London Borough of Enfield Pension Fund

2024/25 Annual Report

Contents

Foreword by Chair 3
Introduction 6
Section 1 - Overall Fund Management 8
Scheme management and advisers 8
Risk Management 9
Section 2 - Governance and Training 12
Governance 12
Training 17
Section 3 - Financial Performance 19
Section 4 - Fund account, net assets statement and notes 22
Section 5 - Investments and Funding 67
Investment performance 69
Asset Pooling 72
Section 6 - Administration 76
Summary of activity 76
Membership Report 78
Section 7 - Actuarial reports on funds 84
Section 8 - External audit opinion 86
Section 9 - Additional information 87
Glossary of Terms 87
Annex A - Administration Key Performance Indicators 89
Annex B - Governance compliance statement 94

Foreword by Chair

Welcome to Enfield Pension Fund Annual Report for 2024/25

As Chair of the Enfield Pension Fund (EPF / the Fund) Pension, Policy & Investment Committee, I have the pleasure in introducing the Fund's Annual Report and Accounts for 20240/25. The accounts focus on the financial activity in 2024/25.

The membership of the Fund at March 2025 was 26,147 individuals (active employees: 7,447, pensioners: 7,195, deferred members: 11,505 and undecided/frozen: 1,877) with 53 employer organisations.

The Pension Policy & Investment Committee (PPIC) is responsible for managing the Fund, with the assistance of the Pension Board, Fund officers, external advisors and investment managers.

The Fund had £1.6 billion of funds under management at 31 March 2025 to meet the accrued benefits, putting it in a strong position. The investment return for the year to 31 March 2025 was 2.0%, which was below the benchmark of 4.8%. The returns have also been in line with benchmark over a 5 year period.

Over the past year the Fund's overall value has increased by £27 million to £1.6 billion, representing an increase of 2%. This is below the growth assumed in the last Triennial Valuation (i.e. 4.4% per annum).

A strong performance from Bonds and positive equity market performance led by Artificial intelligence stocks contributed to strong overall returns in the early part of the year but fell in the last few weeks of March 2025 as a result of Global 'tariff wars'.

The fund is in the process of rebalancing the portfolio so that it is more in line with the strategic allocation. Most notably, it has moved to address the cash balance by committing to Private Debt and other fixed income funds. These funds will deliver long- term cash flow benefits to the fund.

Responsible Investment: Progress and Future Plans

Responsible investment continues to be a cornerstone of our strategy. This year, the Fund has taken significant steps to strengthen its ESG credentials. We are updating our **Responsible Investment Policy** to reflect best practice and legal guidance, and we are exploring several initiatives to deepen our commitment, including:

- Becoming a **signatory to the Stewardship Code**
- Implementing **split voting** mechanisms within pooled arrangements where practical
- Enhancing member and employer engagement on investment matters
- Continuing to favour **engagement over divestment** as a means of driving change

These actions reflect our belief that long-term sustainable returns are best achieved through active ownership and thoughtful stewardship. We remain mindful of our fiduciary duty and are committed to reconciling ethical considerations with financial prudence.

Fit for the Future Consultation: Outcomes and Implications

London CIV (London LGPS CIV Ltd) is the collective investment vehicle established in 2015 by the 32 London Local Authorities, including the City of London, to pool their Local Government Pension Scheme (LGPS) assets. Its purpose is to deliver cost efficiencies, improved investment outcomes, and long-term sustainable value through collaborative asset management. As both a shareholder and investor, the London Borough of Enfield is an active partner fund within London CIV.

The Government's Fit for the Future consultation marked a pivotal moment for LGPS reform. The Enfield Pension Fund submitted a detailed response in January 2025, advocating for a balanced approach that preserves local accountability while embracing the benefits of pooling through London CIV.
Key outcomes from the consultation include:

- **Strategic Asset Allocation (SAA)** will remain with administering authorities, ensuring that funds like Enfield retain control over high-level investment decisions.
- **Implementation of SAA** will be delegated to pools, with London CIV taking a more active role in manager selection and execution.
- **Mandatory transfer of listed assets** to pools by March 2025, and all assets by March 2026, under a "comply or explain" framework.
- **Governance reforms** include triennial independent reviews, mandatory training for committee members, and the appointment of a Senior LGPS Officer with budgetary influence.
- **Local investment targets** must be defined by each fund, with "local" interpreted as UK or London based to support national and local economic growth.

