

Agenda Item: 7

Local Pension Board

Meeting Date: 15.12.2022

Subject: Pension Team Update Report

Cabinet Member: Cllr Leaver

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 relation to 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. Prudential performance update

Annual Benefit Statements

In October we received an email from our client manager advising us that the Prudential were not able to issue Annual Benefit Statements to Members until November. It appears that there has been a further delay as statements have still not been received by our members. The Pension Regulator is aware of the situation.

Their update is below.

As you know, we are in the process of preparing the Annual Accounts and members' Annual Benefit Statements (ABS) for the year ending 31 March 2022.

The revision process which supports the Annual Accounts and ABS is making good progress, but there have been some delays in completing this work. I now expect your AVC scheme Accounts to be issued in November 2022 although if possible the Annual Accounts and ABS will be issued earlier than this. I am conscious this is later than you would like and potentially passes the date by which your main scheme annual report is due.

I felt it important to let you know about this situation and the timescales involved. I am sorry for this delay. We are in communication with The Pension Regulator, so they are aware of the delays being experienced. If the Annual Accounts are delayed beyond November 2022, we will continue to update them.

Pension Lifestyle Investment Options

We also received an update on pension lifestyle investment options.

Members of the Enfield Pension Fund have access to lifestyle investment options. These are designed to automatically change investments at pre-defined points as members get closer to retirement.

The Prudential have identified that some of automatic changes have not been applied resulting in member's fund values being reported as incorrect. The Prudential have apologized and have contacted those members affected. Controls have been put in place to avoid a recurrence of this problem and have notified the Pensions Regulator

We are monitoring the situation closely and have requested further updates on both issues. We are also organising a meeting with our client manager in January and will update the Board on progress at the next meeting.

6. LGPS published statistics for 2021/22

Highlights include:

- The Scheme market value @ March 2022 was £364 billion, an increase of £26.9 billion (8%)
- Total expenditure of £14.4 billion, an increase of 6.6% on 2020/21 which DLUHC suggests was partly driven by an increase in lump sum retirement payments
- Total income of £15.9 billion, a decrease of 8.1% on 2020/21

- Employer contributions decreased by 24.3% on 2020/21 to £7.8 billion. The decrease in total income and employer contributions is common in the final year of the three-year valuation cycle. This is due to employers making early payment of contributions in the previous two years.
- Employee contributions of £2.6 billion, an increase of 4.8%
- There were 6.3 million scheme members @ 31st March 2022 - 2 million active members, 1.9 million pensioners and 2.3 million deferred members
- There were 94,724 retirements in 2021/22, an increase of 14.2% compared with 2020/21

DLUHC suggests that the increase in retirements could be due to members being unable to retire in 2020-21 due to the pandemic with more people choosing to retire as the pandemic abated. Normal retirements and early payment of deferred benefits increased by 29.8% and 9.5% respectively over the previous year.

Please refer to Appendix 1 for more information.

7. **September 2022 CPI rate announced**

On 19th October 2022, the Office for National Statistics announced the Consumer Prices Index (CPI) rate of inflation for September 2022 as 10.1%.

Government policy in recent years has aligned increases, under the Pensions (Increase) Act 1971 and revaluation of pension accounts under Section 9 of the Public Service Pensions Act 2013 to the rate of CPI in September of the previous year.

We await confirmation from Government what the revaluation and pensions increase will be, which we will apply to LGPS active pension accounts, deferred pensions, and pensions in payment from April 2023.

Please refer to Appendix 2 for more information

8. **Cost of Living impact**

Data request on opt outs

On 11th October 2022, Gareth Brown emailed administering authorities in England, Scotland and Wales with a request for data on the number of members opting out or moving to the 50/50 section. The email was sent on behalf of the Scheme Advisory Board (SAB) for England and Wales.

Authorities are asked to respond by 4th November 2022, which we did.

The data will allow the SAB to understand the extent to which the cost of living crisis is changing members' behaviour. The data will also help SAB to decide whether a more substantial data gathering exercise is required. This would capture data that is only likely to be held by employers.

SAB expects to re-run the exercise early next year and possibly again in spring 2023.

FCA warns that cost-of-living crisis could increase pension scams

The Financial Conduct Authority (FCA) recently issued a press release warning that the cost-of-living crisis could cause an increase in pension scams.

