The IDRP policy is in place and is available to Enfield Council staff through the staff intranet. However it is not available on the fund website for members who are employees of other employers.	Not specified in IDRP	01/10/2018	Fully completed	Fully compliant		
I2	Does the Administering Authority's process highlight or consider whether a dispute is exempt?	IDRP Employee guide does not state explicitly who is eligible nor who is exempt - suggest setting out in list form to be clearer.	Not specified in IDRP	01/10/2018	Fully completed	Non-compliant		Update to include details on what is exempt next time IDRP is reviewed and updated.
I3	Does the information made available to applicants about the procedure clearly state the procedure and process to apply for a dispute to be resolved including: - who it applies to - who the specified person (stage 1) is - the timescales for making applications - who to contact with a dispute - the information that an applicant must include - the process by which decisions are reached?	The IDRP leaflet includes the details of the process to be followed and the information required by way of a form to complete. The procedure references a "nominated person" for stage 1, but does not set out who this is (although a generic contact address setting out who to send disputes to is provided). Time limits for when applications must be made are set out at the end of the document. A brief explanation that discretionary decisions will be reconsidered and what happens if the nominated person disagrees with the initial decision in stage 1 is included, but no details on stage 2 process is included other than it will be considered by an independent person to stage 1.	Not specified in IDRP	01/10/2018	Fully completed	Partially compliant		Consider including details of who the "nominated person" for stage 1 is. Consider also adding more details on the process for how stage 1 and stage 2 decisions are made.
I4	Has the Administering Authority ensured that employers who make first stage decisions also have IDRP in place?	Employers do not have their own appointed person - this is all carried out by Enfield Council. The pensions team deal with the case and then pass to Head of Exchequer Services to review. All employers have it documented where they follow the Administering Authority's policy.	Not specified in IDRP	01/10/2018	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
15	Are the timescales in the procedure adhered to including sending an acknowledgment on receipt of an application?	<p>The timescales for response are not included in the IDRPs.</p> <p>The Fund does not have many complaints, so it is easy to monitor the timescales taken for each case. The Head of Exchequer Services and Pensions Manager monitor the timescales for cases and get in touch with the members if investigations or decisions take longer than expected.</p> <p>There is also a central complaints team at Enfield Council who keep a log of complaint cases, and they will also follow up when it is getting close to deadlines to ensure requirements met where possible.</p> <p>An acknowledgement is sent upon receipt of an application and members are told of the timescales in these communications (though not in IDRPs document).</p>	Not specified in IDRPs	01/10/2018	Fully completed	Fully compliant		Suggest formal monitoring or reporting to PB (or PPIC) on IDRPs processes/performance including whether timescales met.
16	Does the Administering Authority notify and advertise the procedure appropriately?	<p>IDRP guide and form is provided when a decision is taken about a member's benefits and they are written to set out the decision, and when a member complaint is received, with a covering letter.</p> <p>However the IDRPs is not held separately on the member website where the other useful forms and guides are held.</p> <p>It is explained in the new member guide which is on the website: https://new.enfield.gov.uk/pensions/wp-content/uploads/2017/02/LGPS-guide.pdf</p>	Not specified in IDRPs	01/10/2018	Fully completed	Partially compliant		Include IDRPs as separate document on member website
17	Are the notification requirements in relation to TPAS and the Pensions Ombudsman being adhered to?	<p>Included in letters in initial stages and in decision letter. Notifications always include information about TPAS/PO in the decision letter.</p> <p>Information on TPAS and PO are also given in the IDRPs leaflet.</p> <p>However, the wording should have changed slightly as the disputes team at TPAS is now at the Ombudsman - the IDRPs and example letters we have seen have not been updated to reflect this.</p>	Not specified in IDRPs	01/10/2018	Fully completed	Fully compliant		Update the wording to reflect the fact that the TPAS disputes team is now (from April 18) at the Ombudsman.
18	Does the Administering Authority regularly assess the effectiveness of its arrangements?	<p>The processes are not formally reviewed. Sometimes cases arise where they haven't been through the proper employer process and that is usually resolved quickly.</p> <p>The Council do make sure they don't get involved in the detail of the ill health decisions based on previous experience.</p> <p>It has been noted that the freeze of transfers due to the change in the factors/SCAPE discount rate may result in some IDRPs cases as there is a backlog.</p>	Not reviewed	n/a	Fully completed	Non-compliant		Processes for IDRPs should be formally reviewed e.g. check treating the cases consistently, and reporting on whether response timescales met.
19	Does the Administering Authority regularly assess the effectiveness where employers carry out a stage one process?	Administering Authority doesn't look at stage 1 cases which don't make it to stage 2. Mainly relevant to ill-health cases where only review would be to see if they met requirements.	n/a	n/a	Fully completed	Fully compliant		

J - Reporting breaches of the law

Legal Requirements

Certain people are required to report breaches of the law to the regulator where they have reasonable cause to believe that:

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with
- the failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions.

People who are subject to the reporting requirement ('reporters') for public service pension schemes are:

- scheme managers
- members of pension boards
- any person who is otherwise involved in the administration of a public service pension scheme
- employers: in the case of a multi-employer scheme, any participating employer who becomes aware of a breach should consider their statutory duty to report, regardless of whether the breach relates to, or affects, members who are its employees or those of other employers
- professional advisers including auditors, actuaries, legal advisers and fund managers: not all public service pension schemes are subject to the same legal requirements to appoint professional advisers, but nonetheless the regulator expects that all schemes will have professional advisers, either resulting from other legal requirements or simply as a matter of practice
- any person who is otherwise involved in advising the managers of the scheme in relation to the scheme.

The report must be made in writing as soon as reasonably practicable.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
J1	Is the Administering Authority satisfied that those responsible for reporting breaches under the legal requirements and TPR guidance understand the requirements?	It is expected that those responsible are aware of their responsibilities as training has been provided in induction sessions members have attended. However there is not a formal documented process for reporting breaches for the Fund.	When new members are appointed.	01/10/2018	Fully completed	Partially compliant		
J2	Does the Administering Authority have appropriate procedures in place to meet their legal obligations for identifying and assessing breaches?	The Pensions Manager escalates any issues to Head of Exchequer Services. The administration team raises any areas of concern (e.g. at checker level) with the Pensions Manager. Where things are raised at checking level that typically means a breach is avoided. Processes for monitoring contributions are in place (though could be more formally documented) and there are also processes in place for checking member benefit calculations and completing benefit statements, and staff are aware of how to raise and escalate any issues that arise. Advice is sought from legal and actuarial advisers where required. However it is recognised that it would be preferable if the procedures were formalised in a procedure note and/or policy.	Not currently carried out	01/10/2018	Fully completed	Partially compliant		Formal documentation of processes and policy

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
J3	Are breaches being recorded in accordance with the agreed procedures?	<p>There is no formal procedure or log for recording breaches of the law.</p> <p>There is evidence that the employer contributions process is well managed and rare cases of any late payment is resolved without issue. These aren't reportable to the Regulator and aren't on a breaches log but are recorded in the contributions monitoring process where it is clear these aren't material, and the contribution failures are reported in the annual report and accounts.</p> <p>However the regulatory requirements in relation to breaches cover more than the contribution payment breaches and there should also be records kept of the administration and disclosure/timescale related breaches, regardless of how minor they appear to be individually, as an accumulation of minor breaches can be indicative of an underlying issue.</p>	Not currently carried out	01/10/2018	Fully completed	Partially compliant		

K - Scheme Advisory Board - Guidance on the creation and operation of Local Pension Boards in England and Wales

Legal Requirements

Clause 7 of the Public Service Pensions Act provides that the national Scheme Advisory Board (SAB) may provide advice to scheme managers or pension boards in relation to the effective and efficient administration and management of the scheme.

It also provides that a person to whom advice is given by virtue of subsection (1) or (2) must have regard to the advice.

The Scheme Advisory Board has published guidance on the creation and operation of Local Pension Boards in England and Wales which incorporates a number of action point check lists at the end of some of the sections. The following are the items in those checklists.

No.	SAB Requirement	SAB Section	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
K1	Administering Authority to have approved the establishment (including Terms of Reference) of the Local Pension Board by 1 April 2015.	5	Approved March 2015 by full Council	One - off at commencement	n/a	Fully completed	Fully compliant		
K2	The Local Pension Board must be operational (i.e. had its first meeting no later than 4 months after the 1 April 2015).	5	The first meeting was held on 31 July 2015 (with 3 subsequent meetings per annum since then)	One - off at commencement	n/a	Fully completed	Fully compliant		
K3	Once established a Local Pension Board should adopt a knowledge and understanding policy and framework (possibly in conjunction with the Pensions Committee if appropriate).	6	There is a training policy which covers PB and PPIC, for which HoPFI has responsibility, this sets out knowledge and understanding requirements in line with TPR requirements and is based on CIPFA requirements	Not specified	01/09/2017	Fully completed	Fully compliant		
K4	A Local Pension Board should designate a person to take responsibility for ensuring that the knowledge and understanding policy and framework is developed and implemented.	6	HoPFI has responsibility but this isn't specified in the policy.	Not specified	01/09/2017	Fully completed	Partially compliant		Update policy to include this information.
K5	The Administering Authority should offer access to high quality induction training and provide relevant ongoing training to the appointed members of the Local Pension Board.	6	This is in place - see section B for details	Ongoing - in each meeting and business planning.	04/10/2018	Fully completed	Fully compliant		
K6	A Local Pension Board should prepare (and keep updated) a list of the core documents recording policy about the administration of the Fund and make the list and documents (as well as the rules of the LGPS) accessible to its members.	6	This is set out in the policy. In addition, the HoPFI has gone through with the PB members at their meeting and explained the key documents (main focus was on the accounts which includes many key documents within it).	Not specified	01/09/2017	Fully completed	Fully compliant		
K7	Members of a Local Pension Board should undertake a personal training needs analysis and put in place a personalised training plan.	6	There currently are not individual needs assessments but the training needs of the Group are identified in Business Planning so that the training is delivered before the item is in consideration by PPIC or PB. HoPFI meets with new Chair and Deputy to explain requirements and can establish if any knowledge needed.	When new PB members join	01/10/2018	Fully completed	Partially compliant		

No.	SAB Requirement	SAB Section	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
K8	An Administering Authority should prepare a code of conduct and a conflicts policy for its Local Pension Board for approval in accordance with the Administering Authority's constitution and at the first meeting of the Local Pension Board. The Local Pension Board should keep these under regular review.	7	Council Code of Conduct includes reference to conflicts - however, this is currently not linked to the PB Terms of Reference.	Unknown	Unknown	Fully completed	Partially compliant		Consider linking to PB Terms of Reference
K9	Training should be arranged for officers and members of a Local Pension Board on conduct and conflicts.	7	Yes - see sections B and C	When new PB members join	01/10/2018	Fully completed	Fully compliant		
K10	A Local Pension Board should establish and maintain a register of interests for its members.	7	The interests are held on the Council website (there are no declarations on the site for the PB but there is a site location for them). The meeting minutes are a formal record of interests which are declared at each meeting and a register is kept.	Quarterly	01/10/2018	Fully completed	Fully compliant		Consider adding link to this on fund website.
K11	An Administering Authority should agree the ongoing reporting arrangements between the Local Pension Board and the Administering Authority.	8	Not formally set up currently. HoFPI will draft the report annually, PB chair to finalise and this will then go in report and accounts. TOR only states that an annual report on the work of the Board will be included in the Fund's annual report, but no formal Annual report prepared – HoPFI mentioned reference included in Pension Annual Report but not clear this is in 2018 accounts. An Annual report for Pension Board is included in the Council's Forward Plan to go Full Council in May 2019.	Not in place	n/a	Fully completed	Non-compliant		Annual report to be produced
K12	A Local Pension Board should understand the Administering Authority's requirements, controls and policies for FOIA compliance so that the Local Pension Board is aware of them and can comply with them.	8	Not completed. All FOI's go through the Council's Complaints team and all over due answers are reviewed.	n/a	01/10/2018	Fully completed	Non-compliant		Report to PB on FOI compliance
K13	A Local Pension Board should put in place arrangements to meet the duty of its members to report breaches of law.	8	While administering authority staff know the right procedures and need for escalation where breaches occur, there are no formal policies or procedures and this has not been covered specifically for PB or PPIC.	Not currently carried out	n/a	Fully completed	Non-compliant		A breaches procedure and log should be in place and all should be aware of responsibilities under the policy. Breaches could be a standing item for PPIC and/or PB.
K14	A Local Pension Board should consider (with its Administering Authority) the need to publish an annual report of its activities.	8	Not in place but being implemented. See K11	n/a	n/a	Fully completed	Non-compliant		
K15	An Administering Authority should consult on, revise and publish its governance compliance statement to include details of the terms, structure and operational procedures relating to its Local Pension Board.	8	The published governance compliance statement does not include the details required in relation to the LPB. This was identified as an action to include in the 2015 TPR Compliance review.	Annual	31/03/2018	Fully completed	Partially compliant		Include additional PB terms, structure and operational procedures detail in 2018/19 and all future statements.

The Pension Regulator's and Scheme Advisory Board Compliance Checklist

Date of Completion: 31/08/2021

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Introduction

This document outlines how the London Borough of Enfield complies with the Pensions Regulator's (TPR) Code of Practice No 14 Governance and administration of public service pension schemes ('the TPR Code') in relation to the management of the London Borough of Enfield LGPS Pension Fund which is part of the Local Government Pension Scheme (LGPS). It will be updated regularly by officers of the Fund and reported annually to the Pension Panel and LGPS Local Pension Board.

This document highlights all the key elements of the TPR Code and then evidences whether the London Borough of Enfield meets these areas of best practice. As part of this evidence it shows when the element was last checked and whether, at that point, it was considered fully, partially or not compliant. Where they are partially or not compliant, it also highlights whether the Council have identified actions to be carried out to improve their current practices. Where an element is not yet active, the commentary will generally still highlight where advanced progress is being made.

Those reading this document should be mindful that the TPR Code applies equally to all public service pension schemes and therefore it is generic in nature. There may be a number of elements that are more specifically stipulated within LGPS legislation and it is not the purpose of this compliance checklist to consider that level of detail.

Further, the London Borough of Enfield may also incorporate key elements of national guidance from the LGPS Scheme Advisory Board into this compliance checklist. This version contains the checklists included as part of the Shadow Scheme Advisory Boards "Guidance on the creation and operation of Local Pension Boards in England and Wales".

Key

Frequency of review and last review date: Where a process, policy or practice is officially reviewed at a set interval, the actual interval will be shown as well as the last interval date. However, in many circumstances processes and procedures are ongoing and part of the day – to - day operation of the Fund. In these circumstances, an annual check will be carried out to ensure that the ongoing process meets the TPR Code expectations and therefore the date shown will be the date that annual check was carried out and the frequency will be shown as "ongoing (annual check)".

Completed:	Compliant:	Where responsibility relates to employers:
Fully completed	Fully compliant	Employers - Fully compliant
In progress	Partially compliant	Employers - Partially compliant
Not started	Non-compliant	Employers - Non-compliant
Not yet relevant	Not yet relevant	Not yet relevant

Definitions:

<i>PSPA13</i>	Public Service Pensions Act 2013
<i>LGPS</i>	Local Government Pension Scheme
<i>TPR</i>	The Pensions Regulator
<i>TPR Code</i>	The Pensions Regulator's Code of Practice No 14 Governance and administration of public service pension schemes
<i>Scheme Manager</i>	For the London Borough of Enfield Pension Fund, this is Enfield Council
<i>Administering Authority</i>	The LGPS specific term for Scheme Manager. For the London Borough of Enfield Pension Fund, this is the London Borough of Enfield, also referred to as Enfield Council.
<i>IDRP</i>	Internal Dispute Resolution Procedure
<i>SAB</i>	The national LGPS Scheme Advisory Board
<i>Panel</i>	Enfield Pensions Policy and Investment Panel
<i>PB</i>	London Borough of Enfield Local Pension Board
<i>HoPFI</i>	Head of Pension Fund Investment

Summary Dashboard

A dashboard showing the summary of the results of the latest compliance checklist is shown below:

No.	Completed	Compliant
Reporting Duties		
A1	Fully completed	Fully compliant
A2	Fully completed	Fully compliant
A3	Fully completed	Fully compliant
A4	Fully completed	Fully compliant
Knowledge and Understanding		
B1	Fully completed	Fully compliant
B2	Fully completed	Fully compliant
B3	Fully completed	Fully compliant
B4	Fully completed	Fully compliant
B5	Fully completed	Fully compliant
B6	Fully completed	Fully compliant
B7	Fully completed	Fully compliant
B8	Fully completed	Fully compliant
B9	Fully completed	Fully compliant
B10	Fully completed	Fully compliant
B11	Fully completed	Fully compliant
B12	Fully completed	Fully compliant
Conflicts of Interest		
C1	Fully completed	Fully compliant
C2	Fully completed	Fully compliant
C3	Fully completed	Fully compliant
C4	Fully completed	Fully compliant
C5	Fully completed	Fully compliant
C6	Fully completed	Fully compliant
C7	Fully completed	Fully compliant
C8	Fully completed	Fully compliant
C9	Fully completed	Fully compliant
C10	Fully completed	Fully compliant
C11	Fully completed	Fully compliant
Publishing Information		
D1	Fully completed	Fully compliant
D2	Fully completed	Partially compliant
D3	Fully completed	Fully compliant
D4	Fully completed	Fully compliant

No.	Completed	Compliant
Risk and Internal Controls		
E1	Fully completed	Fully compliant
E2	Fully completed	Fully compliant
E3	Fully completed	Fully compliant
E4	Fully completed	Fully compliant
E5	Fully completed	Fully compliant
E6	Fully completed	Fully compliant
E7	Fully completed	Fully compliant
E8	Fully completed	Partially compliant
Maintaining Accurate Member Data		
F1	Fully completed	Fully compliant
F2	Fully completed	Fully compliant
F3	Fully completed	Partially compliant
F4	Fully completed	Fully compliant
F5	Fully completed	Fully compliant
F6	Fully completed	Fully compliant
F7	Fully completed	Fully compliant
F8	Fully completed	Fully compliant
F9	Fully completed	Partially compliant
F10	Fully completed	Fully compliant
F11	Fully completed	Fully compliant
Maintaining Contributions		
G1	Fully completed	Fully compliant
G2	Fully completed	Fully compliant
G3	Fully completed	Fully compliant
G4	Fully completed	Fully compliant
G5	Fully completed	Fully compliant
G6	Fully completed	Fully compliant
G7	Fully completed	Fully compliant
G8	Fully completed	Fully compliant
G9	Fully completed	Partially compliant
Providing Information to Members and Others		
H1	Fully completed	Partially compliant
H2	Fully completed	Partially compliant
H3	Fully completed	Fully compliant
H4	Fully completed	Partially compliant
H5	Fully completed	Fully compliant
H6	In progress	Fully compliant

No.	Completed	Compliant
Internal Dispute Resolution		
H7	Fully completed	Fully compliant
H8	Fully completed	Partially compliant
H9	Fully completed	Partially compliant
H10	Fully completed	Fully compliant
H11	Fully completed	Fully compliant
H12	Fully completed	Partially compliant
H13	Fully completed	Fully compliant
Reporting Breaches		
I1	Fully completed	Fully compliant
I2	Fully completed	Fully compliant
I3	Fully completed	Partially compliant
I4	Fully completed	Fully compliant
I5	Fully completed	Fully compliant
I6	Fully completed	Partially compliant
I7	Fully completed	Fully compliant
I8	Fully completed	Fully compliant
I9	Fully completed	Fully compliant
Scheme Advisory Board Requirements		
J1	Fully completed	Fully compliant
J2	Fully completed	Fully compliant
J3	Fully completed	Fully compliant
K1	Fully completed	Fully compliant
K2	Fully completed	Fully compliant
K3	Fully completed	Fully compliant
K4	Fully completed	Fully compliant
K5	Fully completed	Fully compliant
K6	Fully completed	Fully compliant
K7	Fully completed	Fully compliant
K8	Fully completed	Fully compliant
K9	Fully completed	Fully compliant
K10	Fully completed	Fully compliant
K11	Fully completed	Partially compliant
K12	Fully completed	Partially compliant
K13	Fully completed	Fully compliant
K14	Fully completed	Partially compliant
K15	Fully completed	Fully compliant

A - Reporting Duties

Note the requirements in this section are not included in the TPR Code but they are a fundamental to the relationship with TPR.

