

## Agenda Item 5



### London Borough of Enfield

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<b>Report Title</b>	LBE of Enfield Pension Fund administration report
<b>Report to</b>	Local Pension Board
<b>Date of Meeting</b>	13 <sup>th</sup> September 2023
<b>Cabinet Member</b>	
<b>Executive Director / Director</b>	Fay Hammond
<b>Report Author</b>	<i>Tim O'Connor</i> <i>Tim.O'Connor@enfield.gov.uk</i>
<b>Ward(s) affected</b>	
<b>Key Decision Number</b>	Non Key
<b>Classification</b>	Part 1 Public
<b>Reason for exemption</b>	

#### 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 relation to the Local Government Pension Scheme (LGPS)

#### Recommendations

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| <ol style="list-style-type: none"><li>I. To note the contents of this report</li></ol> |
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## 1. Background and Options

### 1.1 SCAPE discount rate and actuarial factors - Update

Recent update to the background factors used in pension calculations via the Altair pension system.

#### **SCAPE discount rate and actuarial factors – second batch**

DLUHC has cleared a second batch of actuarial factors for use. The factors in the second batch that have been cleared for use, their effective dates and the impact on calculations are summarised below:

#### **Non-Club transfer in factors:**

The new factors are in force from 3<sup>rd</sup> July 2023. Any interfund cases, where the transfer value of final salary benefits will be used to buy additional pension in the CARE scheme, can be processed.

#### **Non-Club transfer in with final salary link:**

The new factors are also in force from 3<sup>rd</sup> July 2023. If a member elects to complete a non-Club transfer with a final salary link, where there is no guarantee on or after 30<sup>th</sup> March 2023, the new factors apply. If a guaranteed quotation before 30<sup>th</sup> March 2023 has been supplied, and the member replies within the guarantee period, the old factors are used.

#### **Early retirement**

The new factors are in force from 3<sup>rd</sup> July 2023. If a member's early retirement date is 3<sup>rd</sup> July 2023 or later, the new factors apply. The new factors are lower than the ones in force before 3<sup>rd</sup> July 2023. Any early retirement benefits already quoted will increase as a result of the change.

#### **Late retirement**

The new factors are in force from 1<sup>st</sup> September 2023. A longer lead-in time has been allowed for these factors to allow time for software changes to be made, and because some members' benefits may be lower using the new factors.

LGPS benefits are increased for late retirement after Normal Pension Age (NPA):

- Benefits built up before 1<sup>st</sup> April 2014 are increased if they are taken after age 65.
- Benefits built up from 1<sup>st</sup> April 2014 are increased if they are taken after State Pension Age, or after age 65 if this is later.

When a member retires late after 31<sup>st</sup> August 2023, depending on the member's age, the calculation may require three stages:

- For any period between the NPA and 31<sup>st</sup> August 2019, the method and factors specified in the GAD 'LGPS: Late retirement guidance dated 18<sup>th</sup> April 2016' apply.
- For any period between 1<sup>st</sup> September 2019 and 31<sup>st</sup> August 2023 (inclusive) the method and factors specified in the GAD 'LGPS Late retirement' guidance dated 5<sup>th</sup> May 2021 apply.

- For any period from 1<sup>st</sup> September 2023 onwards, the new factors in table x-402 apply. GAD has confirmed that no increase will apply to any retirement grant for the period from 1<sup>st</sup> September 2023 onwards.

### **SCAPE discount rate and actuarial factors – third batch**

On 28<sup>th</sup> July 2023, DLUHC cleared the third batch of actuarial factors for use. Their effective dates and the impact on calculations are summarised below:

#### **Trivial commutation factors**

Where a quotation was provided before 28<sup>th</sup> July 2023 and the nominated date was before 28<sup>th</sup> July 2023, the old factors are used. In all other cases, the new factors are used.

#### **Scheme pays (Annual allowance) factors.**

For a deferred or active member, if the election date was before 28<sup>th</sup> July 2023, the old factors are used. If the election date is 28<sup>th</sup> July 2023 or later, the new factors are used.