These changes represent a significant shift in how LGPS funds operate, and the Enfield Pension Fund is well-positioned to adapt while safeguarding its fiduciary responsibilities. I am confident that Fund can adapt to meet the necessary requirements.

Triennial Valuation 2025

The triennial valuation is a statutory requirement for all Local Government Pension Scheme (LGPS) funds, conducted every three years to assess the financial health of the pension fund and determine whether it has sufficient assets to meet its long-term liabilities. The 2025 valuation cycle has been a pivotal exercise in reaffirming the fund's sustainability, refining contribution strategies, and aligning investment policies with long-term objectives.

The valuation provides a snapshot of the fund's financial position as at 31 March 2025. It informs the employer contribution rates for the period 1 April 2026 to 31 March 2029 and ensures that the fund remains on a secure footing. The process is overseen by the Fund's actuary, Hymans Robertson, and involves detailed modelling of future cashflows, investment returns, demographic trends, and inflationary pressures.

Initial results indicate a significant improvement in the fund's funding level. The Enfield Pension Fund, previously 104% funded, is now estimated to be 127% funded—meaning it holds 27% more assets than liabilities. This improvement is largely attributed to changes in interest rate expectations and stronger investment performance. This will impact the contribution rates employer pay from 2026 onwards.

Other developments

The AGM held in March was a success with large numbers attending in person and virtually. I hope that this continues in the future and member feedback has been taken into account in order to make future AGM's even more relevant. We hope to see more members attend at the next AGM in March 2026.

The PPIC and Pension Board have worked hard in order to transform the Enfield Pension Fund. I would like to take this opportunity to express my thanks for all the support and input provided by Committee and Board members and the diligence and professionalism of our Officers and Advisers. I look forward to continuing to work with members and officers in the new financial year as the Fund seeks to meet the challenges of an ever-changing national and global environment. In presenting the Annual Report, I hope you find it helpful in understanding the Fund.

Councillor Doug Taylor
Chair of the Enfield Pension Fund
November 2025

Introduction

The scheme is governed by the Public Service Pensions Act 2013. The fund is administered in accordance with the following secondary legislation:

- the Local Government Pension Scheme Regulations 2013 (as amended)
- the Local Government Pension Scheme (Transitional Provisions, Savings and (Amendment) Regulations 2014 (as amended)
- the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

It is a contributory defined benefit pension scheme administered by London Borough of Enfield to provide pensions and other benefits for pensionable employees of London Borough of Enfield and a range of other scheduled and admitted bodies within the borough. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The fund is overseen by the Enfield Pension Policy & Investment Committee, which is a committee of London Borough of Enfield.

The London Borough of Enfield is the Administering Authority for the Pension Fund and pensions and entitlement to benefits are fully protected in law. Membership of the Scheme is open to all employees of the Council including school employees with the exception of teachers (who have their own pension scheme). Other employers are admitted to the Pension Fund and depending on their status; their employees may also be able to participate in the LGPS. Employee contributions are determined by central government and are between 5.5% and 12.5% of pensionable pay. Employer rates are set by the Fund actuary every 3 years following a valuation of the assets and liabilities of the Fund, with the next valuation due to take place as at 31 March 2025.

The conditions of the Local Government Pension Scheme (LGPS) Regulations set out in clear terms the benefits that are payable to Scheme members and as such the benefits are guaranteed for those members and therefore members are not reliant on investment performance for their pension benefits. The contributions payable by Scheme members are also defined in the Regulations. Employing Authorities are required to pay contributions into the Scheme in order to meet the cost of funding employee benefits and as such, are required to meet any shortfall in funding the pension liabilities of Scheme members.

The Pension Scheme as applying during the financial year 2024/25 was a defined benefit career average revalued earnings scheme which aligns LGPS retirement age with an individual's state pension age. The key benefits of the scheme are outlined below:

- Pension benefits based on a 1/49th accrual basis for each year of pensionable service with benefits calculated on the career average pay revalued annually in line with inflation.
- Pre-2014 benefits guaranteed with a final salary link for any benefits earnt prior to 1 April 2014.
- Option to pay 50% of the contribution rate to accrue 50% of the benefits.
- Option to convert some pension to lump sum on retirement on a 1:12 ratio.