Legal Requirements

All public service pension schemes have to be registered with TPR. In addition, all schemes must provide a regular scheme return to TPR, containing prescribed information. A return is required when the scheme receives a scheme return notice from the regulator. The scheme manager must also keep the regulator informed of any changes to registrable scheme details.

Note the requirements in this section are not included in the TPR Code but are a requirement for all schemes.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
A1	Is your scheme registered with the Pension Regulator?	<p>Aon has checked with the Regulator and the Enfield Fund is registered - further evidence is that scheme returns and surveys are sent to be completed.</p> <p>The contact for such surveys/returns is zpensions@enfield.gov.uk. It may be possible that important information is not seen or dealt with using a generic mailbox so the fund could consider having a specific individual as the key contact on the Regulator's exchange system.</p> <p>The Head of Exchequer Services, Head of Pension Fund Investment (HoPFI) and the Principal Exchequer Officer have their own log in to the Exchange site to make changes.</p>	One off - i.e. is registered	n/a	Fully completed	Fully compliant		Consider having a specific individual rather than the generic pensions mailbox as the key contact on the Regulator's exchange system.
A2	Is the information held on the Pensions Regulator's website about the scheme up-to-date?	The number of Employers does not change significantly (there are usually a very small number, if any, exiting employers each year) and so it is considered that an annual update for the scheme return is a reasonable approach. We therefore consider this to be fully compliant.	Annual	07/07/2021	Fully completed	Fully compliant		
A3	Have you completed this latest Scheme Return in the required timescale?	The 2020 scheme return was submitted	Annual	07/07/2021	Fully completed	Fully compliant		
A4	Have you responded to the latest TPR public service pension scheme survey/questionnaire?	The last survey completed was December 2020	Annual	07/07/2021	Fully completed	Fully compliant	The Regulator is likely to pay particular attention in their case work in coming years to those Funds who do not carry out basic governance and administration activities, including the annual survey.	Suggest that the 2018/19 survey is completed (issued 5 November 2018) - the results of this TPR compliance review should help with the responses to the survey

B - Knowledge and Understanding

Legal Requirements

A member of the pension board of a public service pension scheme must be conversant with:

- . the rules of the scheme, and
- . any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

A member of a pension board must have knowledge and understanding of:

- . the law relating to pensions, and
- . any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B1	Are there policies and arrangements in place to support pension board members in acquiring and retaining knowledge and understanding?	<p>The Fund has a training policy for Pension Policy and Investment Committee (PPIC) and Pension Board (PB) members - though this is not on the Fund or the Council website. This policy include training objectives, details of how training will be documented and how attendance at events will be recorded and monitored. With self assessments on an annual basis to identify needs.</p> <p>There are various processes in place to ensure members can obtain relevant knowledge and understanding. This involves offering attendance to induction training events, attendance of PB members at PPIC meetings (as observers), and identifying training needs in business planning so that relevant training is provided before PPIC and PB meetings.</p> <p>The FMPT meet with new Chairs of the PPIC/PB to help them understand their role and about the Fund before their first meeting. The Chair of the PB attends the PPIC meetings to give updates on their monitoring activities and work in progress.</p>	Annually.	07/07/2021	Fully completed	Fully compliant		<p>The policy should be reviewed every three years at least, specify this in the policy.</p> <p>The policy should ideally include the objectives of the policy, and specify how training will be recorded and monitored.</p>
B2	Has a person been designated to take responsibility for ensuring the framework is developed and implemented?	FMPT is responsible for training, the Training Policy and its implementation, including the maintenance of the monitoring - however this responsibility is not set out in the training policy.	Annually.	07/07/2021	Fully completed	Fully compliant		Include responsibility in policy.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B3	Is the Fund providing assistance to pension board members to determine the degree of knowledge and understanding required?	<p>The Training Policy says the members should do the TPR online training toolkit -this is a requirement in first year - the FMPT will review if this has been completed by new members by the end of the year (2021). Other requirements are set out in the Training Policy which indicates the level of knowledge required. The policy specified that an annual training needs assessment will be carried out which will feed into training plans.</p> <p>The PPIC training is based on what's coming up in meetings, and similar approach is take for the PB, but focused on governance - training is carried out at every meeting which helps indicate the level of knowledge required. All future activities and therefore what knowledge is needed is set out in the 3 year business plan, eg ABS.</p> <p>New members attend induction training (e.g. provided by Aon or LGA), which gives indication of knowledge requirements.</p>	Annual	07/07/2021	Fully completed	Fully compliant	We haven't seen evidence of the Business Plan but if this is in place and regularly updated it provides a useful tool for identifying knowledge requirements.	
B4	Are the roles and responsibilities of pension boards and members of pension board clearly set out in scheme documentation?	<p>Core functions of the board, terms of office and duties are included in the Board's Terms of Reference which has been formally agreed. The ToR is based on the SAB board draft TOR template, but has been tailored appropriately to Enfield's circumstances.</p> <p>Requirements for training and knowledge are also set out in the Training Policy. This is more focused on new members than existing members (existing members are encouraged but not required to attend general awareness events).</p>	Anually	07/07/2021	Fully completed	Fully compliant		Consider adding more detail on requirements for existing members into policy e.g. to attend at least a certain number of training events each year.
B5	Are pension board members aware of their legal responsibility in terms of Knowledge and Understanding?	<p>Enfield confirmed members are told about this on appointment</p> <p>These responsibilities are mentioned in Terms of Reference, so PB members are aware of their responsibilities</p>	Each time new member appointed, and TPR Compliance review carried out	07/07/2021	Fully completed	Fully compliant		Add legal requirements (for PB) and consider extending to PC in formal policy.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B6	Have all pension board members got access to copies of the scheme rules and relevant Fund documentation?	<p>New members are given the terms of reference and Fund policies etc, lots of these are in one place in the annual report.</p> <p>Fund documents such as Funding Strategy Statement and Investment Strategy Statement are also on the Fund website: https://new.enfield.gov.uk/pensions/forms/ which also has useful links to LGPS member website, LGPS Regulations etc. However the Terms of Reference for the PB are not on the website.</p> <p>Each set of meeting minutes from the Pension Policy and Investment Committee is circulated to PB members, and they are read at PB meetings.</p> <p>The list of key documents is set out in the training policy.</p>	Each time TPR Compliance reviewed	07/07/2021	Fully completed	Fully compliant		
B7	Is there an up-to-date list of the Fund specific documents with which pension board members need to be conversant in?	<p>The training policy drafted sets out the requirements (and this is given to existing PB members and new PB members when they join). A formal list of documents is included in the training policy.</p> <p>The key documents such as annual report and funding and investment strategies are available on the website (the annual report includes strategies and policy statements but the annual report on the website is more than a year out of date. HoFPI mentions the key items when he distributes the annual accounts in the meeting with new members - and explains which bits of the accounts to focus on.</p>	Not specified in policy. Suggest annually.	07/07/2021	Fully completed	Fully compliant		
B8	Are all pension board members investing sufficient time in their learning and development?	<p>Bite-sized training is currently carried out at each PB meeting according to need and what is to be discussed in the course of the meeting.</p> <p>Employee members have gone on Unison training and new members attended Aon induction course. Chair has had significant training.</p> <p>Provided members attend the meetings, this is considered sufficient to meet requirements.</p>	Annual	07/07/2021	Fully completed	Fully compliant	<p>Suggest training plans are agreed when annual business planning exercise takes place.</p> <p>Suggest method of monitoring of training and documenting the level of investment of time in training is included in formal training policy.</p>	

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B9	Does the Fund offer pre-appointment training for new pension board members or mentoring by existing members?	<p>Pre-appointment training is not currently provided, and nor is mentoring as this is difficult to arrange and the commencement of the role is very soon after selection/appointment. However newly appointed board members are invited to attend Committee and Board meetings and training events taking place before their first meeting to develop their knowledge of the Fund. Board members can now remain in meeting even if not open to the public.</p> <p>When appointed, members have a meeting with the PB Chair as soon as possible in order to explain the PB member's responsibilities. In addition, the Chair of the PB did attend the CIPFA / Barnet Waddingham training before taking the Chair position, and attended induction training provided by Aon before first PB meeting.</p> <p>The FMPT will also visit the new school representative to explain how the PB works before their first meeting. The PPIC Chair presents information on the last PPIC to every PB to inform what the PB will look at. The Chair of PB also attends PPIC as an observer.</p>	Each time new member appointed	07/07/2021	Fully completed	Fully compliant	An individual approach is taken to new appointments which ensures the members are as well-informed as possible which we believe to be compliant.	Ensure approach is documented in formal training policy
B10	Is there a process in place for regularly assessing the pension board members' level of knowledge and understanding is sufficient for their role, responsibilities and duties?	<p>A Training log is maintained - PPIC and PB members email the HoPFI about training attended, who keeps these on record and puts it in in annual report. The draft report on training attended is provided to members before the accounts are produced give members time to attend training to increase knowledge if required.</p> <p>Formal regular assessment of knowledge and understanding against required competencies (e.g. CIPFA) does not appear to be taking place.</p>	Annual	07/07/2021	Fully completed	Fully compliant		
B11	Are records of learning activities being maintained?	The FMPT collects the information about attendance in emails from the PPIC and PB members and collates this into the annual report and accounts on an annual basis. Members are given the information before the report is published to give them time to complete further training if felt necessary.	Annual	07/07/2021	Fully completed	Fully compliant		
B12	Have the pension board members completed the Pension Regulator's toolkit for training on the Code of Practice number 14?	<p>The PB have been advised to carry out these modules and this is included in the training policy. Members have a year to complete the modules after being appointed, and will inform FMPT when completed.</p> <p>The FMPT is considering completing modules in group training sessions as a "bitesize" approach.</p>	Twice-yearly	07/07/2021	Fully completed	Fully compliant	Partially compliant as it's not been confirmed that all members have completed this.	

C - Conflicts of interest

Legal Requirements

The Public Service Pensions Act 2013 sets out the legal requirements for scheme managers and pension boards for conflicts of interest.

In relation to the pension board, scheme regulations must include provision requiring the scheme manager to be satisfied:

- that a person to be appointed as a member of the pension board does not have a conflict of interest and
- from time to time, that none of the members of the pension board has a conflict of interest.

Scheme regulations must require each member or proposed member of a pension board to provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of meeting the requirements referred to above.

Scheme regulations must include provision requiring the pension board to include employer representatives and member representatives in equal numbers.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C1	Does the Fund have a conflict of interest policy and procedure, which include identifying, monitoring and managing potential conflicts of interest?	There is a CoI policy which is detailed in the Council Code of Conduct which applies to PB and PPIC members - this covers identification/declaration requirements but not all points recommended by TPR guidance. This is not on the Fund website and is not a Fund document. Council sends register of interests to members to complete. Standing item on PPIC and PB meetings to identify conflicts.	Annually	30/11/2020	Fully completed	Fully compliant		
C2	Do pension board members have a clear understanding of their role, the circumstances in which they may have a conflict of interest and how to manage potential conflicts?	Yes - this was covered at PB meeting in November. Their role is set out in the TOR which all members have been provided with, and responsibilities also set out in the COI policy. Inclusion of conflicts as standing item in meetings ensures members understand the requirements.	Whenever new members appointed	07/07/2021	Fully completed	Fully compliant		
C3	Have all Pension Board members provided appropriate information for the Administering Authority to determine whether a conflict exists (on appointment and from time to time)?	Standing item on each PPIC and PB meeting. FMPT checks declarations of interests when member appointed, to make sure can carry out the role without conflict. Declarations are completed annually for Council staff via an annual questionnaire, and any hospitality or gifts are declared at the time of offer.	Quarterly i.e. each PB meeting	07/07/2021	Fully completed	Fully compliant		
C4	Does the appointment process for pension board members require disclosure of interests and responsibilities which could become conflicts of interest?	No formal pre-appointment declaration of interest takes place currently. However the FMPT checks declarations of interests when member appointed, to make sure can carry out the role without conflict.	Each time new member appointed	07/07/2021	Fully completed	Fully compliant		Suggest declarations are requested at appointment/interview phase for future PB and PPIC members.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C5	Is the conflicts policy regularly reviewed?	Conflicts policy review annually	annually	07/07/2021	Fully completed	Fully compliant		
C6	Does the Fund have a conflicts register and it is circulated for ongoing review and published?	The Council website has a space for declarations of interest on the committee meetings pages, but there aren't any recorded declarations published. Conflicts is discussed at each meeting as a standing item so minutes would provide record of any identified conflicts. However this is no formal register for the Fund. Conflicts are reported in the annual report and accounts.	annually	07/07/2021	Fully completed	Fully compliant		
C7	Is appropriate information included in the register?	The PPIC and PB declarations in meetings are just shown on each meeting minutes.	At each meeting, i.e. quarterly	07/07/2021	Fully completed	Fully compliant		
C8	Is there a standing item on the agenda for declaring conflicts of interest?	Yes - for both PPIC and PB.	At each meeting, i.e. quarterly	07/07/2021	Fully completed	Fully compliant		
C9	Do those involved know how to report a conflict of interest?	Members have been told in first meeting and have been given Code of Conduct so are aware of responsibilities. Is also standing agenda item for PPIC and PB meetings, so fully covered. Also members will be encouraged to complete Toolkit module as part of Training requirements which is additional training on how this can be done.	At each meeting, i.e. quarterly	07/07/2021	Fully completed	Fully compliant		
C10	Is the number of employer and member representatives on the board in line with legal requirements?	There are four representatives on each side, so this is compliant, and set out in the Terms of Reference. The Chair and Deputy Chair are appointed by PB at the first meeting, and where the Chair is an employee rep the Deputy is then a employer rep, and vice versa. An Independent adviser is being considered to help the Chair formulate an agenda independently.	Each time members leave or new members appointed	07/07/2021	Fully completed	Fully compliant		
C11	Is the board made up of the appropriate mix of representatives in order to minimise potential conflicts?	Yes - see details above in C10. There is 1 Academy representative, and 3 council representatives which is in a suitable proportion for the make-up of the Fund. There is 1 pensioner representative and 3 employee representatives. Unions suggested employee names so that suitable candidates were selected.	Each time members leave or new members appointed	07/07/2021	Fully completed	Fully compliant		

D - Publishing information about schemes

Legal Requirements

The scheme manager for a public service scheme must publish information about the pension board for the scheme(s) and keep that information up-to-date.

The information must include:

- who the members of the pension board are
- representation on the board of members of the scheme(s), and
- the matters falling within the pension board's responsibility

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
D1	Does the Administering Authority publish information about the pension board?	The Council website include the full details of the pension board representation, and the Terms of Reference also the Fund website to be in line with TPR requirements/best practice.	Ongoing and at end of specific terms (i.e. as LPB members change)	07/07/2021	Fully completed	Fully compliant		
D2	Does the Administering Authority publish other useful related information about the pension board?	The Council website, if you click on links for the Councillor members, will show the job information and other positions held. There is no further information on the Council website and no information about PPIC or PB members on the fund website. The FMPT has noted that he will escalate this with the Head of Democratic Services to ensure the information is updated.	Ongoing and at end of specific terms (i.e. as LPB members change)	07/07/2021	Fully completed	Partially compliant		Consider adding additional information from Code of Practice paragraph 96 about the PB and PC members onto the Fund website. Ask Head of Democratic Services to update the Council website.
D3	Is all the information about the Pension Board kept up-to-date?	The information on the Council website is up to date, but is not complete and there is no information on the Fund website. Given we marked the above as partially compliant relating to what is actually published, we are comfortable that this information will be kept up to date once published, as it currently is up to date on the Council website - therefore this is marked as compliant.	Ongoing and at end of specific terms (i.e. as LPB members change)	07/07/2021	Fully completed	Fully compliant		Consider adding to pension fund website, even if just a link back to Council site.
D4	Does the Administering Authority public information about pension board business?	The Council website shows meeting dates, agendas and meeting minutes, and is up to date	Quarterly	07/07/2021	Fully completed	Fully compliant		Consider adding to pension fund website, even if just a link back to Council site.

E - Managing risk and internal controls

Legal Requirements

The scheme manager must establish and operate internal controls which adequately ensure the scheme is administered and managed in accordance with the scheme rules and the requirements of the la

Internal controls are defined in the legislation as:

- arrangements and procedures to be followed in the administration and management of the scheme
- systems and arrangements for monitoring that administration and management
- arrangements and procedures to be followed for the safe custody and security of the assets of the scheme

The legal requirements apply equally where a scheme outsources services connected with the running of the scheme.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant
E1	Is there an agreed process for identifying and recording scheme risks?	There is a formal risk policy which sets out how risks are identified and recorded, which is soon to be approved by the Pension Board, and there is a risk register to help identify and record risks, and this has a covering note which is produced for each PPIC meeting. The PB also see the register every quarter. The risks on the risk register are clearly related to key fund objectives such as paying member benefits on time and achieving good returns for limited risk.	Quarterly i.e. at each meeting	07/07/2021	Fully completed	Fully compliant
E2	Does the Fund have an adequate process to evaluate risks and establish internal controls?	Register shows who has responsibility for each risk and the current control in place to manage it as well as new controls required - if new risks were to arise a new internal control (or development of existing controls) would take place to mitigate/manage the risk. Risk ratings and controls are considered by PPIC at each meeting where the risk status has changed, or if new risks are included on the register. The PB has also requested to see the full register at each PB meeting. The Pensions Manager is also developing a separate administration risk register which is being used from April 2020, as the main Fund risk register only includes a few key administration risks. This will be updated on an ongoing basis and will help inform what risks should be included on the wider fund register. The administration risks are identified through ongoing projects such as undecided members, transfers, GMP reconciliation as well as through ongoing day to day tasks. Monitoring of progress on these projects is carried out. The register identifies current controls and additional actions, but it is not yet fully complete in these sections. The Pensions Manager agrees it would be ideal to document these activities in a formal data improvement plan and risk policy.	Quarterly i.e. at each meeting	07/07/2021	Fully completed	Fully compliant
E3	Does the Administering Authority have a risk register to record all risks identified and action taken?	There is currently a risk register which includes 7 key high-level strategic fund risks. The scoring of risks is based on judgement and the risks are categorised as either D or E with a number which rates them in terms of priority - this is based on high/medium or low likelihood and impact. This is reviewed in PPIC meetings quarterly but the HoFPI adds to it when new risks arise e.g. following from an audit. It is noted the risk register does include the required items including actions to manage risk and current progress against those actions, but these could be in greater detail and include timescales for review.	Each time TPR compliance reviewed	07/07/2021	Fully completed	Fully compliant

E - Managing risk and internal controls

Legal Requirements

The scheme manager must establish and operate:

Internal controls are defined in the legislation as:

- arrangements and procedures to be followed
- systems and arrangements for monitoring
- arrangements and procedures to be followed

The legal requirements apply equally where a scheme is

No.	TPR Requirement	Notes	Action
E1	Is there an agreed process for identifying and recording scheme risks?		
E2	Does the Fund have an adequate process to evaluate risks and establish internal controls?		
E3	Does the Administering Authority have a risk register to record all risks identified and action taken?		