The warning follows FCA research which showed that a quarter of pension members would consider withdrawing money from their pension earlier than planned to cover the cost of living, making them vulnerable to pension scammers.

Please refer to Appendix 3 for more information.

9. Pensions Dashboards Programme (PDP)

The aim of the pensions dashboards is to allow scheme members to see information about all their pensions, including the State Pension, securely online.

Those in scope are estimated at 40 million people aged 18 to state retirement age and 12 million people aged over 66. Approx. 40,000 pension providers covering 100 million pension entitlements will need to be ready for the dashboard.

DWP launched a consultation in January 2022, and they have published their response which changes the requirements for public service pension schemes. We will now need to connect to the initial pension's dashboard by 30th September 2024.

The regulations however do not confirm when the general public will be given access to the dashboards (known as the "Dashboards Available Point") but do confirm that schemes will receive at least 6 months' notice of this date by Government. This is an increase to the 90 days proposed in the consultation.

DWP have confirmed that they will be going ahead with the second proposal allowing the Money and Pensions Service (MaPS) and the Pensions Regulator (TPR) to share information about dashboards.

DWP has confirmed that frozen refunds will not be included in the first iteration of pensions dashboards. This is a disappointing decision which

could lead to more queries. They could be considered for inclusion by the DWP at a later stage.

The LGA is meeting regularly to discuss pensions dashboards with Heywood, our software supplier.

State pension data is due to be available from launch of the dashboard.

Draft dashboard regulations laid for approval

On 17th October 2022, DWP laid a draft of the Pensions Dashboard Regulations 2022 before each House of Parliament. Each House will need to approve the draft by a resolution. The House of Lords will consider the regulations on 15th November 2022. As yet, no date has been set for consideration in the House of Commons.

Progress update report

On 26th October 2022, the Pensions Dashboards Programme (PDP) published its sixth progress update report.

The report covers:

- programme activity in the six-month period from April 2022,
- focus areas to April 2023
- updates from PDP's partners: DWP; the Financial Conduct Authority (FCA); and TPR.

Videos published

On 13th October 2022, PDP published two short videos.

The first video is called 'Get your data ready for pensions dashboards'. The video provides guidance to schemes on how to cleanse data so that it is accurate and up-to-date.

The second video is called 'An introduction to find and view data'. The video explains the important differences between find data and view data.

Please refer to Appendix 4 for more information.

10. The Pension Regulator

Enforcement and prosecution policy updated

Dominic Harris will replace Anthony Arter as Pensions Ombudsman in January 2023.

On 25th October 2022, the Pensions Regulator (TPR) published various enforcement policy and strategies. These aim to give clarify what we can expect from the TPR enforcement action.

The enforcement policy sets out TPR's approach to investigating cases and any subsequent enforcement action. It is web-based and divided into standalone chapters; each will have links to other relevant documents. The policy also consolidates previous policies in respect of defined benefit, defined contribution and public service pension schemes.

The prosecution policy explains how TPR will approach prosecuting workplace pension criminal offences. The policy has been brought up to date to reflect the new criminal powers in the Pensions Schemes Act 2021 and other developments.

The enforcement strategy sets out the overarching aims of TPR's enforcement work (excluding automatic enrolment). It also provides an insight into the framework TPR applies when selecting cases for enforcement action.

The two main drivers for the publication of this new approach appear to have been increased TPR powers as a result of the Pension Schemes Act 2021, and the TPR drive for transparency.

Charles Counsel, Chief Executive Officer at TPR, delivered a speech at the recent Pensions and Lifetime Savings Association (PLSA) conference. The speech was titled 'Looking Ahead: Regulating for the Saver'.

The speech also covered a wide range of issues, including dashboards, liability-driven investments and the cost-of-living crisis.

Please refer to Appendix 5 for more information

11. **McCloud update**

Teachers' Pension Scheme (TPS) McCloud remedy and the LGPS

The implementation of the McCloud remedy in the TPS means that some teachers will be retrospectively eligible for the LGPS for the period from 1st April 2015 to 31st March 2022.

