



London Borough of Enfield

Report Title	Employer Contributions report
Report to	Local Pension Board
Date of Meeting	13 March 2024
Cabinet Member	Cllr Tim Leaver
Executive Director / Director	Fay Hammond
Report Author	Ravi Lakhani (Head of Pension Investments). Ravi.Lakhani@enfield.gov.uk

Purpose of Report

1. This report updates the Board on the collection of Employer contributions up to January 2024.
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.

Recommendations

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

Reason for Proposal(s)

6. The Pensions Board's role is to assist the Administering Authority in ensuring compliance with the regulations.

Background

7. 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. The Regulations also empower the Fund to admit employees of other 'defined' (e.g., other public bodies) bodies into the Fund.
8. 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.
9. 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.

2023/24 Contributions

10. 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.
11. All Contributions are received following the 19th day of each month, up until the 19th January 2024 at the time of writing this report.
12. There have been 74 days of late payments of contributions out of 345 expected payments which is a significant increase on 2022/23. This is mainly attributed to Crystal Facilities Management Services, who were responsible for 51 late days this year. However, they only joined in November 2023 and all of these late payments were due to technical/payment setup issues. In total, five different employers were responsible for late payments in the Fund, two fewer than the previous year.
13. Capel Manor College was late on one occasion by one day due to a payment oversight of the admin team, whereas Reed Wellbeing and The Pantry Ltd were late on two separate occasions. Reed Wellbeing accounted for a total of 15 days late in April and May due to payments having to be returned to their payroll process manager. The Pantry Ltd accounted for 8 days during June and July due to staff being on leave when payments were due.

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

14. 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.

Financial Implications

15. 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. Late payments can also result in a loss on investment returns

Legal Implications

16. 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

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

Conclusions

18. The Pension Board is recommended to note the contents of this report.

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Appendices

Appendix 1 –Enfield PF Employers Late Contribution Payments Schedule January 2024

Background Papers – None

Reed Wellbeing (momenta)	11	3												14
Sodexo														0
Fusion Lifestyle														0
WGC Ltd														0
Crystal Facilities Mgt Svcs							30	17	4					51
Enfield Voluntary Action														0
Lewis & Graves														0
Birkin Cleaning (Nightingale)														0
Olive Dining (Nightingale)														0
Taylor Shaw Ltd														0
Subtotal - Admitted Bodies	11	3	2	6	0	0	30	0	0	0	0	0	0	73
Total no. days payments being late	11	4	2	6	0	0	30	0	0	0	0	0	0	74

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Total Payments Due	38	38	38	38	38	39	39	38	39				345
Payments Received Late	1	2	1	1			1	1	1				8

Notes	
April	Reed reporting handed over to people service manager and had to be returned to payroll process manager.
May	Capel Manor payment oversight by admin team. Reed Wellbeing same issue as April.
June	The Pantry Ltd late due to staff on leave
July	The Pantry Ltd late due to staff on leave
August	
September	
October	Crystal Facilities Management Services is a new member, late due to technical/payment setup issues.
November	Crystal Facilities Management Services is a new member, late due to technical/payment setup issues.
December	Crystal Facilities Management BACS payment did not take into account extra days required for bank to process.
January	
February	
March	