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant
E4	Does the Administering Authority review the effectiveness of the risk management and internal control systems of the Fund?	The risk management and internal controls are reviewed regularly (albeit this does not follow a formal process and is not always documented) for effectiveness as part of a number of processes including: - Finance targets set and monitored by HoFPI on regular basis - The ongoing updating and annual review of the risk register which includes the control of those risks	Annual	07/07/2021	Fully completed	Fully compliant
E5	Does the Administering Authority regularly review the risk register?	The PPIC and PB see the register at each meeting. It is added to when required and as part of audit process and meetings or through discussions with advisors, if new risks come to light. There is a formal risk policy but it does not specify when the format of the register should be reviewed and there are limited details on the process for managing risks.	Quarterly i.e. at each meeting	07/07/2021	Fully completed	Fully compliant
E6	Is there a standing item on the Pension Board agenda to review scheme risks?	Yes - So are conflicts of interest, breaches, minutes, business plan for Committee, report from Committee Chair for PB. All of which may help identify further risks.	Quarterly i.e. at each meeting	07/07/2021	Fully completed	Fully compliant

No.	TPR Requirement	Notes	Action
E4	Does the Administering Authority review the effectiveness of the risk management and internal control systems of the Fund?		
E5	Does the Administering Authority regularly review the risk register?		
E6	Is there a standing item on the Pension Board agenda to review scheme risks?		

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant
E7	Does the Administering Authority have adequate systems, arrangements and procedures (internal controls) in place for the administration and management of the Fund and are they documented ?	<p>It is considered that there are adequate internal controls in place. Most are set out in the risk register, though it is recognised this could be more comprehensive and better documented. The Pensions Manager is developing a more detailed administration risk register which includes more details on the internal controls.</p> <ul style="list-style-type: none"> - Enfield Council use the Altair task management system - every day, tasks on task list are allocated, and can monitor all tasks on the team to prioritise and allocate to other members on team if task overdue. Each task has a priority response time on system (e.g. 7 would be death) and has a guideline workflow to follow - cipfa timescales are followed. - The system provides individual reports on what staff members have done, and the first appraisals have just been carried out using this information which drive training, and the next one is in March. Each person only see smaller number of tasks allocated to them to give them focus. - There is currently a do/check procedure which depends on tasks i.e. estimates are not always checked due to time restrictions. Final benefit calculations are reallocated to a checker after calculation is done - and the job can't be sent to the "doer" , has to go someone else and can't go further until checked. - All members of team can check calcs - but payment is only authorised by a senior member of staff - was Pensions Manager, now Principal Exchequer Officer can as well. 	Annual audits and tri-yearly TPR Compliance checks, and quarterly risk register review.	07/07/2021	Fully completed	Fully compliant
E8	Do these procedures apply equally to outsourced services, are internal controls reflected in contracts with third party providers and is there adequate reporting in relation to those controls?	<p>The only outsourced process relates to AVCs. A contract review has not been done for some time, and now Prudential have reduced the amount of member communications i.e. not doing presentations.</p> <p>No regular updates are provided in relation to AVC services. There have been some issues about the admin of AVCs when members near retirement, in terms of getting information from/to Prudential using secure systems, but they are now resolved. Members are told the retirement process can take longer if AVCs are involved as sometimes takes a bit longer.</p> <p>Pru have in the past done a transfer to Enfield when a member didn't want to. But these incidents are rare - but do show that controls could be improved.</p> <p>Payroll are completely separate and they arrange the payroll for AVCs. I-Connect is now used to gather monthly returns for contributions, which includes AVCs, so it will be possible to check against Prudential records. It's not clear this is taking place.</p> <p>Member records only show there is an AVC and at retirement the administrators will ask Prudential to do a quote etc. There is a risk of errors occurring that would be impossible for the Enfield administration team to detect under the current process.</p>	n/a	n/a	Fully completed	Partially compliant

No.	TPR Requirement	Notes	Action
E7	Does the Administering Authority have adequate systems, arrangements and procedures (internal controls) in place for the administration and management of the Fund and are they documented ?	This process is not formally documented but staff know the systems - it has been suggested that an improvement would be to have the duties allocated as the system can be altered to set levels of checking. The workflow system shows who has checked calculations.	
E8	Do these procedures apply equally to outsourced services, are internal controls reflected in contracts with third party providers and is there adequate reporting in relation to those controls?		The specific administration services provided and responsibilities delegated to the administrator should be documented in the terms of engagement and contract between the Fund and any third party which carries out any outsourced admin service (such as AVC providers and tracing agencies).

F - Maintaining accurate member data

Legal Requirements

Scheme managers must keep records of information relating to:

- member information
- transactions, and
- pension board meetings and decisions.

The legal requirements are set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 ('the Record Keeping Regulations').

The Data Protection Act 1998 and the data protection principles set out additional requirements for using, holding and handling personal information. Other requirements are set out in the:

- Pensions Act 1995 and 2004
- Pensions Act 2008 and the Employers' Duties (Registration and Compliance) Regulations 2010
- Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715)
- Occupational Pension Schemes (Scheme Administration) Regulations (Northern Ireland) 1997 (SR 1997 No 94)
- Registered Pension Schemes (Provision of Information) Regulations 2006 (SI 2006/567)

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F1	Do member records record the information required as defined in the Record Keeping Regulations and is it accurate?	<p>Checks were carried out in relation to each of the requirements in the Record Keeping Regulations and all were considered compliant except for in relation to clause 4(3) which relates to information for members who pay AVCs.</p> <ul style="list-style-type: none"> - Altair system won't allow a new member entry without key details - Benefits won't be paid until a birth certificate is provided - this is a useful extra check as if there are any issues with the birth certificate, fraud investigation is commenced. - Members are identified by NINO - ICONNECT uploads data on a monthly basis so easier to manage - this system creates new starters on Altair (and flags a new starter to the team) and updates the pay onto each members record. Any changes to hours etc will also automatically update so records will be kept up to date. - Admin team confirmed both CARE and old 2008 pay data are recorded for each member - this is just called something different (i.e. "pensionable" for 2008 pay) - Pension increases are included on member records (via original and increased pension - the actual rate isn't on the record but is easily derived), and benefit calculations are automatically saved onto the member record. - Enfield will need to check with Prudential that members' AVC choices are recorded i.e. forms they originally completed when they signed up to AVCs. - Data accuracy and completeness reports are also received via the triennial valuation, which cover some of these elements. <p>Common and conditional data scores as at 31 March 2018 were both 95%. It is not clear how the conditional (scheme specific) data score was obtained but it is much higher than has been observed at other pension Funds to date. It is unusual for it to be at a similar level to the common data score.</p>	Ongoing	07/07/2021	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F2	Does the Fund have the appropriate processes in place so employers can provide timely and accurate information?	Monthly information submission via I-connect has been implemented	Ongoing	07/07/2021	Fully completed	Fully compliant		
F3	Does the Fund keep records of and reconcile transactions as required by the Record Keeping Regulations?	<p>Checks were carried out in relation to each of the requirements in the Record Keeping Regulations and all were considered compliant except for in relation to AVCs, where compliance is likely but can't be confirmed without Prudential confirmation.</p> <p>Annual reconciliation is required and audited as part of annual report and accounts process. We have not seen evidence of the checking of benefit outgo cashflows and reconciling by employer, but in the 2016 valuation there were some discrepancies with the membership data which were quickly resolved. This did not impact the majority of employers.</p> <p>For death overpayment cases, the authority makes a payment to fund for the amount and then they try to recover the cost - they then make decision to write off if necessary.</p>	Ongoing	07/07/2021	Fully completed	Partially compliant		<p>Agree with Prudential a way of ensuring this is carried out in in with Regulations for AVCs</p> <p>Ensure robust processes for checking employer cashflows in relation to benefit payments as required for triennial valuations.</p>
F4	Are records kept of pension board meetings as required by the Record Keeping Regulations?	These are stored on the Council website and are up to date	Ongoing (4 meetings a year)	07/07/2021	Fully completed	Fully compliant		
F5	Are records kept of decisions made by the pension board, outside of meetings as required by the Record Keeping Regulations?	<p>The PB are not a decision making body so it is not expected that there will be any decisions outside of meetings (or even in meetings other than decisions within the PB to make recommendations or to request information for oversight purposes).</p> <p>For the PPIC, members are emailed by HoPFI if something needs to be done between meetings, with a note that unless there is objection they will proceed with the stated action, and then there is an update at next meeting for discussion.</p>	Ongoing	07/07/2021	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F6	Are records retained for as long as they are needed?	<p>Records are retained indefinitely as part of the members records set up on Altair.</p> <p>A number of old record cards had recently been discovered in archiving so are being scanned into the system to make records easier to find (though to link them to individual member records would be significantly time consuming so that is not being carried out). All paper records and microfiche had previously been added to the systems at the time of the last review.</p> <p>Cashflow records (contributions and benefit payments) are also kept indefinitely (on Altair for individual member cashflows and on the payroll/cashflow systems).</p> <p>Given the long term nature of pensions and the possibility for queries arising many years after a member has left or died, this is considered a suitable approach.</p>	Ongoing	07/07/2021	Fully completed	Fully compliant		
F7	Does the Administering Authority have policies and processes to monitor data on an ongoing basis?	<p>NFI is completed each year and workflows established for any work produced via this route.</p> <p>Member information is also checked at the year-end when benefit statements are being produced i.e. CARE pay compared to previous years, and contributions are checked to see if paid in line with the CARE pay. Anything unreasonable in terms of data or data changes since last year are queried with the employer. If corrections are required, these are put onto member records immediately (it is done and checked by different staff). Reporting is carried out on quality under various categories on an ad hoc basis. The Pension Manager will add data review to the pensions dashboard which is produced by Altair then updated by the Pensions Manager. This dashboard is not given to PB but has been offered - this is a record of projects eg unprocessed leavers i.e. how much completed per month.</p> <p>Common and conditional data scroing has been carried out as at 31 March 2018 (scores of 95% each).</p> <p>The fund actuary is due to carry out pre-valuation data testing and is waiting for the administering authority to provide the data extracts.</p>	Annual	07/07/2021	Fully completed	Fully compliant		
F8	Does the Administering Authority carry out a data review at least annually?	<p>Active member data is reviewed for the benefit statements but other than that there is no annual check.</p> <p>The Fund will carry out common and conditional data scores on an annual basis now this is a requirement of the pensions regulator scheme return.</p> <p>Actuaries Aon carry out data validation at each triennial valuation, and are carrying out a validation exercise on March 2018 data to attempt to resolve queries before the 2019 valuation date.</p>	Triennial (annual for actives)	07/07/2021	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F9	Is a data improvement plan in place which is being monitored with a defined end date?	<p>There are various data improvement activities in place. There is a pensions dashboard which shows the progress of each administration - related project such as tracking all transfers in and out, (will be a delay for factors after November), In terms of dealing with employers. the team was moving towards a more interventionist approach for one employer to ensure better data, however, they have over the summer replaced many of their staff and there has been a noticeable improvement, although Enfield are keeping a close watch on this area.</p> <p>In terms of general improvements to data collection processes, -iconnect is also due to be rolled out to more employers as explained above.</p> <p>MSS is in place to help - actives can update some of their own addresses etc. MSS will be opened up to deferred and pensioners as well in due course. The Pensions Manager will be looking at usage statistics to inform where improvements could be made. There is comprehensive help online for members who are using this - benefit statements will be on here as well.</p> <p>The Pensions Manager is also monitoring statistics produced by Altair on work being carried out. There were lots of workflows which weren't being assigned to staff, but that has been sorted now and the system is more transparent. There isn't any improvement activities to improve data scores (common and conditional) or act on queries from valuation data testing.</p> <p>It is recognised the PB should be keeping annual eye on this dashboard/statistics and progress against agreed activities but the PB are quite new so this has not yet been requested. A short report to summarise work being done can be produced. See notes section for more detail.</p>	Ongoing	07/07/2021	Fully completed	Partially compliant	<p>A formal documented data improvement plan is not in place but the work carried out by the Pension Manager and the spreadsheets are useful documentation of the activities underway. It would be useful for a data improvement plan with a defined end date which also looks at wider improvements which can be made to improve likelihood of Fund meeting it's objectives to be created. A formal administration strategy should be in place in order to support this.</p> <p>SLAS are all different days and HR expectations different - The Pensions Manager will be improving them as part of data improvement activities and will be discussing with Board.</p>	<p>Formal administration strategy to set out objectives.</p> <p>Formal data improvement plan to document activities in dashboard and with a target timescale, so that progress can be easily monitored.</p> <p>Inclusion of wider range of improvement activities in plan - dashboard mainly focuses on completion of day to day admin tasks (albeit there are backlogs being resolved).</p>
F10	Are processes and policies in place to reconcile scheme data with employer data?	<p>Reconciliations are on a continual process until the team is satisfied they have reached a level that the Pensions Manager is happy with.</p> <p>The Senior Finance Officer highlights where there are unusual changes month on month and where information doesn't tie up to contributions paid, and this is passed to the team to investigate with the employer on a monthly basis.</p> <p>Employers who submit returns in excel sheet include details like changes to membership (and addresses etc) which are automatically updated using I-connect or manually changed if I-connect not used. A small number of employers still send in paper records - and these are manual entries by the team e.g. for change of address or hours - these changes are not checked.</p> <p>Some examples of upcoming areas to be looked at in more detail include -</p> <ul style="list-style-type: none"> a) Marital status review - any missing b) CARE reconciliation - that every active member has CARE upto 30/09/2018 c) currently working on frozen refunds review to ensure none have missed the automatic linking to active records <p>A report can be run in Altair to give the people upcoming for retirement - the team keep an eye on unprocessed leavers as they come through as well.</p> <p>There is a new systems team to carry out things like projects, running reports like this. Altair recent upgrades make it easy to identify those nearing retirement. This report is carried out 2 times a year. Heywoods came to deliver training for Enfield staff a few weeks ago on the upgrades.</p>	Ongoing	07/07/2021	Fully completed	Fully compliant		Ensure any manual entry into member records is checked by another member of staff, where incorrect entries could affect the amount of member's benefits or ability to pay benefits on time.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F11	Do the Administering Authority's member data processes meet the requirements of the Data Protection Act 1998 and the data protection principles, and the new requirements of GDPR (from 25 May 2018)?	All Enfield Council staff undertook a very comprehensive online training session that required the staff member to pass to ensure they were signed off as GDPR compliant. Egress system is compliant with data protection requirements.	Ongoing	07/07/2021	Fully completed	Fully compliant		

G - Maintaining contributions

Legal requirements

Contributions must be paid as detailed below, and where not done, they should be reported to TPR in circumstances where the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to TPR in the exercise of any of its functions. Reporting must be carried out as detailed below.

Contribution Type	Contributions must be paid	When a failure should be
Employer	On or before the due date as defined by the scheme regulations	To The Regulator: As soon as reasonably practicable
Employee	Paid within the prescribed period (19 th day of the month, or 22 nd day if paid electronically) or earlier date if required by the scheme regulations	Regulator: Within a reasonable period – 10 working days

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G1	Does the Fund have procedures and processes in place to identify payment failures?	<p>There are processes which are followed on a monthly and annual basis, based on a spreadsheet. This is explained below.</p> <p>The key person involved with this process has minimised the risk involved as they have produced a comprehensive guide and instructions for this checking proces, and the spreadsheet formulae etc from previous months would serve as a useful guide if someone were spreadsheet-proficient.</p>	Annual	07/07/2021	Fully completed	Fully compliant		
G2	Do those processes and procedures include a contributions monitoring record to determine whether contributions are paid on time and in full?	<p>The Senior Finance Officer's spreadsheet sets out what payments are expected for each employer each month based on rates in R&A certificate and previous month's payment. The Senior Finance Officer will compare month on month to see if they are paying what they are expected to. In doing this, she will check member numbers and if there has been a big jump it can justify a big contribution difference.</p> <p>The processes are all documented in a comprehensive procedure note with screenshots.</p>	Annual	07/07/2021	Fully completed	Fully compliant	Late payments are shown in annual report.	