This is provided for in the Public Service Pensions and Judicial Offices Act 2022 (2022 Act). Chapter 1 of Part 1 of the 2022 Act defines remediable service as including 'excess teacher service'. The Department for Education (DofE) and the Department for Levelling Up, Housing and Communities (DLUHC) will consult on how this will work in practice in due course.

Background

TPS final salary scheme (legacy scheme) - if a teacher has a part time employment in addition to a full-time employment, the part time employment (or excess teacher service) was not pensionable in the TPS final salary scheme.

Where the employer offers the LGPS, the teacher would have been eligible to join the LGPS in respect of the part time employment. This is because the LGPS regulations provide for membership if a person is employed by a Scheme employer and is not entitled to membership of another public service pension scheme in respect of that employment.

The Scheme employer would have enrolled the teacher into the LGPS in respect of the part time employment in accordance with the LGPS regulations.

TPS CARE scheme (reformed scheme) – if a teacher has a part time employment in addition to a full-time employment, both employments are pensionable in the TPS CARE scheme. As a result, teachers in the TPS CARE scheme are not eligible to be members of the LGPS in respect of the part time employment.

The TPS legacy scheme is closed to all pensions build up from 1st April 2022. All future TPS pension build up is in the reformed scheme – this includes any part time employments where the teacher also has a full-time employment.

McCloud remedy in the TPS

As part of the TPS McCloud remedy, all eligible members who were in the TPS reformed scheme will initially be rolled back into the TPS legacy scheme for the remedy period. The remedy period in the TPS runs from 1st April 2015 to 31st March 2022.

When a member takes payment of their pension, they will decide if they want to take the benefits built up in the remedy period as either legacy or reformed benefits. This is called the Deferred Choice Underpin (DCU). If a member has already taken payment of their pension, they will be given an immediate choice as soon as possible after 1st October 2023.

The 2022 Act sets out the approach that will apply for members with excess teacher service. Because reformed scheme benefits are initially being rolled back into the legacy scheme, any additional part time employments will retrospectively change from being pensionable under the TPS CARE scheme to pensionable in the LGPS for the remedy period. Members who meet the LGPS qualifying criteria will receive underpin protection in the LGPS.

Teachers who remain in (or restart) employment after 31st March 2022 will have the opportunity to transfer the membership from the LGPS to the TPS.

Where a teacher keeps their excess teacher service in the LGPS and subsequently makes their choice on whether to have reformed or legacy scheme benefits for their main TPS record, this decision will not affect their LGPS membership for the remedy period. The LGPS will remain the member's appropriate scheme for their excess teacher service for the remedy period.

Administration impact

DofE has estimated that approximately 18,000 teachers are in scope. These will be a mix of active, deferred and pensioner members.

Pensioner members who were not protected, or only partially protected, by the original transitional protection will be asked to make an immediate choice by the TPS. They will be asked to decide if they wish to take final salary (legacy) or CARE (reformed) scheme benefits in respect of their service during the remedy period. If they choose final salary, the excess teacher service will be retrospectively pensionable in the LGPS for the appropriate period. The resulting LGPS pension will need to be put into payment immediately, with an adjustment for any over or under payment.

This exercise is going to be administratively challenging for both the TPS and LGPS administering authorities. We will work with DofE and DLUHC to agree a process for dealing with these cases. This will involve considering

- how to identify affected members
- adjusting employee and employer contributions
- obtaining data to create LGPS member records
- how to deal with any additional pension contracts
- adjustments where benefits are already in payment
- transfers back to the TPS after the remedy period

This list is not exhaustive, more information is expected in due course.

The DLUHC response to the McCloud consultation has been delayed further. It is now expected that a response will be in early in 2023 rather than autumn this year.

No major changes are expected to the central policy. This delay however does mean that administering authorities and software suppliers will have to wait longer for specific information about how the remedy will work in certain circumstances such as flexible retirements and club transfers.

It will not be possible to make any progress on re-calculations until the final regulations are in place. Expectation is that many calculations will have to be performed manually in the period before systems are updated.

Please refer to Appendix 6 for more information.

12. **Letter about discrimination in the LGPS sent to minister**

Chair of the SAB, wrote to the Local Government Minister, Paul Scully. The letter to the minister recommends amending the regulations on death grants and survivor benefits.