Please refer to Appendix 1 for more information

## **1.2 Finance (No.2) Act receives Royal Assent**

### **Factors for calculating Lifetime allowance debit**

The Finance (No.2) Act 2023 received Royal Assent on 11<sup>th</sup> July 2023. The Act delivers the tax changes announced in the Spring Budget, including:

- no lifetime allowance tax charges for the 2023/24 year or any subsequent tax year
- certain lump sums to be taxed at the marginal rate
- changes to lifetime allowance protections
- annual allowance for tax year 2023-24 included to £60,000

The Finance (No. 2) Act 2023 puts a stop to lifetime allowance (LTA) charges, effective from the start of the current tax year, whilst draft clauses destined for inclusion in next year's Finance Bill would complete the task from 6<sup>th</sup> April 2024. The LTA factors are still required as they are used to calculate certain annual allowance scheme pays debits.

Certain lump sums (serious ill-health lump sum, lifetime allowance excess lump sum, and defined benefits and uncrystallized funds lump sum death benefits), which would previously have been subject to the charge, are taxed like pension income, at the recipient's marginal income-tax rate. Members with enhanced or fixed protection can accrue further benefits without losing their protections, as long as they obtained their protection before 15<sup>th</sup> March 2023.

Please refer to Appendix 2 for more information

### 1.3 HMRC Consultation - Abolishing the lifetime allowance

On 18<sup>th</sup> July 2023, HM Revenue and Customs (HMRC) launched a consultation on abolishing the pensions lifetime allowance. The consultation includes draft legislation that aims to:

- abolish the lifetime allowance from pension legislation from 6<sup>th</sup> April 2024
- limit the amount of tax-free cash an individual can receive to a maximum of £268,275, unless they hold valid lifetime allowance or lump sum protection.
- limit the total amount of lump sums an individual can receive before marginal rate taxation applies to £1,073,100 unless they hold a valid lifetime allowance protection, and.
- clarify how lump sums and lump sum death benefits will be taxed in the absence of the LTA.

In broad terms, the government proposes to create two new limits on tax-free lump sums:

- an overarching 'lump sum and death benefits allowance' of £1,073,100 (fixed at the same level as the current lifetime allowance); and
- a 'lump sum allowance' of £268,275 (one-quarter the current allowance), affecting pension commencement lump sums (PCLSs) and the PCLS-like elements of uncrystallized funds pension lump sums (UFPLSs), trivial commutation lump sums (TCLSs) and winding-up lump sums (WULS).

For example, the maximum tax-free PCLS, if the proposals come into force would be the lowest of the following amounts:

- 25% of the total value of the benefits crystallized at the time
- the available balance of the individual's lump sum allowance
- the remainder of the individual's lump sum and death benefits allowance

If any of the affected lump sums or lump sum death benefits exceed the new limits, the excess will be taxed in the same way as pension income, at the recipient's marginal rate.

The existing system of transitional protections would remain in place, with one or two tweaks. For example, there will be a new deadline of 5<sup>th</sup> April 2025 for applications for the 2016 versions of fixed and individual protection.

Consultation closes - 12<sup>th</sup> September 2023

Please refer to Appendix 3 for more information

## **1.4 Pension Dashboard Update**

### **Pensions Dashboards Amendment Regulations 2023**

The Department for Work and Pensions (DWP) has laid the Pensions Dashboards (Amendment) Regulations 2023 [SI2023/858].

A revised staging timetable will be set out in guidance and all schemes in scope will need to connect by 31<sup>st</sup> October 2026. The staging timetable will indicate when schemes are scheduled to connect, based on their size and type.

#### **Updated resources**

- A new video introducing the dashboards available point. The dashboards available point is the date when pensions dashboards will be made available to the public.
- The pensions dashboards development FAQs have been updated to reflect the new connection deadline announcement.
- The connection deadline page has been updated to provide more information on the new approach.

Please refer to Appendix 4 for more information

## **1.5 Scheme Fund Account return (SF3)**

The DLUHC updated their form and guidance for this years' return. The documents set out the data for 2022/23 that administering authorities must provide by 15<sup>th</sup> September 2023. The completed form must be returned using figures from audited final accounts.

DLUHC uses the information to provide a benchmark on administration and fund management. The information is also used in compiling the national accounts and to show the role of the LGPS in the economy.

Please refer to Appendix 5 for more information

## **1.6 Scheme Advisory Board – Scheme Annual Report 2022**

On 26<sup>th</sup> June 2023, the Scheme Advisory Board published its tenth Annual Report.

The report provides a single source of information about the status of the LGPS for its members, employers and other stakeholders. Continually improving key information about the Scheme as a whole is one of the top priorities of the Board.