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G3	Do these processes and procedures include monitoring payments against the contributions monitoring record on an ongoing basis?	<p>The payroll (SAP) information on what has been received is held in separate tab, and matched to each employer for comparison. This is broken down by Scheduled Bodies, Admitted Bodies (which helps as size and materiality differs between these groups, and both employee and employer contributions are split out.</p> <p>Discrepancies are investigated by looking at member numbers, employer submissions, and by contacting employers if a reason can't be found.</p> <p>No process is currently in place in relation to reconciling AVC payments with contributions record. This should be discussed with Prudential representative to ensure required information is provided.</p>	Ongoing	07/07/2021	Fully completed	Fully compliant		Consider how AVC contributions could be checked and monitored.
G4	Are these procedures regularly reviewed to ensure they are effective?	Audited at end of year and mid year audit last year.	Annual	07/07/2021	Fully completed	Fully compliant		Processes are not formally documented. Administration policy/strategy should be drafted which will be subject to regular review, as well as the reporting under the requirements set out within the policy.
G5	Do the Administering Authority's processes include managing overdue contributions in line with TPR's suggested approach?	<p>There are no employers who are continual offenders where any significant action would be required.</p> <p>The Senior Finance Officer/HoFPI will identify payments if outside of 19 day statutory period. When a payment issue is identified they are split out in a separate spreadsheet and the employer contacted promptly to alert them to the payment failure, find the cause and circumstances and to seek to resolve the overdue payment. Any late payments are typically due to new staff or technology changes at the employer.</p> <p>If it a minor breach which is subsequently quickly paid it is not reported to TPR (just recorded), but if persistent will raise with employer to try to resolve.</p> <p>Any late payments are reported in the report and accounts.</p>	Ongoing	07/07/2021	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G6	Does the Fund maintain a record of any investigations and communications with employers?	The Senior Finance Officer provided evidence of all email communications filed, which includes monthly/annual submissions of member and contributions information, as well as any investigation correspondence.	Ongoing	07/07/2021	Fully completed	Fully compliant		
G7	Do employers provide sufficient information to monitor contributions and is this in accordance with the LGPS regulations?	Generally the employers do provide what's needed unless one-off occasions e.g due to personnel changes at employers - all current employer payroll providers can do this. I-connect has been implemented which means monthly submissions for the majority of employers. Missing information will be raised with employers immediately following the return as Altair will require it.	Ongoing	07/07/2021	Fully completed	Fully compliant		
G8	Is there a satisfactory process in place to assess the materiality of any payment failures and ensure that those which are material are reported to the Regulator within a reasonable period?	Yes - The Senior Finance Officer bears in mind the size of the employer and the payment (see above) - some employers are very small. So far no failures have been material to the Regulator, and have been resolved by the next month's payment so not a cause for concern. Processes should be documented so that it can be evidenced to the Regulator if ever required. Breaches are shown in the spreadsheet records kept, a separate breaches log. Failures are reported in the annual report and accounts. Since none have been considered serious/material employers have not been named.	Ongoing	07/07/2021	Fully completed	Fully compliant		
G9	If the administration of contributions outsourced to a service provider, is there a process in place to obtain regular information on the payment of contributions to the scheme?	N/A Except for AVCs, where contribution information is passed directly to Prudential from employers and admin team do not reconcile payroll with AVCs paid. This is something to be considered to increase confidence in the contributions paid and ultimate benefits settled via AVCs. Prudential do provide an annual spreadsheet with contributions for each member so this could be checked against expectations and finance systems to ensure correct.	n/a	n/a	Fully completed	Partially compliant	Not outsourced other than AVCs	Put in place improved monitoring for AVCs

H - Providing information to members and others

Legal requirements

The law requires schemes to disclose information about benefits and scheme administration to scheme members and others. This includes requirements relating to benefit statements and certain other information which must be provided under the requirements of the 2013 Act, HM Treasury directions and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 ('the Disclosure Regulations 2013'). In addition to these duties, there are other legal requirements relating to the provision of information to members and others under other legislation.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H1	Has an annual benefit statement been provided to all active members within the required timescales?	97.5% of ABS were issued for Actives were sent by the deadline of 31 August.	Annual	Jul-21	Fully completed	Partially compliant	Only partially compliant as was not 100%, but this was largely out of the control of the Administering Authority. No cause for concern.	
H2	Do these meet the legal requirements in relation to format?	The active benefit statements have been provided and compared with the HMT Directions (i.e. the Disclosure Regulations) and they are compliant other than the following pieces of information which are not included: <ul style="list-style-type: none"> - Date of starting pensionable service - Summary of the method used for calculating member and survivor benefits (there is a breakdown of the annual CARE calculation but this is missing for any final salary elements). This was also noted as being omitted at the last TPR Compliance review. - It's not clear how any deductions e.g. for pension debits or scheme pays debits would be shown on the statement if they were to apply. 	TBC - At least each time TPR Compliance is reviewed	Oct-18	Fully completed	Partially compliant		We recommend including the following information to make the statements compliant: <ul style="list-style-type: none"> - Date of starting pensionable service - Summary of the method used for calculating member and survivor benefits (e.g. including the member's final salary and the pre 08 and pre 14 accrual rates). The explanation could be in additional explanatory notes to support the statement figures if the desire is to keep the statement simple. - Any deductions e.g. for pension debits or scheme pays debits would be shown on the statement if they were to apply. It may be necessary to use a different statement for those with any deductions as would need more explanation.
H3	Has a benefit statement been provided to all active, deferred and pension credit members who have requested one within the required timescales?	For deferred members where an address was held, 100% were issued by end of June 2018 (i.e. by LGPS deadline). Enfield have confirmed that they are compliant in this area for other membership categories where there has been a request. There are no KPI statistics as evidence to confirm this is the case.	Ongoing	01/06/2018	Fully completed	Fully compliant	Enfield Council to confirm these statements include the required information about the amount of benefits by reference to a particular date and how they are calculated. Alternatively, example statements for these cases can be provided for evidence.	We suggest that KPI/SLA statistics are held on whether benefit statements following a request by an active, deferred or pension credit member are provided no more than two months after the date the request is made.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H4	Does this meet the legal requirements in relation to format?	The deferred benefit statements have been provided and compared with the HMT Directions (i.e. the Disclosure Regulations) and they are compliant other than the following pieces of information which are not included: - Date of starting pensionable service - Summary of the method used for calculating member and survivor benefits. This was also noted as being omitted at the last TPR Compliance review. - It's not clear how any deductions e.g. for pension debits or scheme pays debits would be shown on the statement if they were to apply. - The amount of the member's pensionable remuneration on the date pensionable service ended (CARE and Final Salary definition).	TBC - At least each time TPR Compliance is reviewed	01/10/2018	Fully completed	Partially compliant	We have not seen evidence of a statement for a pension credit member.	We recommend including the following information to make the statements compliant: - Date of starting pensionable service - Summary of the method used for calculating member and survivor benefits (e.g. including the member's final salary and the pre 08 and pre 14 accrual rates). The explanation could be in additional explanatory notes to support the statement figures if the desire is to keep the statement simple. - Amount of pensionable remuneration on date of leaving (CARE and final salary) - Any deductions e.g. for pension debits or scheme pays debits would be shown on the statement if they were to apply. It may be necessary to use a different statement for those with any deductions as would need more explanation.
H5	Has an annual benefit statement been provided to all members with AVCs within the required timescales?	Prudential issued statements in May. These are sent directly to the member by the Prudential.	Annual	01/05/2018	Fully completed	Fully compliant		
H6	Do these meet the legal requirements in relation to format?	Aon has not seen statements from the Enfield Fund for 2018, but has seen example statements from Prudential for other LGPS Funds from previous years (the format is the same across LGPS Clients for Prudential) and they were complaint, so we are confident that these are likely to still be compliant.	Annual	01/05/2018	In progress	Fully compliant	While Prudential manage the AVCs in terms of administration, it is important for the Administering Authority to recognise that it is still their responsibility to ensure the AVCs are managed in line with the LGPS Regulations and other legal requirements. It is known that Prudential are reducing the level of communications for members relating to AVCs.	In future years make sure that appropriate levels of member information is provided to those who have AVCs.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H7	Is basic scheme information provided to all new and prospective members within the required timescales?	<p>For Enfield staff, scheme information is issued by HR as part of their new joiner pack, which includes a new starter form, nomination form. Member can ask for various forms, and will be directed to the website for these. Other individual employers have been instructed to provide same info as HR to new staff.</p> <p>Once a new starter is in the fund the Employer is meant to send member information to the Council. If the Fund doesn't receive the required information Enfield then sends a pack to members once SAP identifies that there is a new joiner with no information received. This pack includes a form to complete, with an expression of wish form, and mentions that a pensions/LGPS guide is available on request.</p> <p>It is recognised that the process needs improvement to ensure members are fully informed within the required timescales, and to prevent duplication. This matter has recently discussed at a HR/Pensions meeting at Enfield Council, as part of a full review of processes between departments. Sometimes info is passed to the pensions team that isn't needed which causes GDPR issues.</p> <p>The timescales of sending information to members and setting them up is monitored using the Heywoods task management system (the example provided shown none outside of required timescales), - the workflow system records dates of tasks so can identify late responses, and use of automation via I-connect is ensuring new members are identified quickly. This means responses within required timescales could be reported on if required - the team can prioritise cases by deadlines.</p>	Annual	01/10/2018	Fully completed	Fully compliant	Enfield Council has limited control over what employers send prospective members but they are all provided with the new starter information to provide and there is sufficient information on the Fund website.	<p>The Pension Manager also wants to send Heywoods statutory notice to new joiners which gives more information e.g. if someone transfers in. In addition he has said that some documents are out of date so need updating.</p> <p>Ensure requirements met as action of the current review of processes with HR.</p> <p>Monitor legal disclosure timescales as part of formal KPI/SLA monitoring.</p>
H8	Does this meet the legal requirements in relation to format?	We have been provided with a sample document which is a guide to the LGPS and some attached forms, which is provided to members on joining.	annual	Around 2014/2015 based on contribution table.	Fully completed	Partially compliant		Update the guide provided to members.
H9	Is all other information provided in accordance with the legal timescales?	<p>We have not been able to gather the full evidence to guarantee the Fund is fully compliant in this area.</p> <p>There is monitoring of internal SLAs on timescales but these may not be the same as the legal timescales. The dashboard shows that target timescales are missed in some cases (transfers, retirements, and a significant amount of leavers) although this may often be out of the Administering Authority's control.</p> <p>Changes to the scheme are set out in communications which accompany the ABS as this is the best way of targeting members.</p>	Ongoing	01/10/2018	Fully completed	Partially compliant	<p>Enfield Council to confirm that when information is provided to members/beneficiaries on death, receipt of transfer credits, and in relation to AVCs etc., the requirements of the Disclosure Regulations 2013 are complied with. These requirements are set out in a separate tab as a checklist to complete.</p> <p>Enfield Council to confirm how compliance is monitored on a regular basis. Please provide details of how this is reported, e.g. to the PPIC and/or pensions board.</p>	

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H10	Is all other information provided in the format and methods required by law?	We haven't seen evidence of the information Prudential provide but based on previous experience we are confident they are meeting the requirements. While we haven't been able to gather evidence of all possible communications we are confident the requirements are being met.	Ongoing	01/10/2018	Fully completed	Fully compliant		
H11	Where any information is only provided electronically (i.e. instead of any hard copy) does it comply with the legal requirements?	Only pensioner payslips are provided electronically, and only for members who have not opted out. The requirements set out have been complied with.	Each time TPR compliance reviewed	01/10/2018	Fully completed	Fully compliant		
H12	Does the Administering Authority aim to design and deliver communications in a way that ensures scheme members are able to engage with their pension provision?	This work will be for the newly created systems team but there has not been much focus on this to date in the existing pensions team. There are no statistics gathered on the use of the member website but staff do act on ABS feedback received. Nomination forms and MSS has driven a lot of the feedback. Spikes in email communications are investigated and acted upon. Also, the Enfield design team haven't been involved in the ABS design. A planned rebranding to match the investment information is going to be undertaken by the Head of Exchequer Services.	Annual based on ABS feedback	01/10/2018	Fully completed	Partially compliant		Carry out review and updating of communications including ABS.
H13	Does the Administering Authority use a tracing service?	NFI is completed each year for all scheme members, but differences arise with abatements across London Funds. Individual DWP tracing has been used for pensioners when a "gone away" notification is received. This is more difficult to monitor for emails, but if no reply is received, it's marked as a gone away. A tender exercise is planned for a one off tracing exercise. Assuming this goes ahead we have marked this as compliant.	Ongoing for gone-always and one off tracing at intervals i.e. every 3 years	01/10/2018	Fully completed	Fully compliant		Ensure tracing exercise is carried out as planned

I - Internal Dispute Resolution

Legal requirements

The Pensions Act 1995 requires scheme managers to set up and implement an Internal Dispute Resolution Procedure (IDRP) to help resolve disputes between the scheme manager and people with an interest in the scheme.

The act states that a person has an interest in the scheme if they:

- are a member or beneficiary
- are a prospective member
- have ceased to be a member, beneficiary or prospective member
- claim to be any of the above and the dispute relates to this claim.

The Act also states that the procedure must include:

- how an application is to be made
- what must be included in an application
- how decisions are to be reached and notified
- a specified period (which is reasonable) within which applications must be made.

The procedure may require people with an interest in the scheme to first refer matters in dispute to a 'specified person' in order for that person to consider and give their decision on those matters. This decision may then be confirmed or replaced by the decision taken by the scheme manager after reconsideration of the matters. However, legislation provides flexibility for scheme managers to decide the details of these.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
I1	Has the Administering Authority put in place an internal dispute resolution procedure?	The IDRP policy is in place and is available to Enfield Council staff through the staff intranet. However it is not available on the fund website for members who are employees of other employers.	Not specified in IDRP	01/10/2018	Fully completed	Fully compliant		
I2	Does the Administering Authority's process highlight or consider whether a dispute is exempt?		Not specified in IDRP	31/07/2021	Fully completed	Fully compliant		
I3	Does the information made available to applicants about the procedure clearly state the procedure and process to apply for a dispute to be resolved including: - who it applies to - who the specified person (stage 1) is - the timescales for making applications - who to contact with a dispute - the information that an applicant must include - the process by which decisions are reached?	The IDRP leaflet includes the details of the process to be followed and the information required by way of a form to complete. The procedure references a "nominated person" for stage 1, but does not set out who this is (although a generic contact address setting out who to send disputes to is provided). Time limits for when applications must be made are set out at the end of the document. A brief explanation that discretionary decisions will be reconsidered and what happens if the nominated person disagrees with the initial decision in stage 1 is included, but no details on stage 2 process is included other than it will be considered by an independent person to stage 1.	Not specified in IDRP	01/10/2018	Fully completed	Partially compliant		Consider including details of who the "nominated person" for stage 1 is. Consider also adding more details on the process for how stage 1 and stage 2 decisions are made.
I4	Has the Administering Authority ensured that employers who make first stage decisions also have IDRP in place?	Employers do not have their own appointed person - this is all carried out by Enfield Council. The pensions team deal with the case and then pass to Head of Exchequer Services to review. All employers have it documented where they follow the Administering Authority's policy.	Not specified in IDRP	01/10/2018	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
15	Are the timescales in the procedure adhered to including sending an acknowledgment on receipt of an application?	<p>The timescales for response are not included in the IDRPs.</p> <p>The Fund does not have many complaints, so it is easy to monitor the timescales taken for each case. The Head of Exchequer Services and Pensions Manager monitor the timescales for cases and get in touch with the members if investigations or decisions take longer than expected.</p> <p>There is also a central complaints team at Enfield Council who keep a log of complaint cases, and they will also follow up when it is getting close to deadlines to ensure requirements met where possible.</p> <p>An acknowledgement is sent upon receipt of an application and members are told of the timescales in these communications (though not in IDRPs document).</p>	Not specified in IDRPs	01/10/2018	Fully completed	Fully compliant		Suggest formal monitoring or reporting to PB (or PPIC) on IDRPs processes/performance including whether timescales met.
16	Does the Administering Authority notify and advertise the procedure appropriately?	<p>IDRP guide and form is provided when a decision is taken about a member's benefits and they are written to set out the decision, and when a member complaint is received, with a covering letter.</p> <p>However the IDRPs is not held separately on the member website where the other useful forms and guides are held.</p> <p>It is explained in the new member guide which is on the website: https://new.enfield.gov.uk/pensions/wp-content/uploads/2017/02/LGPS-guide.pdf</p>	Not specified in IDRPs	01/10/2018	Fully completed	Partially compliant		Include IDRPs as separate document on member website
17	Are the notification requirements in relation to TPAS and the Pensions Ombudsman being adhered to?	<p>Included in letters in initial stages and in decision letter. Notifications always include information about TPAS/PO in the decision letter.</p> <p>Information on TPAS and PO are also given in the IDRPs leaflet.</p> <p>However, the wording should have changed slightly as the disputes team at TPAS is now at the Ombudsman - the IDRPs and example letters we have seen have not been updated to reflect this.</p>	Not specified in IDRPs	01/10/2018	Fully completed	Fully compliant		Update the wording to reflect the fact that the TPAS disputes team is now (from April 18) at the Ombudsman.
18	Does the Administering Authority regularly assess the effectiveness of its arrangements?		Not reviewed	n/a	Fully completed	Fully compliant		
19	Does the Administering Authority regularly assess the effectiveness where employers carry out a stage one process?	Administering Authority doesn't look at stage 1 cases which don't make it to stage 2. Mainly relevant to ill-health cases where only review would be to see if they met requirements.	n/a	n/a	Fully completed	Fully compliant		

J - Reporting breaches of the law

Legal Requirements

Certain people are required to report breaches of the law to the regulator where they have reasonable cause to believe that:

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with
- the failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions.

People who are subject to the reporting requirement ('reporters') for public service pension schemes are:

- scheme managers
- members of pension boards
- any person who is otherwise involved in the administration of a public service pension scheme
- employers: in the case of a multi-employer scheme, any participating employer who becomes aware of a breach should consider their statutory duty to report, regardless of whether the breach relates to, or affects, members who are its employees or those of other employers
- professional advisers including auditors, actuaries, legal advisers and fund managers: not all public service pension schemes are subject to the same legal requirements to appoint professional advisers, but nonetheless the regulator expects that all schemes will have professional advisers, either resulting from other legal requirements or simply as a matter of practice
- any person who is otherwise involved in advising the managers of the scheme in relation to the scheme.

The report must be made in writing as soon as reasonably practicable.

No.	TPR Requirement	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
J1	Is the Administering Authority satisfied that those responsible for reporting breaches under the legal requirements and TPR guidance understand the requirements?	It is expected that those responsible are aware of their responsibilities as training has been provided in induction sessions members have attended.	When new members are appointed.	07/07/2021	Fully completed	Fully compliant		
J2	Does the Administering Authority have appropriate procedures in place to meet their legal obligations for identifying and assessing breaches?	The Pensions Manager escalates any issues to Head of Exchequer Services. The administration team raises any areas of concern (e.g. at checker level) with the Pensions Manager. Where things are raised at checking level that typically means a breach is avoided. Processes for monitoring contributions are in place (though could be more formally documented) and there are also processes in place for checking member benefit calculations and completing benefit statements, and staff are aware of how to raise and escalate any issues that arise. Advice is sought from legal and actuarial advisers where required. The procedures have been formalised in a procedure policy.	Annual	07/07/2021	Fully completed	Fully compliant		
J3	Are breaches being recorded in accordance with the agreed procedures?	There is a formal procedure and log for recording breaches of the law.	Annual	07/07/2021	Fully completed	Fully compliant		

K - Scheme Advisory Board - Guidance on the creation and operation of Local Pension Boards in England and Wales

Legal Requirements

Clause 7 of the Public Service Pensions Act provides that the national Scheme Advisory Board (SAB) may provide advice to scheme managers or pension boards in relation to the effective and efficient administration and management of the scheme.

It also provides that a person to whom advice is given by virtue of subsection (1) or (2) must have regard to the advice.

The Scheme Advisory Board has published guidance on the creation and operation of Local Pension Boards in England and Wales which incorporates a number of action point check lists at the end of some of the sections. The following are the items in those checklists.