The SAB expressed concern about continuing to restrict death grants to cases where the member died before age 75. It considers the restriction may be at risk of legal challenge and should be removed.

The SAB reminded the minister that the LGPS rules on survivor benefits have not yet been amended to reflect the Goodwin judgment. It has previously recommended the Government investigate the feasibility of removing all differences in the survivor benefit rules.

Please refer to Appendix 7 for more information

13. **Ministerial changes**

On 6th July 2022, Kemi Badenoch MP resigned from the Government as Minister of State at the DLUHC. As part of this office, she was responsible for the LGPS.

The Government has recently confirmed that Paul Scully MP has taken over ministerial responsibility for the LGPS.

On 20th September 2022, it was announced that Guy Opperman MP had been relieved of his duties as Pensions Minister. He was the UK's longest serving pensions minister, he was in post for five years.

On 21st September 2022, the Government announced that Alex Burghart MP will take up the role of Pensions Minister.

On 27th October 2022, Laura Trott, MP for Sevenoaks, was confirmed as the new Minister for Pensions, with responsibility for pensioner benefits, private and occupational pensions, and the care of arms-length bodies such as the Pensions Regulator.

On 7th September 2022, it has been confirmed that Lee Rowley, MP for North East Derbyshire, will be the new minister for Local Government and therefore take responsibility for the LGPS.

14. **LGPS Governance Conference 2023**

The conference will take place on 19th to 20th January 2023 at the Cardiff Marriott Hotel. You can attend the conference in person or join online. Places are limited for attendance in person.

The conference is aimed at elected members and others who attend pension committees/panels and local pension boards. Past delegates include elected members, trades union representatives, member and employer representatives, as well as a variety of officers who attend and support committees.

Please refer to Appendix 8 for more information

15. **South West Pension Managers conference** (update notes)

Lorraine Bennett, LGA

McCloud remedy response to consultation is expected in November but will not include draft regulations, these are expected in a further consultation early next year.

McCloud regulatory timings have slipped – the Government consultation response is now expected before Christmas, a further consultation early in 2023 will cover technical comments on the remedy regulations and seek views on other areas not yet consulted on (e.g. interest and compensation). Regulations will now hopefully be made before the summer recess before coming into force 1st October 2023

Age 75 death grant limit – a request has been made to the Minister to remove the age limit in line with other public service pension schemes

Exit payments cap – this is still on the horizon, but timings are unknown

Good governance consultation is expected in early 2023 and will include workforce planning.

Oasis multi-academy trust consolidation – hopefully a decision will be reached by the end of the year

Recruitment and retention

Several issues were identified as contributing to the difficulties in recruiting and retaining staff. It is felt that pay scales are not competitive and private sector pay increases or career opportunities may be more attractive to potential employees.

The option to work from home is giving employees a wider pool of employers to choose from.

The complex high-volume work involved is not recognised by job evaluation and higher KPIs are putting pressure on staff.

It was also noted that pension qualifications don't always meet the training needs of the LGPS.

Solutions proposed included:

- A national rebrand of LGPS roles and careers, producing a framework for skills and knowledge, establishing national standardised job profiles,
- providing an LGPS qualification,
- better utilising the apprenticeship levy,
- introducing a graduate scheme,
- involving the pensions board in discussions with host authority HR about pay.
- It was also felt that more joined up working with the LGA and SAB to reduce complexity of the Scheme would be beneficial.

Angela Bell, The Pension Regulator

The Pensions Dashboard

Angela Bell from TPR confirmed the timeline for LGPS funds to be ready to connect and respond to matching requests is 30th September 2024. In advance of this funds should review the guidance and resources available and speak with their software providers.

Funds were encouraged to use the checklist, available on the Regulator's website to help track their progress.

Where data is requested from funds via the dashboard, there is likely to be a 10-day turnaround time for public sector schemes. The Regulator will view failure to return information as a similar level of breach as returning incorrect information. The Regulator's focus will be on wilful non-compliance, and the response to these cases will be robust.

High inflation, cost of living crisis and the LGPS

Melanie Durrant and Jeff Houston, Barnett Waddingham

With the 10.1% pension increase having a compounded effect on cashflows, the potential for increased member opt-outs, more employers leaving or downsizing, a reduction in contributions and an increased likelihood of the McCloud underpin biting. This may be somewhat offset by delayed retirements, employee contribution bands and less commutation but this is still somewhat of an unknown.