The report combines information supplied in 86 fund annual reports as of 31<sup>st</sup> March 2022.

Key highlights for 2022 are:

- total membership of the LGPS increased slightly, growing by 161,871 (2.6%) to 6.39 million members in 2022 from 6.23 million in 2021.
- total assets of the LGPS increased to £369 billion (a change of 7.8%).
- local authority returns on investment over 2021/22 was 8.1%. This compares to UK CPI year on year inflation of 8.8% (Sept to Sept)
- the Scheme maintained a positive cash-flow position overall, including investment income.
- over 1.95 million pensioners were paid over the year.
- life expectancy rebounded to pre-covid levels with an increase of 0.8 years for males and 0.6 years for females (2021 figures versus 2022)
- total management charges increased by £385 million (22.5%) from £1,711 million. This was primarily driven by a £381 million (25.6%) rise in investment management charges, while administration and oversight and governance costs remained broadly stable.
- The scheme has an estimated overall funding level of 107%

As of 31<sup>st</sup> March 2023, the Regulator estimates that:

- 76% of the schemes were in surplus.
- 52.6% of schemes had moved from a deficit position at the time of their previous valuations to a state of surplus.
- of those schemes still in deficit, 79% could retain or reduce their existing deficit reduction contribution levels.

Please refer to Appendix 6 for more information

## **1.7 The Pension Regulator (TPR)**

### **Annual report and accounts for 2022/23**

On 13<sup>th</sup> July 2023, TPR published its annual report and accounts for 2022/23. This focused on their performance including financial penalties issued and convictions to policy achievements and Automatic enrolment.

Please refer to Appendix 7 for more information

## **1.8 LGPS Frameworks – provision of AVC services**

National LGPS Frameworks intends to launch a new framework for AVC services later this year. They have recently published a Prior Information Notice for the AVC framework.

The purpose of the prior information notice is to inform providers about the opportunity and express an interest in the project.

Please refer to Appendix 8 for more information

## **1.9 Pensions & Lifetime Savings Association (PLSA) survey results**

The PLSA recently published the results of a survey it undertook in May 2023 to assess the issues that are impacting LGPS funds. Responses were received from 92 LGPS representatives and the survey covered a broad range of areas including stakeholders, resources, employers and members, working environment, and views for the future.

Some key findings are as follows:

- 85% of respondents have a positive view of working within the scheme – with the most positive aspects seen as colleagues and learning opportunities, while the most common negative aspects were remuneration and the lack of opportunities for progression.
- In relation to government and regulators, 74% believe that focus should be on good governance, with 55% indicating that responsible investment and stewardship should be high on the agenda. Only 18% believe that focus should be on pooling.
- 81% of respondents said their ability to secure resources has either improved or remained the same over the last 12 months, with 65% indicating that they believe they have the right staff in place to carry out day-to-day work. The main reasons cited for not having the right staff in place were difficulty recruiting (78%), low pay/rewards (67%), changes to the required skills (50%), and difficulty retaining staff (50%).
- When asked what would have the greatest positive impact on the fund, the most common responses were paying staff more (55%), more time spent on communication tools and services with scheme members (51%), and more time spent working with employers (48%).
- In relation to pooling, only 4% agree that pools need to be consolidated, with 49% disagreeing and 46% undecided.
- On governance, 59% feel that the current governance set up of the LGPS works.

Please refer to Appendix 9 for more information

## **1.10 Scheme Advisory Board (SAB) Committee structure**

The SAB communicated recently on its current focus and structure.

It has three subcommittees and one advisory group formed underneath the main SAB body. The committees are:

- Compliance and Reporting Committee (CRC)
- Cost Management, Benefit Design and Administration (CMBDA) - Committee
- Investment, Governance and Engagement (IGE) Committee
- Responsible Investment Advisory Group (RIAG)

Each committee looks at a specific area of the LGPS. Each has its own terms of reference and membership profile made up of practitioners, advisors, scheme member and employer representatives.

The CRC was established following the disbandment of the Chartered Institute of Public Finance and Accountancy (CIPFA) pensions panel in 2021. It aims to co-produce statutory guidance for LGPS administering authorities on a range of issues. The CRC has five workstreams looking at drafting new or updating existing statutory guidance.

The workstreams are:

- good governance
- knowledge and skills
- funding strategy statements
- audit issues
- producing the annual report.