No.	SAB Requirement	SAB Section	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
K1	Administering Authority to have approved the establishment (including Terms of Reference) of the Local Pension Board by 1 April 2015.	5	Approved March 2015 by full Council	One - off at commencement	n/a	Fully completed	Fully compliant		
K2	The Local Pension Board must be operational (i.e. had its first meeting no later than 4 months after the 1 April 2015).	5	The first meeting was held on 31 July 2015 (with 3 subsequent meetings per annum since then)	One - off at commencement	n/a	Fully completed	Fully compliant		
K3	Once established a Local Pension Board should adopt a knowledge and understanding policy and framework (possibly in conjunction with the Pensions Committee if appropriate).	6	There is a training policy which covers PB and PPIC, for which FMPT has responsibility, this sets out knowledge and understanding requirements in line with TPR requirements and is based on CIPFA requirements	Not specified	07/07/2021	Fully completed	Fully compliant		
K4	A Local Pension Board should designate a person to take responsibility for ensuring that the knowledge and understanding policy and framework is developed and implemented.	6	FMPT has responsibility	Annual	07/07/2021	Fully completed	Fully compliant		
K5	The Administering Authority should offer access to high quality induction training and provide relevant ongoing training to the appointed members of the Local Pension Board.	6	This is in place - see section B for details	Ongoing - in each meeting and business planning.	07/07/2021	Fully completed	Fully compliant		
K6	A Local Pension Board should prepare (and keep updated) a list of the core documents recording policy about the administration of the Fund and make the list and documents (as well as the rules of the LGPS) accessible to its members.	6	This is set out in the policy. In addition, the HoFPI has gone through with the PB members at their meeting and explained the key documents (main focus was on the accounts which includes many key documents within it).	Not specified	07/07/2021	Fully completed	Fully compliant		
K7	Members of a Local Pension Board should undertake a personal training needs analysis and put in place a personalised training plan.	6	There are not individual needs assessments but the training needs of the Group are identified in Business Planning so that the training is delivered before the item is in consideration by PPIC or PB. FMPT meets with new Chair and Deputy to explain requirements and can establish if any knowledge needed.	When new PB members join	07/07/2021	Fully completed	Fully compliant		

No.	SAB Requirement	SAB Section	London Borough of Enfield Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
K8	An Administering Authority should prepare a code of conduct and a conflicts policy for its Local Pension Board for approval in accordance with the Administering Authority's constitution and at the first meeting of the Local Pension Board. The Local Pension Board should keep these under regular review.	7	There is policy in place	Annual	07/07/2021	Fully completed	Fully compliant		
K9	Training should be arranged for officers and members of a Local Pension Board on conduct and conflicts.	7	Yes - see sections B and C	When new PB members join	07/07/2021	Fully completed	Fully compliant		
K10	A Local Pension Board should establish and maintain a register of interests for its members.	7	The interests are held on the Council website (there are no declarations on the site for the PB but there is a site location for them). The meeting minutes are a formal record of interests which are declared at each meeting and a register is kept.	Quarterly	07/07/2021	Fully completed	Fully compliant		
K11	An Administering Authority should agree the ongoing reporting arrangements between the Local Pension Board and the Administering Authority.	8	Not formally set up currently. FMPT will draft the report annually, PB chair to finalise and this will then go in report and accounts. TOR states that an annual report on the work of the Board will be included in the Fund's annual report.	annual	n/a	Fully completed	Partially compliant		Annual report to be produced
K12	A Local Pension Board should understand the Administering Authority's requirements, controls and policies for FOIA compliance so that the Local Pension Board is aware of them and can comply with them.	8	Not completed. All FOI's go through the Council's Complaints team and all over due answers are reviewed.	n/a	01/10/2018	Fully completed	Partially compliant		Report to PB on FOI compliance
K13	A Local Pension Board should put in place arrangements to meet the duty of its members to report breaches of law.	8	There are formal policies or procedures, specifically for PB or PPIC.	Annual	07/07/2021	Fully completed	Fully compliant		
K14	A Local Pension Board should consider (with its Administering Authority) the need to publish an annual report of its activities.	8	Not in place, but to be implemented. See K11	n/a	n/a	Fully completed	Partially compliant		
K15	An Administering Authority should consult on, revise and publish its governance compliance statement to include details of the terms, structure and operational procedures relating to its Local Pension Board.	8	The published governance compliance statement includes the details required in relation to the LPB.	Annual	31/03/2018	Fully completed	Fully compliant		

London Borough of Enfield

ENFIELD PENSION BOARD

Meeting Date: 08 September 2021

Subject: Enfield Pension Fund Responsible Investments

Cabinet Member: Cllr Maguire

Executive Director: Fay Hammond

Key Decision: []

Purpose of Report

1. This report introduces Enfield Pension Fund Responsible Investment Policy and it also sets out the Fund's proposed approach in setting the Net Zero goal within the context of a sustainable and responsible investment strategy.
2. The Committee must maintain its focus on the achievement of the investment returns required to meet its liabilities when they fall due. And to create an investment strategy which delivers the best financial return, commensurate with appropriate levels of risk, to ensure that the Fund can meet both its immediate and long term liabilities.

Proposal(s)

3. The Pension Board are recommended to:
 - a) Note the content of this report;
 - b) Note and Review the Approved Responsible Investment Policy attached as Appendix Z.
 - c) Note the assessment of the Fund's exposure to Fossil Fuels for quarter ending December 2020 and March 2021, named Appendix 2 and 1 respectively.

Reason for Proposal(s)

4. The Pension Policy and Investments Committee act in the role of quasi trustees for the Pension Fund and are therefore responsible for the management of £1.36 billion worth of assets and for ensuring the effective and efficient running of the Pension Fund. The management of the Fund's investment portfolio and the investment returns that the Fund is able to deliver have significant financial implications, not just for the Fund itself but also on the Fund's employers in terms of the level of contributions they are required to make to meet the Fund's statutory pension obligations.

5. The Fund recognises that investment in fossil fuels and the associated exposure to potential 'stranded assets' scenarios may pose material financial risks. These risks apply not only to the Fund's investment portfolio but also long term global economic growth.
6. The costs involved will very much depend on investment strategy decisions. Climate change risk will be integrated into the forthcoming new Investment Strategy Statement to ensure that it is considered as part of the Committee's asset allocation decisions, rather than in isolation.

Relevance to the Council's Corporate Plan

7. Good homes in well-connected neighbourhoods.
8. Build our Economy to create a thriving place.
9. Sustain Strong and healthy Communities.

Background

10. Responsible Investment (RI) is an approach that takes into account ESG factors and considers how the risks posed by the non-sustainability of companies invested in can impact the financial wellbeing of the Fund. Therefore, responsible investment is driven more by how sustainable factors can have financial consequences rather than ethical or moral implications which can be very subjective.
11. The Fund has a longstanding policy of supporting good corporate governance in the companies in which it invests. The Fund will also challenge companies who do not meet either the standards set by their peers or reasonable expectations as measured by best practice. The Fund's approach is part of its overall investment management arrangements and its active responsible investment framework. There are three main pillars to the framework: selection (of assets), stewardship (of assets), and transparency & disclosure.
12. The Committee committed and set a goal of making its investment portfolios net zero in terms of carbon emissions by 2030. This is a very aggressive time scale for action of this sort. The BT Pension Scheme which is considerably larger than Enfield Pension Fund has committed to a 2035 goal and other schemes are looking at or have committed to 2040 or 2050, in line with the Paris agreement.
13. Thus, Enfield Pension Fund is looking to move further and faster than its peers to net zero and must do so within the context of the pooling process which to some extent, particularly when looked at together with key elements of our investment beliefs, limits our flexibility.
14. Achieving Net Zero is a journey and the Committee's view in setting the 2030 goal was clearly that the journey needed to begin and be undertaken at pace. Accordingly, we will need to do a number of things at the same time rather than wait for the completion of one piece of work before beginning the next.

This is will be reflected in the Action Plan that will be brought to the next Committee meeting.

15. The road to Net Zero is not going to be a straight line, and while more precise targets will be developed when better data is available it is clear that progress is likely to be lumpy, with key strategic changes having a significant impact while the actions of investee companies contribute a steadier underlying positive trend in emissions. Therefore, it will be important to maintain focus on the end goal and the direction of travel rather than individual way points.

ESG obligations of LGPS administering authorities and Fiduciary Responsibility

16. LGPS regulations issued by DCLG in September 2016, requires Investment Strategies of LGPS funds to outline their policy on how ESG considerations are taken into account within investment decision making. This marked a shift in the LGPS as a whole.
 - **Regulation 7(2)(e)** requires funds to follow pertinent advice and act prudently when making investment decisions, “...a prudent approach to investment can be described as a duty to discharge statutory responsibilities with care, skill, prudence and diligence”. They must consider any factors that are financially material to the performance of their investments, including **ESG factors** contemplating the time horizon of the liabilities along with their approach to social investments.
 - **Regulation 7(2)(f)**, emphasises that “administering authorities are encouraged to consider the best way to engage with companies to promote their long-term success, either directly, in partnership with other investors or through their investment managers, and explain their **policy on stewardship** with reference to the Stewardship Code. “
 - *Administering authorities are strongly encouraged to either vote their shares directly or ask their fund managers to vote in line with their policy under the Regulation 7(2)(f) and to publish a report of **voting activities** as part of their pension fund annual report under Regulation 57 of the 2013 Regulations.*
17. The role of the Council as administering authority for the LBE is to maintain, administer and invest the funds and to this end powers have been delegated to the to the Pension Policy and Investment Committee (PPIC). The regulations do not impose any legal obligation on the Committee to take ESG considerations into account. The PPIC acting in a quasi-trustee capacity have to act in a fiduciary manner meaning that they have to act in the best financial interest of the und.
18. According to legal advice obtained by the LGPS Scheme Advisory Board (SAB) and summarised on the SAB website, funds can take ESG factors into consideration provided that pension fund members do not suffer significant financial loss.

19. London Borough of Enfield (LBE) Pension Fund (the Pension Fund) is committed to be a responsible investor and a long-term steward of the assets in which it invests. The Fund has a fiduciary duty to act in the best interests of its beneficiaries and this extends to making a positive contribution to the long-term sustainability of the global environment.
20. The Fund maintains a policy of non-interference with the day-to-day decision making of the investment managers. The Committee believes that this is the most efficient approach whilst ensuring the implementation of policy by each manager is consistent with current best practice and the appropriate disclosure and reporting of actions.
21. There are a wide range of ESG issues, with none greater currently than climate change and carbon reduction. The Pension Fund recognises climate change as the biggest threat to global sustainability alongside its administering authority employer, Enfield Council, which has committed itself to achieving carbon neutrality by 2030.
22. Members of the Pension Fund place their trust in the Pension Fund Committee who hold a fiduciary duty to act in the members' best interests and ensure that their pension benefits are fully honoured in retirement. For this reason, as well as targeting investment returns that match the pension liabilities, the Committee is committed to managing the investment risks: the risks that pose a substantial threat to LGPS members' long-term future.

Engagement

23. The Fund's strategy is to engage with its investee companies and other key stakeholders through partnerships and on its own. The Fund aims to protect and increase shareholder value by engaging on a range of financially material ESG investment factors.
24. A significant part of the Fund's engagement programme is implemented through partnerships including the Principles for Responsible Investment (PRI), the Local Authority Pension Fund Forum (LAPFF), the Institutional Investors Group on Climate Change (IIGCC) and through working with the Fund's investment pool operator (London CIV).

Voting

25. Equity share ownership in the majority of companies gives investors the right to vote and the LBEPF can use their vote to influence company behaviour. LBEPF has delegated voting to asset managers. The managers the Fund has appointed engage with companies on ESG issues and have detailed voting policies which set out how they will vote. The Fund can also override this by issuing voting direction on advice from the LAPFF.
26. Some funds appoint stewardship firms who assist in formulating a voting policy for the Fund and vote the shares on behalf of the Fund in accordance with the policy. These additional services are likely to be a cost to the fund.

Data

27. Reliable ESG data is important to investors if they are to measure risk and reward of best practice in ESG by investee companies. The key to reliable data is that it should be independent, objective and publicly-sourced.
28. The Companies the Fund invested in usually have ESG scores which is an expression of all its ESG stance and other key factors. These scores can then be aggregated to establish a portfolio score. Numerous underlying factors are obtained from a range of data points. Data vendors are able to acquire and validate underlying ESG company data. ESG scores are one of the metrics used by fund managers to assess the sustainability of investee companies.
29. Data Vendors who provide this information for asset managers can also provide information for underlying Investors who want to acquire and ESG score across their whole portfolio. Obtaining an ESG score across all investments from all asset managers can allow investor to better understand their ESG risk by comparing the Fund's portfolio score to standard market ESG benchmarks.
30. Members are asked to consider whether this is a service they wish to subscribe to or explore further by receiving a presentation at a future meeting.

Climate Change and Fossil Fuel Divestment

31. Some of LAPFF's engagement includes meeting with Rio Tinto to discuss their climate change report in response to a shareholder issued resolutions they were involved in filing. They have also engaged with Shell and welcomed Shell's move to divest oil sands assets and continue to put pressure on Shell and other oil companies to migrate towards the lower carbon future that is fast approaching.
32. LGPS funds have continued to come under criticism for investing in controversial stocks such as oil, tobacco, alcohol producers, gambling firms, and payday lenders. Some local authority including Enfield Pension Fund, the London Boroughs of Islington, Haringey, Southwark and the Environment Agency have committed to reducing their exposure to carbon and some have gone on to state when they expect to be fully divested.
33. However, some LGPS funds have opted to retain their investments in companies with significant carbon footprints on the basis that being invested enables them to continue to lobby the companies to reduce their CO2 emissions. The LAPFF working with a group of other investors successfully lobbied Shell to concede to a number of demands on climate change by lodging a shareholder resolution. The cost of immediate divestment will be substantial based on the returns on some of the companies alleged to be ESG offenders.
34. The Pensions Regulator specifically references climate risk in its Defined Benefit investment guidance, stating that 'Most investments in pension schemes are long term and are therefore exposed to long-term financial risks.

These potentially include risks relating to factors such as climate change, unsustainable business practices, and unsound corporate governance. Despite the long-term nature of investments, these risks could be financially significant, both over the short and longer term'

Update on Moving Towards Low Carbon Investments and a Reduced Exposure Fossil Fuels

35. Members of the Pension Policy and Investment Committee began its in depth consideration of carbon exposure towards the end of 2019. Between October 2019 and February 2020, the Committee members held several strategy meetings to consider in detail the Fund's approach to investment in fossil fuels and management of the financial risks posed by climate change.
36. The recommendations approved at its September 2019 and February 2020 meetings are set out below:
- a) *Consider and approve moving all the Fund's passive equity exposure to track a Low Carbon Index Strategy;*
 - b) *Consider options for an initial active investment of approximately 5% of the Fund total assets in a sustainable or fossil fuel free global equity mandate and another 5% of the Fund total assets to be consider for a renewable energy/clean energy fund(s), given the right risk/return profile. Investment in such a fund would demonstrate the Fund's commitment to transition into low carbon economy;*
 - c) *Maintain the Fund's current engagement activities which the Local Authority Pension Fund Forum (LAPFF) carry out on behalf of the Fund;*
 - d) *Consider initiating a programme where the Fund could engage with investee companies (through its managers, the London CIV or possibly directly) on ESG issues;*
 - e) *Following the result of the carbon risk audit carried out by Trucost using the Fund valuation position as at 30th September 2019, to consider setting 2 year and 5 year targets to reduce the carbon footprint of the Fund; and*
 - f) *Agree to monitor carbon risk annually by using a specialist contractor to conduct and assess the progress being made against the Fund's target to reduce the exposure to future CO2 emissions.*
37. The Committee agreed to move the 15% passive equity portfolios into a Morgan Stanley Composite Index (MSCI) Low Carbon index-tracking target strategy which aims to reduce the carbon exposure of the allocation by some 70%, relative to the broad market index, whilst still expecting to perform broadly in line with the wider market over the long term. This work was completed March 2021.

38. The Fund undertook its first carbon risk audit towards the end of 2019, following the recommendation made at the November 2019 meeting to commission a carbon footprint report for the Fund. This analysis was carried out by Trucost, using the end of September 2019 assets data and this audit assessed not only the carbon footprint of the Fund's equity portfolio, but also its exposure to future emissions through fossil fuel reserves.
39. After careful consideration of how carbon risk could best be reduced within the investment management framework in which LGPS funds operate, an appropriate way forward was deemed to be to set a quantifiable, time-bound target for a reduction in the Fund's exposure to future fossil fuel emissions.
40. At Committee meeting in March the Committee were asked to include within the Fund's Responsible Investment Policy Framework a commitment to making its investment portfolios net zero in terms of carbon emissions by 2030. In doing the Committee agreed to work on a plan (Net Zero Action Plan) for achieving this goal, this plan will be presented for their consideration at their November meeting.
41. This Action Plan will be developed using the Institutional Investors' Group on Climate Change (IIGCC) Net Zero Investment Framework. As this recognises that there can be no "one size fits all" route to net zero, investors like LBEPF need to focus on maximising efforts that achieve decarbonisation in the real economy. This requires a comprehensive investment strategy led approach supported by concrete targets (at portfolio and asset class level) combined with smart capital allocation and engagement and advocacy activity. Such a strategy led approach must not just deliver emissions reductions, but also increase investment in the climate solutions which we need to achieve net zero. This approach will reduce the exposure of Enfield Pension Fund's investment portfolios to climate risk while increasing their exposure to climate opportunity, thus providing greater long term protection for our scheme members' savings.
42. All of this does, of course, need to be seen in the context of the Fund participation as one of 32 funds within the London CIV pool that will need to work with and gain the co-operation of the other partners and the operating company in order to achieve our goal.
43. The Fund will embrace and report in line with the requirements of the Task Force on Climate Related Financial Disclosure. The Fund will also consider presenting, the progress in achieving net zero in the Annual report.
44. The Net Zero Action Plan will start with the Fund's beliefs, it will provide the framework within which the Fund will develop objectives which will lead to us taking actions, which will lead to outcomes and consequently which we will then review to see whether we have achieved the Fund's objectives, and so the cycle goes on.
45. In making any decisions in relation to any of the stages of this cycle it is important to remember that the Committee is required by the LGPS Investment Regulations to ensure that it has taken proper advice. In most

cases this will be provided by a combination of officers, Investment Consultant and the independent investment adviser, but in this area, there is likely to be a requirement at various points for additional specialist advice. Given the requirement to pool which is placed on LGPS funds there is also a need to ensure that London CIV are engaged with the Committee on this journey.

