

## 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>	28 <sup>th</sup> June 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 Spring Budget

On 15<sup>th</sup> March 2023, the Chancellor of the Exchequer delivered his Spring budget, a summary of the main pension related items is set out below:

With effect from 6<sup>th</sup> April 2023, the Finance Bill 2022/23 proposes to enact some of the changes announced at the Spring budget. In particular:

- Increasing the annual allowance (AA) from £40,000 to £60,000
- Increasing the money purchase AA from £4,000 to £10,000
- Increasing the adjusted income level for the tapered AA from £240,000 to £260,000
- Increasing the minimum tapered AA from £4,000 to £10,000
- Abolishing lifetime allowance (LTA) charges arising in relation to benefit crystallisation events (BCE) occurring on or after 6<sup>th</sup> April 2023
- Allowing members to accrue new pension benefits, join new arrangements or transfer, without losing enhanced protection or fixed protection where the protection was applied for before 15<sup>th</sup> March 2023
- Changing the taxation of the LTA excess lump sum, so that it is taxed as pension income (i.e., taxable at marginal rate rather than 55%)
- Ensuring that payments of (or any part of) serious ill-health lump sums, defined benefit lump sums, death benefits or an uncrystallised funds lump sum, death benefits that would have incurred an LTA charge remain taxable payments, with the excess taxed as pension income i.e., taxable at marginal rate rather than 55%.
- The LTA will be abolished completely from the 2024/2025 tax year. This will be done through a future Finance Bill.
- Except where protections apply, the maximum pension commencement lump sum (PCLS) a member can take remains the lower of 25% of:
  - the capital value of the pension benefits the member is taking, or
  - their remaining LTA (the standard LTA is £1,073,100 and 25% of this is £268,275).

Note: Administering Authorities will need to continue to operate lifetime allowance checks in the 2023/24 tax year when paying benefits; however, there will be no requirement to report LTA charges on the accounting for tax return.

An administering authority assesses a member for the LTA at the date of the benefit crystallisation event (BCE). A BCE for a scheme pension occurs when the member has an actual right to the pension without having to fulfil any further conditions or take any further actions. The BCE for the PCLS occurs immediately

before then. This means that even if a member elected to take payment of their benefits before 6<sup>th</sup> April 2023, if the BCE does not take place until after 5<sup>th</sup> April 2023, the member will not pay an LTA charge.

Please refer to Appendix 1 for more information

## **1.2 SCAPE discount rate and impact on actuarial factors**

SCAPE is the superannuation contributions adjusted for experience.

The SCAPE rate is the discount rate used to value unfunded public sector schemes. There have been two recent announcements about the SCAPE rate. On 30<sup>th</sup> March 2023, LGA emailed administering authorities letting them know the SCAPE discount rate reduced on 30<sup>th</sup> March 2023 to the consumer price index (CPI) plus 1.7 %. This is a change from CPI plus 2.4%.

The SCAPE discount rate is used to set the employer contribution rates in the unfunded public service pension schemes (PSPS) and determine the actuarial factors across all PSPS. New employer contribution rates will be implemented across the unfunded PSPS from April 2024. The Government has committed to funding these increases for employers who are centrally funded through departmental expenditure.

### Impact to actuarial factors

The reduced SCAPE discount rate is effective from 30 March 2023. DLUHC have confirmed the following calculations should be immediately suspended until new factors are issued:

- certain non-club transfers and interfund calculations
- certain non-club cash transfer sums
- all cash equivalent values (CEV) for divorce.

DLUHC are due to issue new transfer factors in May. They have also confirmed the remainder of the Scheme's actuarial factors will be amended in due course. Their intention is to introduce revised factors over a four-month period starting in April 2023.

The Enfield Pension Fund has suspended calculations, pending the update of factors into the pensions software system. Members have been informed.

On 25<sup>th</sup> May 2023, the LGA met with DLUHC to discuss the publication of the revised factors. Following that meeting, the DLUHC have issued the first batch of updated factors in effect from 1<sup>st</sup> June 2023, as set out below, following consultation with the Government Actuary's Department:

- a. Cash equivalent transfer values (CETVs)
- b. Pension cash equivalents
- c. Pension credits
- d. Pension debits (ill health)

Please refer to Appendix 2 for more information

### **1.3 Club transfers – new factors and revised memorandum**

On 16<sup>th</sup> May 2023, the Cabinet Office informed the LGA that they plan to issue new club factors and a revised memorandum. It is intended these will come into force on 1<sup>st</sup> October 2023.

The new factors take account of the change to the superannuation contributions adjusted for experience (SCAPE) discount rate made in March 2023.