Funds will need to consider employer contributions on an individual basis, engage with members and employers – make sure they know the benefits of the scheme and what they will be giving up, promote 50/50 section.

16. Chancellor's Autumn Statement

Chancellor Jeremy Hunt delivered the 2022 Autumn Statement on 17th November. The measures affecting pension schemes are summarised below. There were no changes to pensions taxation.

In his speech, the Chancellor stated that the Government would tackle "inflation to reduce the cost of living and protect pensioner savings whilst supporting the economy on a path to sustainable growth".

Lifetime allowance – freeze not extended

In the March 2021 Budget, it was announced that the lifetime allowance (LTA) would be frozen for five years - for 2021/22 to 2025/26 inclusive. Despite tax and National Insurance thresholds being frozen until April 2028, no extension to the LTA freeze was announced.

State Pension triple lock

The State Pension will be updated in line with CPI inflation (10.1%) in April 2023 – in line with the Government's commitment to the 'triple lock'.

State pension age review

The Chancellor confirmed that the Government will publish its second periodic review of State Pension Age (SPA) "in early 2023". The review "will need to carefully balance important factors, including fiscal sustainability, the economic context, the latest life expectancy data and fairness both to pensioners and taxpayers". The review must be published by 7th May 2023.

Under the Pensions Act 2014, reviews like this must be carried out at least once every six years. The first such review was published in 2017 and recommended that the increase in SPA from 67 to 68 should take place from 2037-39, seven years earlier than the current legislative timetable. The Government stated at the time that it would legislate to bring forward the increase in line with that recommendation but said that it would carry out a further review before doing so, in order to consider the most up to date life expectancy projections. In practice therefore, the recommendation hasn't become law.

Other News

The Government Actuary will report on life expectancy.

Baroness Neville-Rolfe has been appointed to prepare an independent report on other relevant factors to ensure the way SPA is set up is robust, transparent and fair to both taxpayers and pensioners. Her report was completed in September 2022 but has not yet been published

The outcome of the review will be highly relevant to the LGPS, as the pension age for CARE benefits is set equal to SPA and so any change to SPA that is legislated for will impact on the payment of benefits already built up as well as those due to accrue in future. The review will also impact on whether the McCloud underpin bites or not for individuals, given that early and late retirement factors will be taken into account in underpin calculations once the McCloud remedy regulations come into force in October 2023. Ultimately any change in benefit costs could impact employer contribution levels, or to future Scheme-wide valuations by GAD under the cost control mechanism.

17. Pension Teamwork priorities

In this quarter the Pension Team focused on the issuing of Annual Allowance tax statements to member in breach of the allowance.

The Team welcomed back two Senior Officers from maternity leave.

Three members of the team attended a 4-day residential course run by the LGA in Eastbourne in September. The intensive course covered all aspects of pension administration and as a result they are equipped to take on more complex day to day work.

18. **Pension Team – Key performance Indicator (KPI's) Q3 - 2022/23** (October to December 2022) will be supplied at the next Pensions Board.

19. Risk Register

Area	Risk Register	Level of Risk	Project work	Cause of Risk	Risk Owner	Impact	Controls in place	Further action required	Review date
Benefits	Processing of Benefits	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.	01/03/2023
	Overage deferred records not paid	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.	31/03/2023
	Over 75 benefits not paid - insert figures	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	30/09/2023
	AVCs at leaving	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	31/03/2023
	AVCs -Prudential annual statements	Medium	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	31/12/2022