## **1.11 Continuous Mortality Investigation (CMI)**

The CMI has recently published its updated standard mortality projections model, 'CMI\_2022'.

The updated model reflects mortality data for 2022 in England and Wales, a year which continued to see higher death rates compared to the last pre-pandemic year (2019). Death rates in 2022 were less volatile than the previous two years but remained high. The new model shows a reduction in life expectancy of around 6-8 months compared to the previous model (CMI\_2021).

CMI\_2021 was used for the 2022 actuarial valuation for the majority of LGPS funds.

Please refer to Appendix 10 for more information

## **1.12 Pension Protection Fund (PPF)**

The PPF has responded to reports that the Government is considering extending its current remit. This will provide a safeguard for members of defined benefit schemes where the sponsoring employer fails. It will allow it to act as a consolidator scheme for smaller, poorly performing defined benefit schemes.

Using the PPF as a consolidator scheme was one of several ideas mooted in the departmental review of the PPF, published in December 2022 and has also been



discussed in a recent report (*Investing in the Future: Boosting Savings and Prosperity for the UK*) by The Institute for Global Change.

The PPF welcomed the opportunity ‘to work with government and the wider industry to explore the various options and be part of the potential solution’ but said that that delivering the best outcomes for current PPF members and levy payers remains its priority. It also notes that any change to the PPF’s role is likely to be outside its current statutory remit, and as such would require a legislative change.

Please refer to Appendix 11 for more information

### **1.13 LGA Communications Working Group – July 2023**

Areas covered included engagement, accessibility audit, digital engagement, McCloud communications and procurement, cost of living impact, current scheme amendments including.

- A consultation on the removal of the requirement to have left because of the offence in forfeiture cases is expected.
- A consultation on equalising the survivor benefits paid to male spouses or civil partners of female members with the benefits paid to same sex spouses or civil partners is expected. The rules will be backdated to 5<sup>th</sup> December 2005 – the earliest date that a couple could have entered into a same sex civil partnership.
- There are no immediate plans to remove the upper age limit of 75 for death grants. The SAB Chair has raised concerns about this with the Minister because of the possibility of a legal challenge.
- No movement on changes to the LGPS to accommodate the increase in the normal minimum pension age from 55 to 57 in 2028. The LGPS regulations will have to be changed to reflect the increase, but no news of a decision on protections for existing members has been shared yet.
- Public sector exit payment reform remains a government commitment, although there is no indication of when new rules might be consulted on. Any changes will be introduced for each individual scheme, there will not be a public sector-wide approach. Other public service schemes do not provide unreduced benefits to members made redundant at age 55 or older. There is a possibility that this provision will be changed in the LGPS.

The next meeting will be held on 12<sup>th</sup> October – London LGA offices.

Please refer to Appendix 12 for more information

## **1.14 Pensions Administrator Apprenticeship**

The Workplace Pensions (Administrator) Apprenticeship is being replaced by the Pensions Administrator Apprenticeship from 12 August 2023. The apprenticeship will be available in England.

The Pensions Administrator Apprenticeship Trailblazer group ran a webinar on 3<sup>rd</sup> August 2023 to explain more about the new apprenticeship standard. The webinar covered end assessment and funding and featured a panel session with previous apprentices.

## **1.15 LGA Apprenticeships and qualifications survey**

Summary of results:

- 55% of respondents currently use apprenticeships within the pension administrations section.
- Most respondents currently using apprenticeships offer business administration apprenticeships. Only four respondents use, or have used, the workplace pensions (administrator) apprenticeship.
- 58% of respondents were not aware of the workplace pensions (administrator) apprenticeship.
- 67% of respondents currently offer external pension administration qualifications to employees. These external qualifications are provided by either The Pensions Management Institute (PMI) or The Chartered Institute of Payroll Professionals (CIPP).
- Common issues with the qualifications currently available are lack of tutors, too much payroll focus, lack of LGPS specific content and concern about the long-term future of the qualifications.
- 90% of respondents would like the LGA to investigate the feasibility of providing or contributing to a formal LGPS qualification.
- 71% of respondents would like the LGA to investigate adapting apprenticeships to include LGPS qualifications.

## **1.16 LGA - Fundamentals training 2023**

The LGA Fundamentals training for 2023 is open for booking. The three day training course is aimed at elected members and others who attend Pension Committees and Local Pension Boards. Past delegates also include trade union and employer representatives, and officers who support committees and boards.