The revised memorandum will contain instructions for members affected by McCloud and have minimal impact on members not affected by McCloud.

The new factors and revised memorandum will be shared before 1st October to allow administering authorities to prepare before they come into force.

Please refer to Appendix 3 for more information

### **1.4 Pension Dashboards**

In March, the Pensions Minister announced delays to the delivery of the Pensions Dashboard. The Minister has issued a further updated statement setting out further details of the delay. Details are set out below.

- Legislation will be updated to set an overall connection deadline for all schemes, which will be 31<sup>st</sup> October 2026.
- The individual connection deadlines for schemes will be set out in guidance and will be before the final deadline of 31<sup>st</sup> October 2026. DWP is planning to collaborate with the industry this year before publishing this guidance.
- The date that Dashboards will go live to the public (Dashboards Available Point) has not been announced yet, but the Minister today said that this could be earlier than 31<sup>st</sup> October 2026. This indicates that Public Sector Schemes will have an earlier staging date than 31<sup>st</sup> October 2026.

The announcement of a final connection deadline is helpful. It is important that schemes continue with their Dashboard preparations, and the Pensions Regulator has set out guidance on what schemes need to do to prepare.

The LGA pension team has had early discussions with AVC providers about how AVC data will be provided to the dashboard. The choice is between the AVC provider supplying the data directly to the dashboard or supplying it to the pension administrator. The ideal result would be a consistent approach across all providers. The LGA will send out a survey to gather views from administering authorities before further discussions with AVC providers.

Please refer to Appendix 4 for more information

### **1.5 HMRC lifetime allowance guidance newsletter**

On 27<sup>th</sup> March 2023, HMRC published a Lifetime Allowance guidance newsletter. The newsletter provides further information on:

- PCLSs and LTA protections
- How to pay and report lump sums that would have incurred an LTA charge that are now taxable as pension income

Note: Individual protection is not lost if a member continues to build up pension savings. The member can take a PCLS up to 25% of their protected LTA.

On 26<sup>th</sup> April 2023, HMRC published newsletter 149 which contains articles on:

- the annual allowance calculator – currently members cannot use it for tax year 2023/24
- pension scheme returns, reminding schemes to use the managing pension schemes service to submit any new accounting for tax returns for any quarter beginning on or after 1<sup>st</sup> April 2020
- submitting event reports

Please refer to Appendix 5 for more information

## **1.6 Apprenticeships and qualifications survey**

The LGA surveyed administering authorities to gather thoughts about a LGPS specific apprenticeship and/or an LGPS qualification. In April, we completed the survey in relation to the qualifications of our staff. The LGA are looking at ways to assist administering authorities with pension administration apprenticeships and/or qualifications.

The only currently available LGPS qualification is being withdrawn by its provider, The Chartered Institute of Payroll Providers (CIPP).

The results of the survey suggest that there is strong support for a qualification and more limited, but significant, support for an apprenticeship. The LGA plan to discuss requirements with potential providers.

## **1.7 GAD 2022 data request**

The Pension Team submitted membership data as at 31<sup>st</sup> March 2022 to GAD by the required deadline.

## **1.8 Government backs bill to expand pension saving to young and low earners**

On 3<sup>rd</sup> March 2023, the Department for Work and Pensions (DWP) issued a press release confirming it will support the private members bill expanding auto enrolment.

The Pensions (Extension of Automatic Enrolment) (No.2) Bill 2023 proposes to give Government regulatory powers to:

- abolish the Lower Earnings Limit for contributions – currently £6,250
- reduce the age of auto enrolment for eligible jobholders from 22 to 18.

The Government has not given a timetable for when they intend to use these new powers.

Please refer to Appendix 6 for more information

### **1.9 State Pension age review**

On 30<sup>th</sup> March the DWP published its 2023 review of the State Pension Age. The Government is required to undertake a regular review of the State Pension Age in accordance with the Pensions Act 2014. State Pension age is currently age 66 and will rise to age 67 between 2026 and 2028 before rising again to age 68 between 2044 and 2046.

At the first review in 2017, the Government accepted the recommendation that the State Pension Age should rise to age 68 over the period 2037 to 2039 however, it outlined this would be subject to further review. The 2023 review confirms the rise to age 67 between 2026 and 2028 is still appropriate.

The Government does not intend to change existing legislation to implement the recommendation of the 2017 review at this current time. It plans to have a further review within two years of the next Parliament to consider whether the rise to age 68 should occur earlier. The Government must publish the report no later than 29<sup>th</sup> March 2029.