46. Before putting in place a strategy to achieve the goal of net zero it is important to understand what the Committee meant by it and importantly how it will be measured. For example, what the Committee/Fund is seeking to achieve, is that the net level of carbon emissions from the holdings in the Fund's investment portfolio equals zero. This seems simple. However, there are several ways of defining carbon emissions and it is important that the Committee do have a clear understanding and which of the known elements/definitions we are using so that we can pull the right levers in order to achieve our goal.
47. The accepted standard for defining (and measuring) carbon emissions has "3 scopes" as follows:
 - i. **Scope 1** - Emissions are direct emissions from company-owned and controlled resources. In other words, emissions released to the atmosphere as a direct result of a set of activities, at a firm level.
 - ii. **Scope 2** - Emissions are indirect emissions from the generation of purchased energy, from a utility provider. In other words, all GHG emissions released in the atmosphere, from the consumption of purchased electricity, steam, heat and cooling.
 - iii. **Scope 3** - Emissions are all indirect emissions – not included in scope 2 – that occur in the value chain of the reporting company, including both upstream and downstream emissions. In other words, emissions that are linked to the company's operations.
48. Companies reporting in line with the requirements of the Task Force on Climate Related Financial Disclosure Standard (TCFD) must report on Scope 1 and 2 whereas reporting on Scope 3 is voluntary and as will be clear from the definition incredibly hard to measure with the significant risk of double counting as between direct producer and indirect consumer organisations.
49. The Financial Stability Board established the TCFD to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.
50. The data being reported by fund managers to Funds makes no distinction as to these different types of emission, and while a restricted definition might make a 2030 goal easier this is not practical and would leave the Enfield Pension Fund open to the accusation of avoiding the key issues in emissions reduction.

51. For the purpose of delivering the Authority's Net Zero Goal the following definition will be used:

“The Enfield Pension Fund’s goal is for the net carbon emissions from the totality of its investment portfolio to be zero by 2030.”

52. While concentrating on scope 1 and 2 emissions allows the Fund to set targets which are comprehensible and where data is likely to be available, this position will need to be kept under review as more data becomes available and the investment impacts of using specific measures becomes clear. Measurement and regulation are continually developing in this area and to a significant degree we are going to be trying to hit a moving target, particularly in the next few years when the pace of change in these areas is likely to be greatest.
53. It is also the case that the measures identified within these definitions are of necessity backward looking and so thought will need to be given to adding a more forward looking element to the definition to ensure that investment opportunity is not lost in too great a focus on backward looking data.

Setting Targets Objectives and Reporting

54. Measurement and reporting will be central to how we drive forward the changes that are required in order to achieve the net zero commitment. The detail of these will flow from some of the strategic work that Aon is currently being carried out and will be set out in the Net Zero Action Plan. Whereby a comprehensive baseline position will be established which enables us to understand how far we have to travel to achieve net zero.
55. In simple terms what we are seeking to do is to establish a set of steps to reduce carbon in each element of the portfolio over a given time. How this will be achieved for individual asset class is difficult. However, we need to be in a place to do that so that they can feed into the reviews of individual mandates and investment products as well as the overall review of the investment strategy.
56. The other key consideration here is that we are not the only investor in the products in which we are invested and while in terms of the London CIV we can seek to influence we cannot dictate. Nor are we able to simply switch into a carbon neutral fund because the pool does not offer one, and to do so would require a fundamental change in the Fund's longstanding investment approach (either in terms of active v passive management).
57. Setting targets alone is not enough. We need to be held accountable for our progress towards those targets, which means we need to report publicly on our progress towards the net zero goal and also on the specific steps we have taken towards that objective.

Asset Class Implementation

58. The products in which the Fund invests are all made up of very different sorts of asset which have different characteristics, therefore it is highly unlikely that one approach to implementing net zero will be applicable across such a wide range of assets ranging from infrastructure to private equity investments in tech start-ups, through traditional instruments such as shares and bonds.
59. The Net Zero Action Plan will look at each major asset class in turn and identifies an initial approach which will reflect the need to focus on the real economy and the practical issues associated with operating within the context of pooling, where the Fund is not wholly in charge of its own destiny. All of this also needs to be set within the context of the Fund's broader beliefs about how to do investment.
60. Specifically, the Fund believes in:
- Being an active investor – This means picking the best stocks to invest in using the skill of individual managers. However, our moderate risk appetite means that while we believe in active investment we invest in active products that maintain broad portfolios within a particular asset class and select the best companies in particular sectors as opposed to highly active products which would select both companies and sectors, and thus generate much more concentrated portfolios.
 - Being a global investor – This means that we will be exposed to investment in emerging economies such as China and India where the stage of development means that economic growth is sometimes being driven by companies in industries such as cement which are high emitters.
 - Engagement over divestment or exclusion – The Fund has long operated on the basis that it seeks to influence companies through engagement, this is part of being rooted in the real economy. However, this is a position that is likely to be challenged in some areas by the setting of such an aggressive timescale for achieving net zero.
61. As we progress along the road to net zero (and further along the pooling journey more generally) these beliefs about how to do investment are all likely to be challenged in different ways and the Fund will need to at some point to consider whether it continues to support each of these propositions or whether it needs to take a different approach. However, in doing so it will need to consider not just the achievement of the net zero objective but its primary responsibility which is to ensure that the pension fund is able to meet its liabilities.
62. The other contextual factor to be considered before looking at the approach in each asset class is the fact that the Fund (like all other LGPS Administering Authorities) is part of a pool and needs to secure the co-operation of the other shareholder funds within the London CIV in order to make progress where changes are required to investment products. While there is a broad consensus within the shareholder funds about the significance of climate risk there is, as yet, not a consensus over the means of addressing it, although

there does appear to be movement towards the idea of targets. Clearly this will significantly influence the pace at which the Enfield Fund can move.

63. **Listed equities** are the single largest asset class in which the Pension Fund is invested and in order to achieve LBEPF's proposed goal, on a straight line basis it will be necessary to reduce the contribution to aggregate emissions from these portfolios by at least 50% by 2025. This could be achieved in a number of ways depending on the outcomes of the review of the investment strategy, and on the views of other investors in the funds. For example, investing in Paris Aligned Funds with London CIV.
64. An important feature of investment in listed equities is the voting rights which are conferred on asset owners. The way in which the Fund, through the external managers and London CIV, chooses to exercise these voting rights has the potential to accelerate progress by companies towards net zero. For example, if the Fund worked with external managers and London CIV to adopt a voting guideline that says votes will be cast against the reappointment of board members where companies are not making progress towards net zero as assessed by the Transition Pathway Initiative (TPI). Once this position is established, it will be appropriate to review its impact and consider whether a further strengthening of the voting position would be helpful in achieving the net zero goal.
65. **Fixed Income** portfolio are managed by a mixture of external managers and London CIV just like equity portfolio, using a variety of performance targets against a benchmark index. The favoured investment styles within these products tend towards relatively low turnover approaches which seek the best credits to buy with little reference to the composition of the index.
66. Emissions data is less available within fixed income than in equity investment, although for corporate credits there is the ability to use the same underlying data for both types of investment. However, many of the credits included in these portfolios are from sovereigns or multi-lateral institutions (such as the European Investment Bank) where the calculation of emissions data is much more difficult. While it is possible to engage with corporate bond issuers in the same way as for equities this is not possible for sovereigns and multi-lateral institutions so the ability to influence behaviour is not present in the same way.
67. So the proposition is for Fund managers in this space do seek to engage with corporates in order to have an increasing issuance of "green bonds" both by corporates and governments which will begin to form part of portfolios where they meet the wider investment criteria, although currently the scale of issuance means that the supply of such bonds is currently not always great enough to be investable while yields are slightly lower than the market as a whole making them less attractive as an investment. These are issues which will be resolved through market forces over time.
68. However, at this stage until data is available we are to a great degree "flying blind" therefore the immediate actions alongside encouraging managers to both engage more actively and consider "green bonds" where they are

genuinely investable, are to gather relevant data so the baseline can be established which will allow a move to setting of targets although this will require the agreement of the other investors in the Blackrock and London CIV products.

69. Alternatives - While there are three asset classes within alternatives (Private Equity, Inflation protection and Infrastructure) these will, at this stage, be considered together.
70. The key initial issue here is the lack of data, which will need to address, to some extent. However, we cannot manufacture data where it does not exist and to some extent, we will be dependent on movement in market expectations driving fund managers to provide the data needed, including the implementation of some new legislation during 2021.
71. Regardless of the data issue, this asset class are the area where Net Zero provides the greatest opportunity. The Fund is currently considering allocations of 5% - 10% investments in renewables and other investments which support the transition (such as electric trains replacing more polluting diesels), and the low carbon transition is a clear investment theme within these portfolios. This will over time result in a build-up of assets with positive characteristics.
72. **The property portfolio** provides a number of opportunities in terms of the movement to Net Zero. Again, there is a lack of comprehensive data, and there are some challenges in undertaking alterations such as the addition of solar panels where the cost needs to be recovered through service charges, particularly in the current economic climate.
73. We can review options for switching some of the existing property mandate into a low carbon property fund.

Accurate Assessment of Exposure to Fossil Fuels

74. Divest Enfield did a press release using inaccurate data from a third party and their estimate of Enfield Pensions Fund's exposure to fossil fuels was overstated.
75. Divest's estimation of the Enfield Pension Fund's exposure to fossil fuels is incorrect and overstated and also ignores significant action taken by the Fund over the past year to reduce the exposure.
76. The value of exposure to fossil fuels used by Divest Enfield in their press release of 15 July originates from a third party (Carbon Underground 200) which was based on their own analysis of the world's largest 100 coal and oil and gas producers in the public global benchmark equity and bond indices, and assumed that Enfield Pension Fund has an identical exposure to these companies as the public benchmark (e.g. MSCI ACWI at 3.9%; Bloomberg Barclays Sterling Corporate Bond Index at 2.8%).
77. In other words, each of the Fund's mandates/portfolio has been assumed to have identical allocation to coal, oil and gas, based on public equity or bond market index exposure.

78. The true picture of the Fund's exposure is significantly lower and varies considerably at a mandate/portfolio level.
79. An investigation was performed by the Fund Investment consultant as at 31 December 2020, asking each of the managers to provide:
- ❖ A full breakdown of the Fund's exposure to oil, gas and coal, as the Enfield Pension Policy and Investment Committee was looking to establish the extent to which the Fund is invested in debt or equity of firms which produces, extracts or explores for oil, gas or coal as a material part of its business model;
 - ❖ The weights to specific companies making up this aggregate exposure, along with the names of the companies themselves; and
 - ❖ The geographic breakdown of this exposure.
80. Notably, each of the Fund's managers showed awareness of the importance of these issues to the Fund, and to UK pension funds in general. Each manager was open and transparent in their data provision.
81. As expected, a number of mandates/portfolios hold zero exposure (three of the Fund's equity mandates; and a number of illiquid mandates). Within the equity space, notably, all of the Fund's active managers with exposure to fossil fuels hold lower than MSCI ACWI weightings.
82. The Fund's exposure to fossil fuels, as measured by investment in physical or synthetic debt or equity of a firm which produces, extracts, or explores for oil, gas, or coal as a material part of its business model was 1.1% of Fund value, or £15.1m as at 31 December 2021. This compares to the Divest Enfield press release figure as at 31 December 2020 of 2.6%, or £30.0m.
83. The same exercise was therefore repeated as at 31 March 2021, the Fund's exposure to Fossil fuels is lower than the exposure as at 31 December 2020. 0.9%, or £13.1m in sterling terms. The reduction is largely driven by the Fund's transition of £220m to a passive low-carbon equity approach with BlackRock in early 2021, which successfully reduced the Fund's fossil fuel exposure by £4.2m.
84. The Fund has put a quarterly reporting regime in place with the next report going to PPIC on 30 September.

Safeguarding Implications

85. The report provides clear evidence of sound financial management, efficient use of resources, promotion of income generation and adherence to Best Value and good performance management.

Public Health Implications

86. The Enfield Pension Fund indirectly contributes to the delivery of Public Health priorities in the Borough.

Equalities Impact of the Proposal

87. The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

Environmental and Climate Change Considerations

88. Environmental and climate change considerations are all over this report.

Risks that may arise if the proposed decision and related work is not taken

89. Climate change is a key financially material environmental risk. The Committee believe that, over the expected lifetime of Enfield Pension Fund, climate-related risks and opportunities will be financially material to the performance of the investment portfolio. As such, the Committee will consider climate change issues across Enfield Pension Fund and specifically in areas such as Strategic Asset Allocation, Investment Strategy and Risk Management with the aim of minimising adverse financial impacts and maximising the opportunities for long-term economic returns on Enfield Pension Fund's assets.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

90. Not considering and approving the report recommendations and not adhering to the overriding legal requirements could impact on meeting the ongoing objectives of the Enfield Pension Fund.

Financial Implications

91. Spending time developing the responsible investment policy helps to ensure that the Committee are fulfilling their responsibilities as quasi Trustees of the Fund and that the Fund's investment objectives and policies are clearly set out in line with the Local Government Pensions Scheme (Management and Investment of Funds) Regulations 2016.
92. The development of a robust responsible investment policy helps the Fund to take an ordered and prudent approach to the management of its assets, helping to manage the long term costs associated with the Pension Fund.
93. There are no direct financial implications arising from this report. The Draft Action Plan highlights the need to use a number of processes, such as the investment strategy review, which are already budgeted to facilitate delivery of the Net Zero goal.

Legal Implications

94. The Committee has legal responsibilities for the prudent and effective stewardship of the Pension Fund and a clear fiduciary duty in the performance of its functions. The LGPS (Management and Investment of Funds) Regulations 2016 require Administering Authorities to state the extent to which they comply with the Guidance given by the Secretary of State. In accordance with regulation 7(2)(e) the authority must set out in its Investment Strategy Statement, its policy on how social, environmental and corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments.
95. As indicated in the body of the report, the Committee must ensure that it continues to demonstrate a focus on its duty to meet the obligation to pay pensions when due while at the same time positively addressing climate change. The two need not be incompatible, but there is a tension of which the Committee must remain aware and stay on the right side of.

Workforce Implications

96. The employer's contribution is a significant element of the Council's budget and consequently any improvement in investment performance will allow the Council to meet this obligation easily and could also make resources available for other corporate priorities.

Property Implications

97. None

Other Implications

98. None

Options Considered

99. The Committee could decide not to set a target date to achieve Net Zero Carbon Emission goal for the Fund. Having this target in place as a long-term investor, will assist at all stages of the investment decision-making process and also to gain the trust and pride of members in the governance process and the way in which in the Fund is invested on their behalf. It is therefore important for the Pension Fund to be completely transparent and accountable to members and stakeholders.

Conclusions

100. The Pension Fund will continue to assess investment opportunities that have a positive impact on society as whole. These include but are not limited to, investments in fixed income (green bonds), property, low carbon assets, renewables and social impact opportunities.
101. The Pension Fund views engagement with companies as an essential activity and encourages companies to take position action towards reversing climate change. The Enfield Pension Fund is a responsible owner of companies and cannot exert that positive influence if it has completely divested from carbon

intensive producing companies. The Pension Fund will continue to encourage positive change whilst officers will continue to engage with the investment managers on an ongoing basis to monitor overall investment performance, including carbon and other ESG considerations.

102. The Fund expects the pool and the asset managers to integrate ESG factors into investment analysis and decision making. Monitoring these effectively can assist with resolving issues at early stages through effective engagement with companies and board members. The Fund expects asset managers where possible to engage and collaborate with other institutional investors, as permitted by relevant legal codes to ensure the greatest impact.
103. The Committee is using the recent investment strategy review to consider how the Fund could align its strategy with the Enfield climate action plan for 2020 which is agreed at the Cabinet meeting of 15th July 2020 and also to increase its positive contribution to the transition to a low carbon economy by increasing its investment in renewable energy, whilst meeting its own strategic investment requirements.
104. The council already holds a low exposure to carbon, however, since the Climate Strategy in July 2019, actions taken have reduced the Fund's carbon exposure to further to 0.9% of the fund. In addition, the Pension Committee has committed to invest in renewable infrastructure and also moving over 20% of the fund into an investment that aligns to the principles set out in the Paris Climate agreement.
105. The Pension Fund will continue to work closely with its investment managers to measure the carbon impact of its investments. This will involve developing internal metrics and agreed targets which will be reviewed on a regular basis. A detailed Net Zero Action Plan will be brought to the Board in 6 months.
106. There is Increasingly, growing interest in the investment community to develop investment strategies that focus on sustainable investments in different asset class. Enfield Pension Fund will encourage, support and contribute to the work being carried out by the London CIV in the development of sustainable investments in the private markets and other asset class.
107. The Pension Fund set a goal of making its investment portfolios to be net zero carbon emissions by 2030. The initial stages in this approach will be twofold:
 - i. Firstly, an increase in exposure to investments which support the low carbon transition, by allocating and investing 10% of total funds into renewable energy.
 - ii. Secondly a restructuring of the various equity mandates. This restructuring, which we envisage completing by the end of 2021, will result in a reduction in the carbon emissions and intensity of these portfolios, through changing the universe of shares that can be invested in. At this stage this does not involve ruling out whole classes of company, but it may (based on an investment case) involve divestment from specific companies.

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Date of report 16th August 2021

Appendices

Appendix Z – Responsible Investment Policy

Appendix 1 - Exposure to fossil fuels as at 31 March 2021

Appendix 2 - Exposure to fossil fuels as at 31 December 2020

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Review of fossil fuel exposure

Quantifying the Fund's holdings

As agreed, we have engaged with each of the Fund's managers to establish the extent of their investment in oil, gas, and coal firms. The aggregate exposure, as expected, remains materially lower than the figures shared by Divest Enfield.

At a glance...

- The Fund's exposure to fossil fuels – as measured by investment in physical or synthetic debt or equity of a firm which produces, extracts, or explores for oil, gas, or coal as a material part of its business model – is **c.0.9% of Fund value**, or **c.£13.1m** as at 31 March 2021.
 - This compares to the Divest Enfield press release figure as at 31 December 2020 of 2.6%, or £30.0m. A summary of the methodology used by Divest Enfield to arrive at this figure is given in this report.
 - This is lower than the exposure as at 31 December 2020 of 1.1%, or £15.1m in sterling terms. The reduction is largely driven by the Fund's transition to a passive low-carbon equity approach with BlackRock in early 2021, which successfully reduced the Fund's fossil fuel exposure by c.£4.2m.
- As expected, a number of the Fund's managers have zero exposure.

Divest Enfield/Friends of the Earth methodology

As discussed with you previously, due to the lack of visibility which the report's authors have into the assets of the Fund (and indeed every other LGPS assessed), the methodology used to derive the fossil fuel exposure statistics has been proxied using other sources.

In particular, the authors have used the exposure to fossil fuels – measured by a third party (Carbon Underground 200) based on their own analysis of the world's largest 100 coal and oil & gas producers – in public global benchmark equity and bond indices, and assumed that the exposure of each fund has identical exposure to this area as the public benchmark.

Why bring you this note?

To provide you with a complete picture of the Fund's exposure to coal, oil, and gas.

Next steps

- **Now:** Discuss summary data shown in this report;
- **Longer-term:** Consider how this aligns with forward looking approach to Responsible Investment, climate change, and monitoring of the Fund's position.

Prepared for: London Borough of Enfield Pension Fund ("the Fund")

Prepared by: Aon

Date: 1 July 2021

In other words, each of the Fund's mandates has been assumed to have identical exposure – in allocation terms, and in constituent terms – to coal, oil and gas, based on public equity or bond market index exposure.