The course provides a scheme overview and covers current issues relating to administration, investments and governance of the LGPS. All sessions are delivered by experts in their field.

The in-person training will be held in two locations - London (LGA Office) and Manchester, and online.

### London Dates

Day 1 - 12<sup>th</sup> October 2023

Day 2 - 2<sup>nd</sup> November 2023

Day 3 - 5<sup>th</sup> December 2023

### Cost

In person - £280 plus VAT per session (includes lunch and refreshments)

Online - £240 plus VAT per session

Please refer to Appendix 13 for more information

### **1.17 Pension Admin Team Update**

Two senior officers have now embarked on maternity leave.

The team restructure has now been approved and formal consultation with staff has commenced.

The Annual Benefit Statements were issued to active and deferred members during July and August.

The Annual Allowance saving statements are now due to be issued by the deadline of 6<sup>th</sup> October (as the new increased limit was effective in the new tax).

## 1.18 Pension Team Key Performance Indicators

Quarter1 (April 2023 to June 2023)

Turnover of admin work	Performance
2,208	Work completed within timescales
344	Work completed outside timescales
2,552	Total of work completed
86.5%	Overall completion % rate

Process	No. of cases commenced in Q1	No. of cases completed within timescale	Good Practise timescales	% completed in Q1
Deaths – initial letter acknowledging death of members	49	48	2 months	97.96%
Retirements – letter notifying estimate retirement benefits	105	93	2 months	88.57%
Retirements – letter notifying actual retirement benefits	133	77	2 months	57.89%*
Deferment – calculate and notify deferred benefits	154	136	2 months	88.31%
Transfers in/out – letter detailing transfer quote	132	94	2 months	71.21%
Transfers in/out – letter detailing actual transfer	92	73	2 months	79.35%
Refund – Process & pay a refund	37	30	2 months	81.08%
Divorce quote – letter detailing cash equivalent value and other benefits	4	4	2 months	100.00%
Divorce settlement – letter detailing implementation of pension sharing orders	1	1	3 months	100.00%
Joiners – notification of date of enrolment	489	489	2 months	100.00%

There were no IDRPs received during Q1.

# 1.19 Pension Team Risk Register

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.	01/04/2024
	Scope - Change of factors	2	3	6	Medium	No	Backlog of work building up due to delay in receiving new factors required for calculation	Pensions Administration Team	member not paid causing financial hardship. Plus financial and reputational damage to pension fund	Team informing affected members of delay	Some factors have been issued but need to be updated into Pension software system by Heywoods - this is a national issue	01/08/2023
	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 hardship. Plus 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.	31/12/2023
	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. Members identified when reporting	Systems team to run future reports for 2021 to identify any future members reaching 75 this year. Missing member address tender required	31/08/2023
	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	31/08/2023
	AVCs -Prudential annual statements	3	1	9	Medium	No	Prudential not notifying member of AVCs held within the agreed timescales so they are either not claimed or forgotten by the member	Pension Fund	Reputational damage and complaints direct to the fund regarding Prudential's 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	30/09/2022
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	31/03/2024
	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	31/10/2023
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	01/11/2023
	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	01/11/2023
	GMP - HMRC	1	4	4	Low	Yes	All GMP related work to have been completed in line with the close down 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 no data cleansed sufficiently.	Final Cut of data now received from HMRC - and referred to on a daily basis for each member coming into payment	project plan in place	31/12/2023
	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.	Project plan in place - completed for 2023	Review in January for letters and also include online feedback survey	31/08/2024
	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.	31/03/2024
	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	31/03/2024
	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	31/08/2023
	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	Not having the ability to contact the member to notify or pay our benefits	Project plan in place - working presently on payroll pensioner addresses	Tender required to outsource missing members addresses to a tracing agency. Systems Team to identify amount.	31/01/2024
	End of year updating (LGPS 2023 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.	Andreas Andrea	Impact on both members payments and incorrect ABS	Project plan in place - work is double checked by system team - completed for 2023	None required at present - a written procedure to be produced for new systems team members to follow	31/03/2024
	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.	31/12/2023
Management	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	Procedure project in progress	Team Leaders to routinely capture any missing processes and monthly reviews on updates	31/03/2024
	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	31/03/2024
	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	31/03/2024
	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.	31/12/2023
	Staffing levels	2	3	6	Medium	No	Capacity issues: 2 Senior members of staff going on maternity leave - first in July.	Tim O'Connor & Julie Barker	Resourcing work and all other projects will be hindered or slowed down by lack of experienced team members plus training for new staff.		Completion of restructure and recruitment to new posts must be expediated	30/09/2023
	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	31/12/2023
	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.	31/03/2024