Please refer to Appendix 7 for more information

### **1.10 Pensions Scam Industry Group (PSIG)**

On 20<sup>th</sup> March, the Pension Scams Industry Group (PSIG) published version 3 of the practitioner guide on Combating Pension Scams ('the guide') and a short summary. The guide takes effect immediately.

The guide has been updated to reflect the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 ('the regulations'). It is published as an interim guide because of the mismatch between the DWP stated policy intent and the regulations.

The areas of greatest concern to the PSIG are the inclusion of widely defined 'overseas' investments in the receiving scheme as an amber flag and the broad definition of an 'incentive' as a red flag. A further version of the guide will be issued when the key regulatory issues are resolved.

The guide forms part of the Code of Good Practice on Combating Pension Scams. It summarises the regulations, setting out information on how schemes can comply with them.

Please refer to Appendix 8 for more information

## **1.11 Reporting concerning transfer requests**

The Financial Conduct Authority (FCA) wants to hear from administering authorities who have serious concerns about pension transfers, in particular:

- individuals who provide unauthorised advice on transfers
- increases to the volume of transfers advised by the same adviser
- if a member requested a transfer following a cold call or unsolicited contact
- if the member has been offered an incentive to make a transfer
- if the receiving scheme has high risk or unregulated investments
- if the receiving scheme's charges are unclear or high
- if the receiving scheme's investment structure is unclear, complex or unorthodox
- potential scam activity

Please refer to Appendix 9 for more information

## **1.12 Scheme Advisory Board (SAB)**

The SAB's website has recently been updated. The content remains the same, though the look of the site has changed.

## **1.13 Gender pensions gap report**

On 29<sup>th</sup> March, SAB published a report on the gender pensions gap in the LGPS.

The report provides an initial overview of the gender pensions gap and is based on data from the 2020 scheme valuation. It shows the difference (in men's favour) is 34.7% in the CARE scheme and 46.4% in the final salary scheme. SAB notes that these findings need to be interpreted with caution. SAB will undertake further work to understand the data and investigate causes, as well as considering possible next steps.

Please refer to Appendix 10 for more information

## **1.14 McCloud – latest consultations**

On 6<sup>th</sup> April 2023, the Department for Levelling Up, Communities and Housing (DLUHC) published their response to the consultation on amendments to the underpin.

The consultation proposed changes to the underpin to address the discrimination found in the McCloud judgment and to ensure that it works effectively and consistently for all qualifying members. The consultation ended on 8<sup>th</sup> October 2020. Alongside the response, in collaboration with SAB, DLUHC published a factsheet summarising the remedy for members.

DLUHC expects to launch a further consultation this spring. The consultation will seek views on:

- issues that, because of the consultation responses, they have not yet made a final decision on (such as aggregation and flexible retirement),
- issues not included in the original consultation (such as compensation, interest and excess teacher service)
- updated draft regulations. DLUHC will finalise the regulations after considering the responses to the further consultation. These will come into force on 1<sup>st</sup> October 2023, with backdated effect to 1<sup>st</sup> April 2014.

On 30<sup>th</sup> May 2023, DLUHC published a consultation and draft regulations concerning the McCloud remedy. The consultation closes on 30<sup>th</sup> June 2023. The consultation seeks views on proposals to address discrimination found by the courts in the McCloud case.

DLUHC is consulting on new approaches in certain areas that reflect responses to the 2020 consultation and more closely align the LGPS to policies adopted by other public service pension schemes. DLUHC is seeking views on the following proposals:

- No aggregation requirement: underpin protection will extend to a new pension account that started before 1<sup>st</sup> April 2022, even if the earlier period of membership is not aggregated if there has not been a disqualifying break.
- Previous membership of another public service pension scheme on or before 31<sup>st</sup> March 2012: a member will qualify for underpin protection because of earlier membership of another public service pension scheme, even if the pension rights from the other scheme have not been transferred to the LGPS, if there has not been a disqualifying break.
- Flexible retirement: a member with underpin protection who takes flexible retirement before 1<sup>st</sup> April 2022 will also have underpin protection on any benefits built up after flexible retirement and before the end of the underpin period. The consultation also considers how the underpin will operate when a member takes partial flexible retirement.

The consultation covers topics that were not included in the 2020 consultation. These include:

- policies for individuals with excess teacher service
- when a member may be paid compensation if they have suffered a loss relating to the discrimination found in the McCloud case or the McCloud remedy
- the interest terms that will apply when payments are made late due to the McCloud discrimination.

Please refer to Appendix 11 for more information



## 1.15 Guarantee for academy trusts outsourcing arrangements

On 17<sup>th</sup> May 2023, the Department for Education (DfE) published their policy for guaranteeing the outsourcing arrangements of academy trusts. This applies to England only.