- Life assurance cover 3x member final pay applicable from the day of joining scheme. Pensions for dependents: - spouses, civil partners and eligible co-habiting partners and eligible children.
- An entitlement to have pension paid early on medical grounds.
- Pensions increase annually in line with the cost of living. It should be noted that the foregoing is not an exhaustive list and that certain conditions have to be met for an individual to be entitled to the benefits outlined.

The foregoing benefit structure came into effect on 1 April 2014 and saw the start of significant changes to the public sector pension schemes. The previous LGPS introduced in 2008 was a defined benefit final salary scheme and was in operation until 31 March 2014, although it should be recognised that a large number of scheme members will have benefits accrued under both schemes and indeed some under the pre-2008 scheme. The key benefits under the 2008 scheme are outlined below:

- A guaranteed pension based on final pay and length of time in the scheme and an accrual rate of 1/60th per annum.
- Tax free lump sum on benefit accumulated prior to 1 April 2008 and option to convert some of the pension into tax free lump sum on post 1 April 2008 service.
- Life assurance cover 3x member final pay applicable from the day of joining scheme.
- Pensions for spouses/civil and co-habiting partners and children.
- An entitlement to have pension paid early on medical grounds.

Pensions increase annually in line with the CPI.

The Fund has a number of Policy documents which have not been reproduced in this report but can be found on the fund website here. These include:

- Funding Strategy Statement
- Investment Strategy Statement
- Administration Strategy
- Communications Policy
- Responsible Investment Policy

Section 1- Overall Fund Management

Scheme management and advisers as at 31 March 2025

Senior Officers responsible for the fund:

Olga Bennet – Chief Finance Officer	olga.bennet@enfield.gov.uk
Ravi Lakhani - Head of Pension Investments	ravi.lakhani@enfield.gov.uk

Asset Pool: London CIV

Investment Managers

Managed through London CIV:

LCIV Global Alpha Growth Paris Aligned Fund	Baillie Gifford & co
LCIV Global Equity Focused Fund	Longview Partners
LCIV Emerging Market Equity Fund	J.P. Morgan Asset Management
LCIV Alternative Credit Fund	CQS
LCIV Global Bond Fund	PIMCO
LCIV Renewable Infrastructure Fund	BlackRock, Stonepeak, Quinbrook, and Foresight
LCIV Private Debt Fund II	London CIV

Others:

BlackRock Inc	Adams Street Partners L.P.
Aon Investments	M&G Investments
Legal & General Investment Management	CBRE Investment Management
Brockton Everlast	Antin Infrastructure Partners
York Capital	Copenhagen Infrastructure Partners

Investment Consultancy and Advice Services	**Independent Investment Advisor**
Aon Solutions UK Limited	Carolan Dobson
Fund Custodian	**AVC provider**
Northern Trust, Canary Wharf	Prudential
Fund Actuary	**Fund Bankers**
Hymans Robertson LLP	HSBC
Legal Services	**External Auditor**
London Borough of Enfield (in-house)	Grant Thornton UK LLP

Risk Management

The Fund's primary long-term risk is that its assets fall short of its liabilities such that there are insufficient assets to pay promised benefits to members. The investment objectives have been set with the aim of maximising investment returns over the long term within specified risk tolerances. This aims to optimise the likelihood that the obligations regarding members' pensions and other benefits will be fulfilled.

Responsibility for the Fund's risk management strategy rests with the Pension Policy and Investment Committee. To manage risks, a Pension Fund Risk Register is maintained and reviewed quarterly. Risks identified have been reduced through planned actions. The Risk Register is managed by the Head of Pension Investments.

Risks arising from financial instruments are outlined in the notes to the Pension Fund Accounts (Note 17). This provides readers of the accounts with an overview of the impact of market movements.

The Funding Strategy and Investment Strategy Statement sets out the key risks, including demographic, regulatory, governance, to not achieving full funding in line with the strategy. The actuary reports on these risks at each triennial valuation or more frequently if required.