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.	31/12/2023
	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	31/03/2024
Employer	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.	31/03/2024
	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.	31/12/2023
Communications	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 - Investment areas to add	some additions ready to now add re governance page and AVCwise information and year end information	30/09/2023
	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.	31/12/2023
	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	30/11/2023
	Member Self Service	1	3	3	Low	Yes	Lack of access for all members	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	Pensioners access plus development of MSS	31/03/2024
	Cyber security	2	3	6	Medium	Yes	Increased risk of online attack due to pandemic	Julie Barker with support from Tim	Fraud, reputational damage	Yes	Await results of AON cyber security report	31/12/2023
Security												

## 2. Preferred Option and Reasons for Preferred Option – n/a

## 3. Relevance to Council Plans and Strategies

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.

This report is to assist members of the Local Pension Board with their role and responsibilities. The Pension Team are required to provide regular updates.

## 4. Financial Implications – n/a

## 5. Legal Implications – n/a

## 6. Equalities Implications

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.

## 7. HR and Workforce Implications – n/a

## Appendices

### 1. Scape discount rate and actuarial factors - Update

[https://lgpslibrary.org/assets/actgui/ew/EW\\_transitional\\_arrangements\\_July2023.pdf](https://lgpslibrary.org/assets/actgui/ew/EW_transitional_arrangements_July2023.pdf)

### 2. Finance (No.2) Act receives Royal Assent

<https://www.legislation.gov.uk/ukpga/2023/30/contents/enacted>

### 3. HMRC – Abolishing the lifetime allowance - consultation

<https://www.gov.uk/government/publications/abolishing-the-pensions-lifetime-allowance>

### 4. Pension Dashboards

#### (Amendment Regulations 2023)

<https://www.legislation.gov.uk/uksi/2023/858/contents/made>

<https://www.pensionsdashboardsprogramme.org.uk/2023/07/12/an-introduction-to-the-dashboards-available-point/>

<https://www.pensionsdashboardsprogramme.org.uk/faqs/>

### 5. Scheme Fund Account return (SF3)

<https://www.gov.uk/government/publications/local-government-pension-scheme-funds-account-return>

Return for 2021-2022

<https://www.gov.uk/government/statistics/local-government-pension-scheme-funds-for-england-and-wales-2021-to-2022>

### 6. Scheme Advisory Board – Scheme Annual Report 2022

<https://lgpsboard.org/index.php/scheme-annual-report-2022>

### 7. The Pension Regulator – Annual report and accounts for 2022/23

<https://www.thepensionsregulator.gov.uk/en/document-library/corporate-information/annual-reports>

<file:///C:/Users/toconnor/Downloads/annual-report-and-account-2022-2023.pdf>

### 8. LGPS Frameworks – provision of AVC services

<https://www.find-tender.service.gov.uk/Notice/019949-2023>

### 9. Pensions & Lifetime Savings Association (PLSA) survey results

<https://www.plsa.co.uk/Press-Centre/Press-Releases/Article/LGPS-staff-positive-about-working-for-scheme-but-regulatory-burden-and-resourcing-remain-a-challenge>

## **10. CMI (Continuous Mortality Investigation)**

<https://actuaries.org.uk/learn/events/events-calendar/cmi-update-on-pensioner-mortality-assumptions/>

## **11. Pension Protection Fund (PPF)**

<https://www.ppf.co.uk/news/interest-grows-over-future-of-DB-schemes-and-our-role>

<https://www.gov.uk/government/publications/departmental-review-of-the-pension-protection-fund-ppf/departmental-review-of-the-pension-protection-fund-ppf>

## **12. LGA Communications Working Group – July 2023**

<https://www.lgpsregs.org/bulletinsetc/cwgminutes.php>

## **13. LGA - Fundamentals training 2023**

<https://lgpslibrary.org/assets/Fundamentals/2023/Draft%20programme%202023.pdf>

## **Background Papers**

None