The true picture of the Fund's exposure is significantly lower, and varies considerably at mandate level.

Assessing the Fund's exposure

What did we ask?

To ensure comparability with the Divest Enfield report, and due to the expected data lag in the Fund's illiquid mandates, we requested data as at 31 March 2021. We asked each of the managers to provide:

- A full breakdown of the Fund's exposure to oil, gas and coal, noting that we were looking to establish the extent to which the Fund is invested in debt or equity of a firm which produces, extracts or explores for oil, gas or coal as a material part of its business model; or, where the fund has any synthetic exposure to the same;
- The weights to specific companies making up this aggregate exposure, along with the names of the companies themselves; and
- The geographic breakdown of this exposure.

Notably, each of the Fund's managers showed awareness of the importance of these issues to the Fund, and to UK pension funds in general. Each manager was open and transparent in their data provision.

Were there any limitations?

Adams Street, the Fund's private equity manager, provided the requested data but could not disclose individual company names due to confidentiality restrictions. Adams Street were also not able to provide data as at 31 March 2021 as this information was not yet available at time of writing. We have therefore used lagged information as at 31 December 2020 for this mandate.

Summary of data

The table overleaf illustrates the Fund's exposure at mandate and aggregate level. The appendix breaks down the exposure by geography and company.

A number of mandates hold zero exposure (three of the Fund's equity mandates; and a number of illiquid mandates). The Fund's transition of its BlackRock passive equity assets to a passive low-carbon equity approach with the same manager in early 2021 successfully reduced the Fund's fossil fuel exposure by c.£4.2m in sterling terms.

Due to its ongoing liquidation, York Credit's exposure appears significant at 13.1%, however this is a function of the reducing size of the mandate and in Sterling terms equates to c.£0.8m.

Q1 2021	Market Value (£m)	Percentage (%)	Fossil fuel exposure (%)	Fossil fuel exposure (£m)
Equities	605.3	43.4		
BlackRock Global Passive	220.6	15.8	0.5%	1.2
Trilogy Global Unconstrained*	0.8	0.1	N/A	N/A
MFS Global Unconstrained	140.4	10.1	0.0%	0.0
London CIV Baillie Gifford	116.2	8.3	3.3%	3.9
London CIV JP Morgan	35.9	2.6	0.0%	0.0
London CIV Longview Partners	91.3	6.5	0.0%	0.0
Private Equity	92.0	6.6		
Adams Street**	92.0	6.6	2.1%	1.6
Hedge Funds	64.6	4.6		
York Distressed Securities***	6.0	0.4	13.1%	0.8
Davidson Kempner International	30.2	2.2	2.6%	0.8
CFM Stratus***	28.5	2.0	4.2%	1.2
UK Property	78.6	5.6		
Blackrock	36.2	2.6	0.0%	0.0
Legal & General	34.5	2.5	0.0%	0.0
Brockton	7.9	0.6	0.0%	0.0
PFI & Infrastructure	69.4	5.0		
IPPL Listed PFI****	48.6	3.5	0.0%	0.0
Antin	20.8	1.5	0.0%	0.0
Bonds	281.8	20.2		
BlackRock Passive Fixed and Index-Linked Gilts	91.8	6.6	0.0%	0.0
Western Active Bonds	103.5	7.4	1.1%	1.2
Insight Absolute Return Bonds	31.9	2.3	2.8%	0.9
London CIV Multi-Asset Credit	54.7	3.9	2.5%	1.4
Inflation protecting illiquids	106.3	7.6		
M&G Inflation Opportunities	78.6	5.6	0.0%	0.0
CBRE	27.7	2.0	0.0%	0.0
Cash	96.9	6.9		
Enfield Cash	96.9	6.9	0.0%	0.0
Total Assets	1395.0	100.0	0.9%	13.1

*Given immaterial holding amount, assumed to be zero.

**Data as at 31 December 2020, as 31 March 2021 data not available at time of writing.

***Figures only consider long positions within funds; these funds also have short positions.

****At time of writing we have not received information from the manager.

Next steps

As illustrated in this paper, the Fund's holdings in oil, gas and coal are lower than the public press release, as a function of the methodology used to derive the press release figures.

The Pension Policy & Investment Committee ("PPIC") has recently agreed a revised investment strategy following a detailed strategy review exercise. As part of implementing the revised investment strategy, the PPIC will have the ability to identify opportunities and integrate ESG views within a range of areas including fixed income and infrastructure (e.g. renewables).

Further detail – geographic exposure



The table below summarises the geographic breakdown of the Fund's holdings in oil, gas and coal.

Q1 2021	Market Value (£m)	Percentage (%)	Fossil fuel exposure %	North America	UK	Europe (ex-UK)	Other
Equities	605.3	43.4					
BlackRock Global Passive	220.6	15.8	0.5%	0.37%	0.00%	0.16%	0.00%
Trilogy Global Unconstrained*	0.8	0.1	N/A				
MFS Global Unconstrained	140.4	10.1	0.0%				
London CIV Baillie Gifford	116.2	8.3	3.3%	0.76%	1.57%		0.99%
London CIV JP Morgan	35.9	2.6	0.0%				
London CIV Longview Partners	91.3	6.5	0.0%				
Private Equity	92.0	6.6					
Adams Street**	92.0	6.6	2.1%	1.04%	0.05%	0.87%	0.11%
Hedge Funds	64.6	4.6					
York Distressed Securities***	6.0	0.4	13.1%	12.40%		0.70%	
Davidson Kempner International	30.2	2.2	2.6%	1.50%	0.10%	0.60%	0.40%
CFM Stratus***	28.5	2.0	4.2%	1.26%	1.27%	0.99%	0.64%
UK Property	78.6	5.6					
Blackrock	36.2	2.6	0.0%				
Legal & General	34.5	2.5	0.0%				
Brockton	7.9	0.6	0.0%				
PFI & Infrastructure	69.4	5.0					
IPPL Listed PFI****	48.6	3.5	N/A				
Antin	20.8	1.5	0.0%				
Bonds	281.8	20.2					
BlackRock Passive Fixed and Index-Linked Gilts	91.8	6.6	0.0%				
Western Active Bonds	103.5	7.4	1.1%		0.38%		0.75%
Insight Absolute Return Bonds	31.9	2.3	2.8%	0.89%	0.62%	1.33%	
London CIV Multi-Asset Credit	54.7	3.9	2.5%	0.92%	1.30%	0.14%	0.11%
Inflation protecting illiquids	106.3	7.6					
M&G Inflation Opportunities	78.6	5.6	0.0%				
CBRE	27.7	2.0	0.0%				
Cash	96.9	6.9					
Enfield Cash	96.9	6.9	0.0%				
Total Assets	1395.0	100.0	0.9%				

*Given immaterial holding amount, assumed to be zero.

**Data as at 31 December 2020, as 31 March 2021 data not available at time of writing.

***Figures only consider long positions within funds; these funds also have short positions

****At time of writing we have not received information from the manager.

Underlying geographic split has been estimated using currency where appropriate.

Further detail – company breakdown

The table below summarises the stock-level % exposure provided by the relevant managers, where this was disclosed, as at 31 March 2021.



BlackRock Global Passive*		London CIV Baillie Gifford		York Distressed Securities		DK Internat.		CFM Stratus*		Western Active Bonds		Insight Absolute Return Bonds		London CIV Multi-Asset Credit*	
KONINKLIJK E VOPAK NV	0.03	RELIANC E INDS.	0.99	Next Decade LLC	10.00	Forsight energy	0.40	China Coal Energy Co Ltd	0.02	BHP	0.75	Orano	1.33	Pioneer Nat Res 0.25% 15May25	0.13
NESTE	0.12	EOG RES.	0.76	MILLENNIAL ENERGY VENTURES, llc	1.80	NOT DISCLOSED	0.30	BP PLC	0.24	Total Capital Intl	0.38	BP	0.62	BP Capital Markets 4.25% 2027 PERP	0.07
CAMECO CORP	0.16	BHP GRP.	1.57	Cecon ASA	0.70	NGL Energy partners	0.30	China Petroleum & Chemical Corp	0.03			Oneok	0.61	Bp Capital Markets Ameri 3.194% 06Apr25	0.04
PEMBINA PIPELINE CORP	0.18			ARQ Limited	0.30	Citgo	0.20	Equinor ASA	0.05			Parkland	0.28	Cheniere Energy Partner 4.5% 01Oct29 WI	0.04
				Samson Investment Co	0.30	Navios	0.20	PetroChina Co Ltd	0.07					Enegean Israel Finance 5.375% 30Mar28	0.03
						Nynas	0.20	Petroleo Brasileiro SA	0.26					Enegean Israel Finance 5.875% 30Mar31	0.05
						NOT DISCLOSED	0.10	Repsol SA	0.35					Enegean Israel Finance Lt 4.5% 30Mar24	0.04
						Consol energy	0.10	Royal Dutch Shell PLC	0.91					Emlink Midstream LI 5.625% 15Jan28 144A	0.03
						Eneos	0.10	Suncor Energy Inc	0.04					Ithaca Energy North 9.375% 15Jul24 REGS	0.31
						Enegean	0.10	China Oilfield Services Ltd	0.03					Ngl Energy Operating 7.5% 01Feb26 144A	0.06
						Moss creek	0.10	Halliburton Co	0.65					Occidental Petroleum Corp 3.2% 15Aug26	0.03
						NOT DISCLOSED	0.10	NOV Inc	0.02					Petrobras International F 6.25% 14Dec26	0.03
						Pemex	0.10	Subsea 7 SA	0.08					Petroleos Mexicanos 2.75% 21Apr27 EMTN	0.05
						PGS	0.10	TechnipFMC PLC	0.12					Petroleos Mexicanos 3.75% 21Feb24 EMTN	0.05
								Tenaris SA	0.48					Repsol Intl Finance 4.247% PERP	0.07
								Devon Energy Corp	0.09					Shell International Fin 2.375% 06Apr25	0.04
								Enerplus Corp	0.08					Vine Energy Holdings 6.75% 15Apr29 144A	0.13
								Inpex Corp	0.03					EG Group Limit-Facility B (EU:2944_P	0.10
								Marathon Oil Corp	0.06					EG Group Limit-T/L USD:3708_P	0.04
								PrairieSky Royalty Ltd	0.06					EG Group Limit-Term Loan B (G:2942_P	0.63
								Range Resources Corp	0.02					EG Group Limit-T/E 2L:3709_P	0.19
								Santos Ltd	0.03					PRAIRIE ECI AC-Term Loan:3204_P	0.19
								Woodside Petroleum Ltd	0.04						
								Cosmo Energy Holdings Co Ltd	0.02						
								ENEOS Holdings Inc	0.02						
								HollyFrontier Corp	0.04						
								Marathon Petroleum Corp	0.12						

*Due to large number of holdings, we have only included the most significant holdings and have excluded those that are less than 0.02% (for BlackRock, London CIV Multi-Asset Credit and CFM). We are happy to share the full data if required.

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Appendix Z

London Borough of Enfield Pension Fund Responsible Investment Policy July 2021

The London Borough of Enfield is the Administering Authority of the London Borough of Enfield Pension Fund and administers the Local Government Pension Scheme on behalf of participating employers

RESPONSIBLE INVESTMENT POLICY

1. Introduction

- 1.1 Responsible Investment is defined by the United Nation's 'Principles for Responsible Investment' document as an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and to generate sustainable, long term returns. The Pension Fund's approach to responsible investment is aligned with the Fund's investment beliefs and recognises ESG factors as central themes in measuring the sustainability and impact of its investments.
- 1.2 Failure to appropriately manage ESG factors is considered to be a key risk for the Pension Fund as this can have an adverse impact on the Fund's overall investment performance, which ultimately affects the scheme members, employers and local council taxpayers.
- 1.3 The United Nations has established 17 Sustainable Development Goals (SDGs) as a blueprint to achieving a better and more sustainable future for all. These goals aim to address the challenges of tackling climate change, supporting industry, innovation and infrastructure, and investing in companies that are focused on playing a key role in building that sustainable future.
- 1.4 The Pension Fund acknowledges that these goals form a vital part of acting as a responsible investor alongside its administering authority, Enfield Council, with the Council having recently committed itself to achieving carbon neutrality by the year 2030.
- 1.5 The Pension Fund maintains a policy of engagement with all its stakeholders, including those operating in the investment industry. It is broadly recognised that, in the foreseeable future, the global economy will transition from its reliance on fossil fuels to the widespread adoption of renewable energy as its main source. The impact of this transition on the sustainability of investment returns will be continually assessed by officers, advisors and investment managers.
- 1.6 The Pension Policy & Investments Committee is committed to playing an active role in the transition to a sustainable economic and societal environment. To that extent, the Pension Fund will continue to seek investments that match its pensions liability profile, whilst having a positive impact on overall society. Greater impact can be achieved through active ownership and lobbying for global companies to change and utilise their resources sustainably.
- 1.7 With these noble objectives at the forefront, it is important to note that the Pension Policy & Investments Committee has a vital, fiduciary duty to act in the best interests of the LGPS beneficiaries to ensure that their pension benefits are honoured in retirement.

Policy Implementation: Selection Process

- 1.8 The Pension Policy & Investments Committee delegates the individual investment selection decisions to its investment managers. To that extent, the Pension Fund maintains a policy of non-interference with the day-to-day decision-making processes of the investment managers. However, as part of its investment manager appointment process, the Pension Policy & Investments Committee assesses the investment managers' abilities to integrate ESG factors into their investment selection processes.
- 1.9 This includes, but is not limited to:
- a. evidence of the existence of a Responsible Investment policy;
 - b. evidence of ESG integration in the investment process;
 - c. evidence of sign-up to the relevant responsible investment frameworks such as the United Nations Principles for Responsible Investment (PRI);
 - d. evidence of compliance with the Stewardship Code as published by the Financial Reporting Council (FRC);
 - e. a track record of actively engaging with global companies and stakeholders to influence best practice;
 - f. an ability to appropriately disclose, measure and report on the overall impact of ESG decisions made.
- 1.10 As part of its investment selection process, the Pension Policy & Investments Committee will obtain proper advice from the Fund's internal and external advisors with the requisite knowledge and skills. The investment advisor will assess ESG considerations as part of its due diligence process and assess investment managers against the following criteria:
- a. for active managers, the advisor will assess how ESG issues are integrated into investment selection, divestment and retention decisions;
 - b. for passive managers, the investment advisor is aware of the nature of the index construction in the investment selection process places and the proximity of ESG issues in comparison with an active portfolio, but still hold ESG issues in its responsible investment policy as the passive manager actively engages with global companies and stakeholders where appropriate;
 - c. consideration of whether managers are making most effective use of voting rights and if votes are exercised in a manner consistent with ESG considerations specified by the manager;
 - d. how significantly managers value ESG issues and whether any specialist teams and resources are dedicated to this area; and

- e. how ESG risk assessment is integrated into the portfolio investment selection process and the value and effectiveness of these assessments.
- 1.11 Investment managers are expected to follow best practice and use their influence as major institutional investors and long-term stewards of capital to promote best practice in the companies/projects in which they invest. Investee companies will be expected to comply with all applicable laws and regulations in their respective markets as a minimum.

Policy Implementation: Ongoing Engagement and Voting

- 1.12 Whilst it is still quite difficult to quantify the impact of the less tangible non-financial factors on the economic performance of an organisation, this is an area that continues to see significant improvement in the measurement of benchmarking and organisational progress. Several benchmarks and disclosure frameworks exist to measure the different aspects of available ESG data which include carbon emissions, diversity on company boards and social impact. It is apparent that poor scoring on these ESG factors can have an adverse impact on an organisation's financial performance. It is therefore important for the appointed investment managers to effectively assess the impact such factors may have on the underlying investment performance.
- 1.13 The Pension Fund views active engagement as an essential activity in ensuring long-term value and encourages investment managers to consider assessing a range of factors, such as the company's historical financial performance, governance structures, risk management approach, the degree to which strategic objectives have been met and environmental, governance and social issues.
- 1.14 Pension Fund officers will continue to engage with the investment managers on an ongoing basis to monitor overall investment performance, including ESG considerations. This can be implemented in several forms which include, but are not limited to:
- a. Regular meetings with investment managers to assess investment performance and the progress made towards achieving ESG targets;
 - b. reviewing reports issued by investment managers and challenging performance where appropriate;
 - c. working with investment managers to establish appropriate ESG reporting and disclosures in line with the Pension Fund's objectives;
 - d. contributing to various working groups that seek to positively influence the reporting of industry standards on ESG metrics;
 - e. actively contributing to the efforts of engagement groups such as the Local Authority Pension Fund Forum (LAPFF), of which the fund is a member (currently 83 LGPS member funds).

- 1.15 The Pension Fund holds units in pooled equity funds, where our asset managers will have the opportunity to vote at company meetings on our behalf. Engagement with companies can have a direct impact on voting choices and fund manager voting and engagement reports are reviewed on a regular basis.
- 1.16 The Fund will continue to collaborate with the London CIV on maintaining a shared voting policy for the equity managers on the London CIV platform and actively seek to align these policies with manager insights. Lobbying with other London CIV clients will give the Pension Fund greater control and impact over our voting choices and a centralised process will ensure our voting remains consistent and has the greatest impact.
- 1.17 The Pension Fund's officers will work closely with the London CIV pool, through which the Pension Fund will increasingly invest, in developing and monitoring its internal frameworks and policies on all ESG issues which could present a material financial risk to the long-term performance of the fund. This will include the London CIV's ESG frameworks and policies for investment analysis, decision making and responsible investment.
- 1.18 In preparing and reviewing its Investment Strategy Statement, the Pension Fund will consult with interested stakeholders including, but not limited to:
- a. Pension Fund employers;
 - b. Local Pension Board;
 - c. advisors/consultants to the fund;
 - d. investment managers.

Policy Implementation: Training

- 1.19 The Pension Policy & Investments Committee and the Fund's officers will receive regular training on ESG issues and responsible investment. A review of training requirements and needs will be carried out at least once on annual basis. Training is intended to cover the latest updates in legislation and regulations, as well as best practice with regards to ESG integration into the pension fund's investment process.

FOSSIL FUEL DIVESTMENT PRINCIPLES

- 1.20 This section will specifically address the Fund's principles for the divestment over time of fossil fuel investments: The four key principles for divestment are set out below:
- Fossil fuel risk will be incorporated into the overall asset allocation strategy
 - The commitment to reduction in fossil fuel investment is more than a long term risk mitigation strategy.
 - Divestment is not risk free.

- Engagement and LCIV

Principle 1: Incorporation into asset allocation strategy

- 1.21 The primary purpose of the Fund is to meet the pension benefits for the members of the Fund. Every three years the Fund undergoes an actuarial valuation, which estimates the value of pensions due to be paid to members. The result of which allows the Fund to review the asset and investment strategy in order to establish the most appropriate mix of assets to best achieve the required level of net of fees investment return on an appropriate risk adjusted basis, whilst ensuring diversity of assets, sufficient liquidity and appropriate governance of the investments.
- 1.22 The Fund will seek to fully integrate fossil fuel risk into the investment strategy review process, from overarching asset allocation to individual investment choices. All investments will be considered through the lens of fossil fuel risk, but that any investment cannot be separated from the overall investment objectives for the Fund and must be subject to a full business case in consideration of the overall portfolio as well as fees and transition costs.