The key risks identified within the Pension Fund risk register are:

Objective area at risk	**Risk**	**Risk Rating**	**Mitigating actions**
Funding	Scheme members live longer than expected leading to higher than expected liabilities.	High	Review at each triennial valuation and adjust contribution rates and investment strategy as required.
Administration	Structural changes in an employer's membership or an employer fully/partially closing the scheme. Employer bodies transferring out of the pension fund or employer bodies closing to new membership. An employer ceases to exist with insufficient funding or adequacy of bond placement.	Medium	**TREAT** 1) Administering Authority actively monitors prospective changes in membership. 2) Maintain knowledge of employer future plans. 3) Contributions rates and deficit recovery periods set to reflect the strength of the employer covenant. 4) Periodic reviews of the covenant strength of employers are undertaken and indemnity applied where appropriate. 5) Monitoring of gilt yields for assessment of pensions deficit on a termination basis.

Funding	Employee pay increases are significantly more than anticipated for employers within the Fund.	Medium	**TOLERATE** 1) Fund employers should monitor own experience. 2) Assumptions made on pay and price inflation (for the purposes of IAS19/FRS102 and actuarial valuations) should be long term assumptions. Any employer specific assumptions above the actuary's long-term assumption would lead to further review. 3) Employers to be made aware of generic impact that salary increases can have upon the final salary linked elements of LGPS benefits (accrued benefits before 1 April 2014).
Investment	Significant volatility and negative sentiment in global investment markets following disruptive politically inspired events or general economic conditions.	Medium	**TREAT** 1) Continued dialogue with investment managers re management of political risk in global developed markets. 2) Investment strategy involving portfolio diversification and risk control. 3) Investment strategy review.
Funding	Price inflation is significantly more than anticipated in the actuarial assumptions: an increase in CPI inflation by 0.1% over the assumed rate will increase the liability valuation by upwards of 1.7%	Medium	**TREAT** 1) The fund holds investment in index-linked bonds (RPI protection which is higher than CPI) and other real assets to mitigate CPI risk. Moreover, equities will also provide a degree of inflation Protection. 2) Adjust contribution rates at next valuation

Third Party Risks

The Council has outsourced the following functions of the Fund:

- Investment fund management;
- Custodianship of assets; and
- Pensions administration IT system.

As these functions are outsourced, the Council is exposed to third party risk. A range of investment managers are used to diversify manager risk.

To mitigate the risks regarding investment management and custodianship of assets, the Council obtains independent internal controls assurance reports from the reporting accountants to the relevant service providers. These independent reports are prepared in accordance with international standards. Any weaknesses in internal control highlighted by the controls assurance reports are reviewed and reported as necessary to the Pension Policy and Investment Committee.

The Council's internal audit service undertakes planned programmes of audits of all the Councils' financial systems on a phased basis, all payments and income/contributions are covered by this process as and when the audits take place.

Section 2- Governance and Training

Governance

Introduction

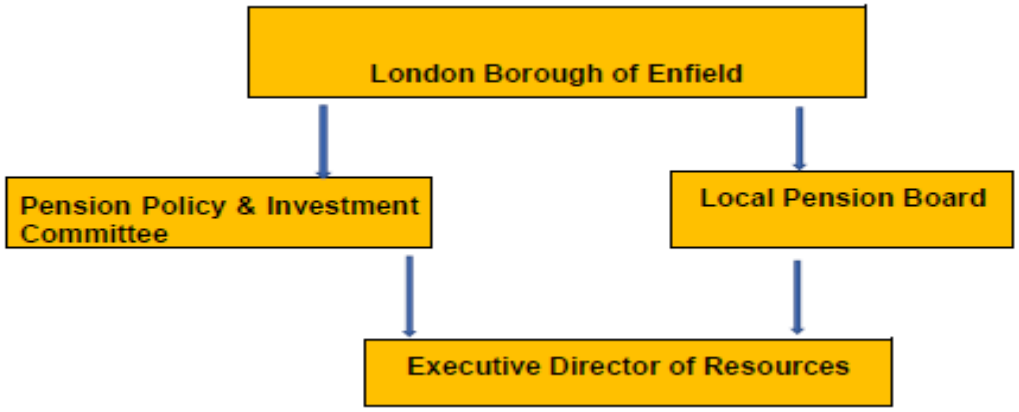
Whilst the London Borough of Enfield Pension Fund is governed by Statute, there is an amount of discretion in the regulations for pension funds within the Local Government Pension Scheme to manage their own affairs. The London Borough of Enfield Pension Fund has established its own corporate governance model that reflects the best practice from both private sector and local government schemes. The Fund's governance compliance statement is outlined in Annex B.