Education and Skills Funding Agency (ESFA) approval is no longer required by academy trusts seeking pass-through arrangements with their administering authorities for outsourcing contracts for employees covered by the DfE Guarantee policy.

The DfE Guarantee covers employees eligible for the LGPS who:

- are working for the academy trust, who are transferred to a contractor or on future re-tenders as part of an outsourcing contract
- were working for the local authority in a maintained school, then transferred to a contractor under TUPE, prior to the school becoming an academy, and where the outsourcing contract has passed to the academy trust following conversion to an academy
- are working for the local authority, which is providing services to the academy trust under a contract, and the trust decides to outsource this contract to a third-party provider. Therefore, the employees transfer from the local authority to the new contractor.

### Key points

1. Provided the circumstances of an outsourcing contract match one or more of the scenarios outlined in the policy document the academy trust does not need to seek ESFA approval for pass-through arrangements.
2. If the circumstances of an outsourcing contract are not covered in the policy document, the academy trust must seek ESFA approval using the Education and Skills Funding Agency enquiry form.
3. All contracting arrangements currently in place that meet the criteria outlined in the policy document are eligible for pass-through under the DfE Guarantee.
4. Where academy trusts have already entered arrangements that do not meet the criteria outlined in the policy document, they may discuss alternative options with the relevant administering authority.
5. Under a pass-through arrangement, if the contractor external to the academy trust ceases to trade, then the LGPS liabilities will remain with the trust. The trust may then choose to seek a new provider or bring services in-house.
6. The policy means the administering authority should no longer require a bond for pension liabilities. However, if they insist, that would be for the external contractor to provide, as an academy trust cannot provide a bond for LGPS pension liabilities. Where this happens, academy trusts should notify ESFA through the Education and Skills Funding Agency enquiry form.

Please refer to Appendix 12 for more information

### **1.16 Scheme Advisory Board (SAB) - Survey of opt-outs**

SAB conducted a survey late last year to find out if the number of opt outs has increased due to the cost-of-living crisis. The data received was not consistent and no conclusions were able to be drawn. The SAB recognises it could improve how the data was requested and that software suppliers should be involved.

Anecdotal evidence is that the number of opt outs has increased but this cannot be evidenced by the data the SAB has received from funds. The survey will be rerun taking into the learnings from the first exercise.

### **1.17 Scheme Advisory Board (SAB)**

The 2019 review of fund valuations by the Government Actuary recommended that the SAB should establish a consistent approach to schools converting to academies. In response, SAB established a small working group to improve understanding and transparency in the conversion process. In particular to develop guidance for academies setting out a common nomenclature for conversion methodologies, factors that influence conversions and possible consequences of the approach adopted over time. This guidance has now been drafted and will be published as a standalone document on the SAB website, pending a refresh of the tripartite (DfE, DLUHC and SAB) advice document on academies.

Please refer to Appendix 13 for more information

### **1.18 Prudential update**

Prudential have improved their communications with LPGS funds, albeit, from a low starting point. They have also reinstated their user groups which we attended; another user group is planned for the autumn.

### **1.19 Other AVC information.**

The technical group agreed to proceed with the creation of an AVC Framework which should be in place by the end of 2023.

### **1.20 Divorce**

The Law Commission in England and Wales has announced a review of financial remedies on divorce. The issues it plans to look at include the treatment of pensions in the division of the divorcing parties' assets, and whether they tend to be overlooked.

Please refer to Appendix 14 for more information

## 1.21 Team news

Two senior officers will be embarking on maternity in July and September respectively.

The team are currently in the early stages of a restructure. It is hoped that we will be able to go out to advert for the new posts in August.

Development of the pension website is near completion and should go live over the summer.

Six pension presentations have been held at Morson Road Depot and have been well received. As part of the Festival of Learning, 2 on-line sessions will held soon. More are planned once a communications officer is appointed.

The Pensions Manager will be representing London LGPS funds on the LGAs National Communications Working Group, which develops areas of communications for funds to use.