Projects	Aggregation of benefits - pre and post April 14	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	31/08/2023
	McCloud review	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	31/08/2023
	Annual Allowance	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 -	Review of project plan in preparation for 2022/23	01/04/2023
	Lifetime Allowance [INCLUDE PROTECTIONS]	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	Review of project plan in preparation for 2022/23	01/04/2023
	Triennial Valuation 2022	Low	Yes	Completion of the administration side of the triennial valuation in a timely manner.	Bola Tobun	Incorrect benefits paid out. Financial and reputational damage to fund.	Final stage - Investments to notify all new rates to employers.	Risk owner to outline project timelines along with appropriate stakeholders.	31/03/2023
	GMP - HMRC	Low	Yes	All GMP related work to have been completed in line with the closedown 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 - and referred to on a daily basis for each member coming into payment	project plan in place	31/12/2023
	ABS	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 2021	Review in January for letters and also include online feedback survey	31/01/2023
	Workflow aligning with SLAs and all procedures captured	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.	31/03/2023
	Correctly uploading factor tables	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	31/05/2023
	Event reporting	Medium	No	Capturing all areas 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	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	Tender required to outsource missing members addresses to a tracing agency. Systems Team to identify amount.	31/05/2023
	End of year updating (LGPS 2021 scheme and employer data issues)	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	None required at present - a written process to be produced for new systems team members to follow	31/03/2023
	Data cleansing meeting TRP record-keeping	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	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	Procedure project in progress	Team Leaders to routinely capture any missing processes and monthly reviews on updates
Training matrix		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	31/05/2023
KPI - statistic's		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	31/03/2023
Discretions Employers		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.	31/08/2023

	Staffing levels	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	31/01/2023
	LGA Bulletins – bullet points being actioned	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	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 31/05/2023 required. Auditing of cases on a routine basis.	31/05/2023

Governance	Local Pension Board - administration papers	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	Employer data provided on time	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	31/05/2023
	Legal turnaround times for Admission Agreements	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.	31/03/2023
Communications	Communications Quality Assurance	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.	31/08/2023
	Website	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	31/05/2023
	Presentations/online	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.	31/03/2023
	Pension Webinars	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	31/03/2023
	Member Self Service	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.	30/04/2023
Security	Cyber security	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	31/10/2023

20. Main Considerations

No main considerations arising from the report.

21. Safeguarding Implications

No Safeguarding implications arising from the report.

22. Public Health Implications

The Enfield Pension Fund indirectly contributes to the delivery of Public

Health priorities in the Borough

23. Equalities Impact of the Proposal

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.

24. Environmental and Climate Change Considerations

There are no environmental and climate change considerations arising from the report

25. Risks

The Pension Team risk register is included in this report

26. Financial Implications

There is no financial implication to report

27. Legal Implications

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

28. Workforce Implications

There are no workforce implications to report

29. Property Implications

There are no property implications arising from this report

30. Other Implications – None

31. Options Considered – none

32. Conclusions – None

Appendices

Appendix No 1

LGPS statistics for 2021/22 published

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

Appendix 2

September 2022 CPI rate announced

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2022>

Appendix 3

Cost of living impact

<https://www.lgpsmember.org/help-and-support/frequently-asked-questions/?faq-type=about-your-pension>

<https://www.fca.org.uk/news/press-releases/fca-research-quarter-consumers-would-withdraw-pension-savings-earlier-cover-cost-living>

Appendix 4

Pension Dashboards

<https://www.legislation.gov.uk/ukdsi/2022/9780348239645/contents>

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

<https://www.pensionsdashboardsprogramme.org.uk/2022/10/13/cleansing-data-readiness-pensions-dashboards/>

<https://www.pensionsdashboardsprogramme.org.uk/2022/10/13/understanding-find-and-view-data/>

<https://www.thepensionsregulator.gov.uk/en/media-hub/speeches-and-speakers/charles-counsell-plsa-conference-2022>

Appendix 5

The Pension Regulator

<https://www.gov.uk/government/news/dwp-announces-new-pensions-ombudsman>

<https://www.thepensionsregulator.gov.uk/en/document-library/regulatory-and-enforcement-policies/prosecution-policy>

<https://www.thepensionsregulator.gov.uk/en/about-us/how-we-regulate-and-enforce/enforcement-strategy>

Appendix 6

McCloud

<https://www.room151.co.uk/local-government-pension-scheme-investment/lgps-governance-best-of-times-or-worst-of-times/>

Appendix 7

Letter about discrimination in the LGPS sent to minister

<https://lgpsboard.org/images/Other/Letter to Paul Scully MP Age Discrimination in benefits final.pdf>

Appendix 8

LGPS Governance Conference 2023

<https://lgpslibrary.org/assets/Conference%202023/LGPS%20Conference%20flyer.pdf>