The London Borough of Enfield, as the Administering Authority of the Pension Fund, has delegated responsibility for the management of the Pension Fund to the Pensions Policy & Investment Committee (PPIC) and there is a Pensions Board to assist the Authority in monitoring compliance with regulations. The Local Pension Board is a statutory requirement under the Public Service Pensions Act 2013 and the LGPS Regulations 2013 (as amended) . The board is responsible for assisting the administering authority in securing compliance with the LGPS regulations and any other legislation relating to the governance and administration of the scheme.

The Government's principles for the management of final salary schemes requires funds to draw up a forward-looking business plan, including a training plan for both the trustees and officers involved in their management and administration.

The Council has a Pension Policy & Investment Committee which sets the investment strategy objective and oversees the management of the Pension Fund. It also considers all investment decisions regarding the Fund. The Committee recognised that to meet the increasing demands and complexities of the Fund, it would be appropriate to appoint an independent pension advisor to help members 'test' the advice of its investment consultant and to provide support for new areas of investment.

All operational decisions to implement these policies are delegated to the Council's Executive Director of Resources. Please see below chart illustrating the new governance arrangement.



Legal Framework

The London Borough of Enfield is the Administering Authority for the Pension Fund and pensions and entitlement to benefits are fully protected in law. Membership of the Scheme is open to all employees of the Council with the exception of teachers (who have their own pension scheme). Other employers are admitted to the Pension Fund and depending on their status their employees may also be able to participate in the LGPS

The London Borough of Enfield Pension Fund ('the Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by the London Borough of Enfield ('The Council'). The Fund was established to provide benefits for employees that include retirement pensions, widows pensions, death grants and other lump sum payments.

The Fund is governed by the Public Services Pensions Act 2013 and the following secondary legislation:

- The LGPS Regulations 2013 (amended)
- The LGPS (transitional Provisions, Savings and Amendment) Regulations 2014 (as amended) and
- The LGPS (Management and Investment of Funds) Regulations 2016

The Role of the Pension Policy & Investment Committee

The Local Authority (Functions & Responsibilities) (England) Regulations 2000, state that the functions relating to the Local Government Pension Scheme are the responsibility of the full council. The Council has delegated these functions to the Pension Policy & Investment Committee whose terms of reference are agreed annually by Council.

The Pension Policy & Investment Committee consists of six members appointed by the Full Council who are responsible for the administration of the London Borough of Enfield Pension Fund in accordance with Statutory Regulations. The Committee meets a minimum of four times a year.

Governance of the Pension Fund Investments

The Committee considers the Fund's investment strategy and asset allocation of the Fund's portfolio. The Committee appointed an independent pension fund advisor, Carolan Dobson, to also sit on the Committee to give expert advice, support members, and to clarify the many complex technical issues that arise from such a diversified fund.

The Committee meets quarterly to review investment strategy and to receive reports on investment activity undertaken in the previous period. One of its important tasks is to monitor the performance of the Fund's managers in conjunction with the Fund's investment advisors Aon Hewitt, independent advisor and officers.

All other operational decisions to implement these policies are delegated to the Council's Director of Finance, Capital & Commercial.