Principle 2: More than a long-term risk mitigation strategy

- 1.23 The Fund has a fiduciary duty to all the employers within the Fund and for the scheme members and as such must manage the investments assets effectively with an investment time horizon in line with the liabilities for the Fund and have due regard to the investment risk inherent within the portfolio
- 1.24 The Fund recognises the risk that fossil fuel investment places upon the Fund for future investment and as such, this document largely involves the desire to mitigate risk.
- 1.25 However, purely focussing upon those investments that are negatively exposed to the decline in profitability and viability of fossil fuel extraction and usage excludes a key consideration for the Fund; identifying those investments that are positioned to gain from such a transition.
- 1.26 The Fund therefore will proactively seek to identify suitable investments that fit within the overall asset allocation strategy and will be the beneficiaries from a low carbon regulatory and investment environment. The Fund will target both a downside risk mitigation strategy and a desire to invest in positive 'green' focussed assets.

Principle 3: Divestment is not risk free – Potential for negative implications

- 1.27 The Fund has sought to operate an uncomplicated and stable investment structure, resisting short term investment decision making. This approach has proved successful for the Fund with strong investment performance over the previous long term. The implementation of a fossil fuel risk mitigation commitment has the potential to complicate investment decision making.

- 1.28 It is therefore imperative that, as set out in Principle 2, the Fund must seek to incorporate fossil fuel implications into the overarching investment strategy rather than seeking to separately implement fossil fuel risk mitigation approaches.
- 1.29 The Fund has long held a large portion of equity investments as passive (investments that are held in the same proportion as that of the market as a whole) with a current target allocation of 40%. (15% out of this 40% have been invested in Reduced Fossil Fuel Passive Global Equity mandate). This approach acknowledges the challenges and typically higher costs involved in seeking to predict future investment winners and losers. The inclusion of a fossil fuel risk mitigation strategy within this leads to a risk that in the short term the Fund may be negatively exposed to overall market returns if fossil fuel based investments outperform the wider market. Global usage of fossil fuels is still predicted to comprise a significant portion of global energy usage in years to come and as such the Fund must be cognisant of the potential investment returns forgone should fossil fuel usage decline at a rate slower than the market has priced in.
- 1.30 There are likely to be additional management expenses within equity investment mandates that have some element of fossil fuel exclusion. As such the Fund must be confident that the additional risk from holding a portion of the Fund that is exposed to fossil fuels must be considered to be greater than the additional burden of higher management fees and any associated costs of transitioning assets from one mandate to another. It is therefore important for the Fund to collaborate with other local authority partners to work to reduce the costs for such reduced fossil fuel investments.
- 1.31 The measurement and assessment of which investments are most exposed to fossil fuels is not straightforward. Some companies may hold fossil fuel reserves or operations which are more damaging to the environment as a result of greater CO₂ output but that might be paradoxically less exposed to changing regulatory environment due to lower extraction costs. Companies not directly involved in the production or extraction of fossil fuel may derive significant portions of their revenue from fossil fuel companies. The Fund must ensure that any assessment of exposure to fossil fuels risk is sophisticated and investments are not distorted by inaccurate data.

Principle 4: Engagement and Local Authority partnerships – LCIV

- 1.32 There is growing appreciation of the growing risks and opportunities that Pension Funds face from the transition away from traditional fossil fuel usage, including among Local Government Pension Funds. It is important that the Fund works with other Local Authority partners to share knowledge and best practice as well as utilising collective assets to push for the most effective and efficient implementation of reduced fossil fuel strategies.
- 1.33 The Fund will work with local authority partners, such as the London Borough of Hackney, Islington, Haringey as well as the LCIV, the pooled investment vehicle of which the Fund is a shareholder and active supporter, in the application of this commitment. The Fund will also seek to be an active voice

in the investment community for the advancement of investment outside of fossil fuels.

- 1.34 The carbon footprint assessment of a portfolio is most commonly applied to listed equities as significant numbers of listed companies publicly report their estimated greenhouse gas emissions using the greenhouse gas protocol standard template for measurement. This allows for greater consistency in comparison between companies and sectors and allows an investor to better understand which elements of the portfolio are the most exposed to fossil fuel risk.
- 1.35 A key element for this document is to not just focus upon the risk to the Fund from fossil fuels but also to invest in assets that are best positioned to benefit from a low fossil fuel environment. Two companies involved in electricity generation may have a very similar current carbon output; but one has focussed capital spend and research on renewable energy and other 'green' activities. As part of a portfolio assessment, a data provider can analyse the extent to which income for the portfolio is derived from low fossil fuel sources.
- 1.36 This assessment is easier to perform for listed equities, due to the wider availability of company specific data, but can be extended to analyse other assets classes within the portfolio. The Fund commissioned a full assessment of the greenhouse gas exposure within the Fund equity portfolios on a current output and potential output basis. The results of which will allow the Fund to monitor progress in the reduction of exposure as well as to set meaningful targets for this reduction.

Timeline:

- 1.37 The Fund's implementation period for fossil fuel reduction is split into three main time horizons, encompassing short medium and long-term objectives.
- The short term: one-five years (2020-2024)
 - The medium term: five-ten years (2024–2030)
 - The long term: beyond ten years (2030+)
- 1.38 Given the difficulty in predicting the global investment and technological environment in addition to Fund specific liability and investment requirements, longer term periods will likely be subject to significant variability and uncertainty.

Short Term – From 2020 to 2024

Triennial Actuarial Valuation and Investment Strategy Review

- 1.39 The Fund published the most recent actuarial valuation in March 2020, the results are the foundation of the current asset strategy review to be completed June 2021. The asset allocation review aims to ensure that the current investment allocation is appropriate to meet the required investment return to fund future pensions within a suitable risk profile. Where investment

underperformance is identified or risk profile changes, either across an asset class or manager specific, any subsequent reallocation will be considered with regard to overall fossil fuel exposure.

Local Authority Collaboration and Pooling

- 1.40 It is important that the Fund works together with other likeminded local authority partners, e.g. London Borough of Hackney, in order to develop suitable fossil fuel reduction opportunities. Collaboration will also seek to mitigate some of the fee and transition cost implications of changing investment allocation.
- 1.41 The Fund will engage with the LCIV through representation by officers and members on key LCIV governance panels to push for the availability of reduced fossil fuel investment and Paris Aligned mandates within the LCIV.

Fund Managers

- 1.42 Committee to appoint a Paris Aligned Active Equity manager/mandate (to further reduce fossil fuels exposure of the two active Global Equity portfolios with LCIV which currently stood just about 15% of the total fund.
- 1.43 Committee to appoint a Renewable Infrastructure manager/mandate or long-term investments in sustainable technology and alternative energy sources with 10% of total fund assets allocated to this strategy.
- 1.44 All Hedge Funds to be redeemed.
- 1.45 The Fund will continue dialogue with MFS Investment Management to ensure that fossil fuel risk is considered as part of stock decision making and that those with significant CO2 output be treated with caution.

General

- 1.46 The Fund commissioned a carbon footprint assessment for the equity portfolios to analyse the overall exposure across each asset classes to identify the most effective methods to reduce the risk from fossil fuels. This analysis demonstrated the proportion of the Fund, which is positively exposed to low carbon or 'green' revenue. Quantifying exposure will allow the Fund to develop meaningful targets for the reduction in fossil fuel exposure over the long term, whilst also identifying the areas of greatest risk within the portfolio.
- 1.47 The Fund will continue to support the work of the Local Authority Pension Fund Forum (LAPFF) as representing 90 local authority pension funds in their engagement with companies to promote best practice climate aware business activities.
- 1.48 Any changes to investment allocations will need to be communicated with key advisors, such as the Fund actuary, as well as the Fund's external auditors.

- 1.49 Committee is monitoring PIRC Engagements with Companies on their ESG considerations and Responsible Investment Policies to ensure the engagement is adequate and in line with the Fund's Investment beliefs.
- 1.50 Committee continue to review quarterly reports provided by managers to understand their approaches and actions taken in areas such as engagement and voting and how managers are reporting on relevant RI metrics to their investors.
- 1.51 Committee members are meeting with Asset Managers every month for clarification and better understanding of each fund manager Responsible Investment (RI) Policy and how to work effectively with the Fund going forward.
- 1.52 Work to be carried out stating Fund Managers RI Policy and alignment with Enfield PF.
- 1.53 Committee to review current investment beliefs, climate policy and SDG aspirations.
- 1.54 Committee to consider Fund approach to Stewardship and TCFD reporting.

Medium Term – From 2024 to 2030

Triennial Actuarial Valuation and Investment Strategy Review

- 1.55 The medium term will incorporate the results of the triennial valuation in 2025 and 2028 and will constitute key points for major review of assets and investments to ensure that these are best placed to meet the payment of benefits to members of the scheme. Fossil fuel risks and opportunities incorporated in the consideration for any amendments to the asset allocation strategy.
- 1.56 The carbon footprint and risk analysis will be re-calculated at each triennial asset allocation review and incorporated into the overall portfolio risk assessment.

Local Authority Collaboration and Pooling

- 1.57 The Fund is committed to working with the LCIV and will seek to comply with the Government requirements for pooled investments. Over the course of this period the proportion of assets under the control of the LCIV will increase significantly, which may limit the availability of reduced fossil fuel investment mandates. Therefore, the Fund will continue to seek to exert influence over the strategic direction of the available investments within the LCIV, alongside other local authority partners, to ensure that these are appropriate for the sustainable strategy that the Fund wishes to implement. The opportunity for reduced fossil fuel or sustainable investment in multi asset mandates will likely develop as part of continued engagement between the Fund and other likeminded members of the LCIV.

Fund Managers

- 1.58 Continued engagement with fund managers to ensure that fossil fuel risks and opportunities are consistently and appropriately taken into consideration throughout the decision making process.

General

- 1.59 The Fund will continue a policy of engaging with companies through membership of the LAPFF and the LCIV to encourage companies to adopt the highest of standards with regard to fossil fuels and energy efficiency.
- 1.60 The Fund will be able to measure progress made against targets for the proportion of investments exposed to low carbon or green revenues and the overall carbon exposure of the Fund. In the event that elements of the portfolio should be changed then subject to business case and appropriate due diligence, any change in portfolio must be considered in light of the overall investment strategy with regard to fossil fuels.

Long Term: 2030 onwards

Triennial Actuarial Valuation and Investment Strategy Review

- 1.61 The Fund will continue to assess the overall investment strategy as required to meet the pension benefits for members based upon the calculations within the triennial actuarial valuations. As and when asset and manager allocations require amending, the risk of fossil fuel exposure will be incorporated into any due diligence regarding risk and reward decision making.

Local Authority Collaboration and Pooling

- 1.62 In the long term, the vast majority of assets will be invested through the LCIV so ensuring the availability of suitable opportunities within the LCIV will be key for the continued reduction in fossil fuel investments as well as positioning the Fund to benefit from clean technology and low carbon industries. This will allow the Fund to invest across a variety of disparate asset classes without compromising the ambition to be a long-term sustainable investor.

Fund Managers

- 1.63 Most of this engagement will be exercised through the LCIV pooled investment vehicle.

General

- 1.64 The Fund will fully incorporated fossil fuel risk, through regular and sophisticated monitoring and portfolio analysis into the investment decision making process. Carbon reduction targets as part of the overall portfolio will play a key role in the increasing percentage of investment assets within sustainable or low carbon income sources.

London Borough of Enfield – Investment Beliefs (Final - Approved 27/02/2020)

The Pension Policy and Investment Committee of London Borough of Enfield believes that: -

1. Responsible investment is **supportive of long-term risk-adjusted returns**, across all asset classes. As a long-term investor, the Fund should invest in assets with sustainable business models in fulfilling its fiduciary duty to the scheme members.
2. Investee companies and asset managers with robust governance structures are better positioned to handle shocks and stresses. They capture opportunities by investing in companies which have weak but improving governance of financially material Environmental, Social and Governance (ESG) issues. *[An opportunity is defined by its potential and intention to become aligned with the Fund's objectives and strategy].*
3. The Fund Investment managers should include the Fund ESG considerations in their investment processes.
4. It is important to consider a range of ESG risks and opportunities. **Investible priorities should be based on the United Nations Sustainable Development Goals (UN SDGs).**
5. **Climate change** (SDG 13, Climate Action) represents a long term material financial risk for the Fund, and will impact our members, employers and our portfolio holdings, and is therefore one of these priorities.
6. It must prioritise the following SDGs in its investment strategy:
 - a. SDG 7 – Affordable and Clean Energy
 - b. SDG 9 – Industry, Innovation and Infrastructure
 - c. SDG 11 - Sustainable Cities and Communities
 - d. SDG 12 – Responsible Consumption and Production
 - e. SDG 13 - Climate Action
7. The Fund's appointed Investment Managers are **accountable for implementing** appropriate responsible Investment policies, **tailored to these priorities**. The Investment managers should report back on these priorities.
8. **Divestment** mitigates ESG-related risk, when **collaborative engagement** with companies by investors and investment managers fails to produce positive responses, which meet its ESG-related priorities.
9. The exercise of **voting rights** is consistent with an asset owner's fiduciary duty: The Committee expects its managers to exercise this right fully and reserves the right to **direct votes**.

Supporting evidence

Investment Theses behind the chosen SDGs (**G** applies to all)

- **SDG7** - Affordable and Clean Energy. Governmental pressure to meet carbon emission goals presents a serious risk to the profitability and assets of traditional energy companies. At the same time, climate-related investment opportunities are available in areas such as energy efficiency and renewable energy sources. **(E)**
- **SDG9** - Industry, Innovation and Infrastructure. Industrial and Infrastructure development represent a long term source of investment and social opportunity as well as a risk of increased emissions / social stress. It also supports goals of social inclusion and gender equality. **(E, S)**
- **SDG11** - Sustainable Cities and Communities. Increasing urbanisation represents a long term source of investment and social opportunity as well as a risk of increased emissions / social stress **(E, S)**
- **SDG12** - Responsible Consumption and Production. Companies running energy efficient and socially responsible operations and supply chains are less exposed to risk and are likely to be favoured by customers and regulators. **(E, S)**
- **SDG13** - Climate change. Climate change and the response of policy makers has the potential to have a serious impact on financial markets. **(E)**

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PENSION POLICY & INVESTMENT COMMITTEE - 29.7.2021**MINUTES OF THE MEETING OF THE PENSION POLICY & INVESTMENT
COMMITTEE
HELD ON THURSDAY, 29 JULY 2021****COUNCILLORS**

PRESENT Tim Leaver, Claire Stewart, Edward Smith and Terence Neville OBE JP

ABSENT Doug Taylor

OFFICERS: Matt Bowmer (Interim Director of Finance) and Bola Tobun (Finance Manager (Pensions and Treasury) Clare Bryant (Secretary)

Also Attending: Carolan Dobson (Independent Advisor), Colin Cartwright (Aon)
Councillors Ahmet Oykenner and Sinan Boztas (Local Pension Board Members)

1**WELCOME AND INTRODUCTIONS**

The Chair welcomed everyone to the meeting. Apologies for absence were received from Councillor Doug Taylor.

2**DECLARATION OF INTEREST**

No declarations of interest were received.

3**MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting were agreed.

4**PENSION BOARD FEEDBACK**

There had been no meeting of the Local Pension Board since the last meeting of this Committee.

5**REVIEW OF THE PENSIONS REGULATOR CODE OF PRACTICE
COMPLIANCE CHECKLIST**

Bola presented this item and highlighted the below key points:

- The TPR Code was used to monitor the Pensions Board.
- The report highlights what the fund need to comply with.

PENSION POLICY & INVESTMENT COMMITTEE - 29.7.2021

- Enfield Council is mostly compliant but policy is in place to improve this.
- The two areas of non-compliance had come from the admin team not being able to provide the required updated.
- It is not yet know what the new Code of Compliance will be.

The Committee noted the report.

6 LAPFF ENGAGEMENT UPDATE

It was agreed that in the future this item would come to Committee quarterly as it is critical to review emissions of the funds. The report sets out what is currently being done and its engagement.

The Committee noted the report and agreed it may be useful in the future for an officer to attend to discuss engagement.

7 DRAFT PENSION FUND STATEMENT OF ACCOUNTS

The draft Statement of Accounts had not been audited at the time of this meeting. The report going to the next meeting of the General Purposes Committee shows an increase by £10.5m as management and admin costs increased.

An opinion on the Statement of Accounts is expected by Christmas 2021, and an update will be provided at the next meeting of the Committee.

The report was noted and the external audit submission for the draft Pension Fund Statement of Accounts 2020/21 was approved.

8 INVESTMENTS UPDATE

An update on investments and highlighted the following:

- The fund has increased by £60m
- Consideration is taking place on moving global equity
- The Longview and Imagine market have dropped
- The LCIV issue with Longview has been resolved and AON are content with Longview.
- The Longview Fund had previously had a good long-term track record although the last 18months have been disappointing
- Organisational change is taking place at Longview and are content with these changes following meeting the new staff.
- Discussion was had and it was noted that diversifying assets is the best way to protect assets.

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- Inflation remains a concern as there is uncertainty as to where it will go.

9

LIQUID CREDIT UPDATE - PART 2

Following discussion's in Part 2 the Committee noted the contents of the report and noted the contents of the restricted appendices of the report.

10

MARKET AND PORTFOLIO UPDATE - PART 2

The report was discussed under Part 2, and following discussion, the report was noted.

11

MULTI-ASSET CREDIT UPDATE - PART 2

Following discussion, the Committee agreed to take **option 2**: to create a new fund (a working name for this is the "Alternative Credit Fund") which will retain just CQS (or a similar manager in due course), and delegated the communication of this option to the LCIV.

12

ENFIELD PENSION FUND FOSSIL FUEL EXPOSURE REPORT AS AT 31 MARCH 2021 - PART 2

The report informed the Pension Policy and investment Committee of the performance of pension fund managers and the overall performance of the Enfield Pension Fund. Following brief discussion, the report was noted.

13

DRAFT RESPONSIBLE INVESTMENT UPDATE, TFCO AND THE STEWARDSHIP CODE - PART 2

Following discussions in Part 2, the Committee:

- Noted the content of this report.
- Consider and approve further due diligence to be carried out by evaluating the merits of disinvesting from particular funds.
- Noted and consider becoming a voluntary supporter of TCFD.
- Noted the requirements of becoming a signatory to the 2020 UK Stewardship Code in 2022.
- Reviewed the current Responsible Investment Policy.

14

ANY OTHER BUSINESS

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There were no items of any other business. The Chair thanked everyone for attending.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Regulation 22(1)(A) of the Local Authorities (Executive
Arrangements) (Access to Information) (England)
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