## 1.22 Pension Team – Key performance Indicator (KPI's) - 2022/23

(April 2022 to March 2023)

Work	
8,825	Work completed within standard timescales
1,454	Work completed outside of standard timescales
10,283	Total of work completed
85.85%	Overall completion % rate

<b>Process</b>	<b>No. of cases commenced in year</b>	<b>No. of cases completed within timescale</b>	<b>Good Practise timescales</b>	<b>% completed in year</b>
Deaths – initial letter acknowledging death of members	183	132	2 months	72.13%
Retirements – letter notifying estimate retirement benefits	419	390	2 months	93.08%
Retirements – letter notifying actual retirement benefits	470	268	2 months	57.02%*
Deferment – calculate and notify deferred benefits	805	757	2 months	94.04%
Transfers in/out – letter detailing transfer quote	640	533	2 months	83.28%
Transfers in/out – letter detailing actual transfer	374	319	2 months	85.29%
Refund – Process & pay a refund	100	88	2 months	88.00%
Divorce quote – letter detailing cash equivalent value and other benefits	36	22	2 months	61.11%
Divorce settlement – letter detailing implementation of pension sharing orders	0	0	3 months	N/A
Joiners – notification of date of enrolment	1450	1450	2 months	100%

There were no IDRPs during the financial year.

## 1.23 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 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	31/08/2023
	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 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	30/09/2022	
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 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	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	Review in January for letters and also include online feedback survey	31/08/2023
	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	31/07/2023
	Event reporting	2	3	6	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	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	Tender required to outsource missing members addresses to a tracing agency. Systems Team to identify amount.	31/12/2023
	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	None required at present - a written process to be produced for new systems team members to follow	31/07/2023
	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.	31/08/2023
	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	30/06/2023
	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 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	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	31/08/2023
		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		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
		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	31/08/2023
		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 presentation	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	30/09/2023
		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
Security		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

## 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. Spring Budget

<https://www.gov.uk/government/publications/pension-schemes-newsletter-148-march-2023/pensions-schemes-newsletter-148-march-2023>

<https://www.gov.uk/government/publications/abolition-of-lifetime-allowance-and-increases-to-pension-tax-limits/pension-tax-limits>

<https://bills.parliament.uk/bills/3435>

### 2. SCAPE discount rate and impact on actuarial factors

<https://questions-statements.parliament.uk/written-statements/detail/2023-03-30/hcws697>

<https://www.bbc.co.uk/news/uk-65646702>

### 3. Club transfers – new factors and revised memorandum

<https://questions-statements.parliament.uk/written-statements/detail/2023-06-08/hcws836>

### 4. Pension Dashboards

Pensions dashboards: initial guidance

<https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/dashboards-guidance>

<https://www.youtube.com/watch?v=Yj8G7pl-XvU>

<https://www.thepensionsregulator.gov.uk/en/media-hub/speeches-and-speakers/pension-dashboards-webinar-march-2023>

### 5. HMRC lifetime allowance guidance newsletter

<https://www.gov.uk/government/publications/lifetime-allowance-guidance-newsletter-march-2023/lifetime-allowance-guidance-newsletter-march-2023>

<https://www.gov.uk/government/publications/pension-schemes-newsletter-149-april-2023/pension-schemes-newsletter-149-april-2023>

### 6. Government backs bill to expand pension saving to young and low earners

<https://www.gov.uk/government/news/government-backs-bill-to-expand-pension-saving-to-young-and-low-earners>

<https://bills.parliament.uk/bills/3422>

## **7. State Pension age review**

[https://www.gov.uk/government/publications/state-pension-age-review-2023-government-report?utm\\_medium=email&utm\\_campaign=govuk-notifications-topic&utm\\_source=9c2894d6-6a2f-4397-9bb3-71490fef2ee9&utm\\_content=immediately](https://www.gov.uk/government/publications/state-pension-age-review-2023-government-report?utm_medium=email&utm_campaign=govuk-notifications-topic&utm_source=9c2894d6-6a2f-4397-9bb3-71490fef2ee9&utm_content=immediately)

## **8. Pensions Scam Industry Group (PSIG)**

<https://pensionscamsindustrygroup.co.uk/the-code-of-good-practice/>

## **9. Reporting concerning transfer requests**

<https://www.fca.org.uk/firms/defined-benefit-pension-transfers/reporting-transfer-requests>

## **10. Scheme Advisory Board (SAB)**

<https://lgpsboard.org/index.php/welcome>

## **11. McCloud – latest consultations**

McCloud FAQs <https://www.lgpsmember.org/help-and-support/frequently-asked-questions/?faq-type=mccloud-court-case>

<https://lgpsregs.org/schemeregs/consultations.php>

## **12. Guarantee for academy trusts outsourcing arrangements**

<https://www.gov.uk/government/publications/academies-and-local-government-pension-scheme-liabilities/dfe-local-government-pension-scheme-guarantee-for-academy-trusts-pensions-policy-for-outsourcing-arrangements>

## **13. Scheme Advisory Board (SAB)**

<https://lgpslibrary.org/assets/othergov/201704Academies.pdf>

## **14. Divorce - the Law Commission review**

<https://www.lawcom.gov.uk/project/financial-remedies-on-divorce/>

## **Background Papers**

None