The Pension Policy & Investment Committee for 2024/25:

- Cllr D. Taylor (Chair)
- Cllr S. Ozaydin (Vice Chair)
- Cllr E. Smith
- Cllr S. Erbil
- Cllr D. Skelton
- Cllr A. Oykener

The following are the terms of reference for the Pension Policy & Investment Committee:

- To act as Trustees of the Council's Pension Fund, consider pension matters and meet the obligations and duties of the Council under the Superannuation Act 1972, the Public Service Pensions Act 2013, and the various pensions' legislation.
- To make arrangements for the appointment of and to appoint suitably qualified pension fund administrators, actuaries, advisers, investment managers and custodians and periodically to review those arrangements.
- To formulate and publish an Investment Strategy Statement.
- To set the overall strategic objectives for the Pension Fund, having taken appropriate expert advice, and to develop a medium-term plan to deliver the objectives.
- To determine the strategic asset allocation policy, the mandates to be given to the investment managers and the performance measures to be set for them.
- To make arrangements for the triennial actuarial valuation, to monitor liabilities and to undertake any asset/liability and other relevant studies as required.
- To monitor the performance and effectiveness of the investment managers and their compliance with the Statement of Investment Principles.
- To set an annual budget for the operation of the Pension Fund and to monitor income and expenditure against budget.
- To receive and approve an Annual Report on the activities of the Fund prior to publication.
- To make arrangements to keep members of the Pension Fund informed of performance and developments relating to the Pension Fund on an annual basis.
- To determine all matters relating to admission body issues.
- To focus on strategic and investment related matters at two meetings.
- To review the Pension Fund's policy and strategy documents on a regular basis and review performance against the Fund's objectives within the business plan
- To maintain an overview of pensions training for Members.

Committee Members Attendance Pension Policy & Investment Committee 2024/25:

	31st Jul 2024	2nd Oct 2024	12th Nov 2024	22nd Jan 2025	26th Mar 2025
Cllr D. Taylor	P	P	P	P	P
Cllr S. Ozaydin	P	P	P	P	P
Cllr E. Smith	P	A	P	P	P
Cllr S. Erbil	P	P	P	P	P
Cllr D. Skelton	P	P	A	P	A
Cllr A. Oykener	A	P	P	P	P

Note: P: Present, A: Absence, S: Substituted, N/A: Not Applicable (Attendance not required as the individual is not a member)

Governance of London CIV

London CIV's governance model is designed to ensure high engagement with partner funds whilst making use of an FCA authorised and regulated company to ensure that investments are managed using professional expertise, with greater oversight of any third party investment managers used. Partner funds are both shareholders and clients and the reserve powers in the shareholder agreement ensure partner funds have a say in the strategic plan and financial strategy for the company. The model also ensures the involvement and engagement with stakeholders including Trade Unions (representing beneficiaries), Leaders of Local Authorities, Pension Investment Committee Chairs, S151 and Pension Officers.

Pension Board

A key aim of the Pension Board is to raise the standard of management and administration of public service pension schemes and to achieve more effective representation of employer and employee interests in that process. It is important to note that the Pension Board is not a decision-making body but is there to assist the Administering Authority in ensuring adherence to relevant legislation and standards. They can make recommendations and provide feedback to PPIC.

The board was established with effect from April 1, 2015, and consists of 8 voting members, 4 scheme members, and 4 employer representatives (3 of whom are Councillors appointed by the Council) and up to 3 other members who are not entitled to vote, appointed to the board by the agreement of both the administering body and the Board.

Board statement of purpose

The purpose of the Board is to assist the Administering Authority in its role as scheme manager of the Scheme. Such assistance is to:

- Secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pension Regulator in relation to the Scheme and;
- To ensure the effective and efficient governance and administration of the scheme

The board members for 2024/25 were:

- Pauline Kettless (Chair)
- Cllr A. Cazimoglu
- Cllr N Gyosheva
- Cllr C. Joannides (Vice chair)
- Alison Cannur (Employer Side)
- Paul Bishop (Employee Side)
- Tracey Adnan (Employee Side)
- David Dollemore (Employee Side)

Training

CIPFA Code of Practice on Public Sector Pensions – Finance Knowledge and Skills

The adoption of the CIPFA "Pensions Finance, knowledge and skills framework, Technical Guidance for Elected Representatives and Non-executives in the Public Sector" (2010) provides the basis for a training and development programme for the Pension Policy & Investments Committee based on the latest national guidance. London Borough of Enfield Pension Fund adopts the key recommendations of the Code of Practice on Public Sector Pensions Finance Knowledge and Skills.

London Borough of Enfield recognises that effective financial administration, scheme governance and decision-making can only be achieved where those involved have the requisite knowledge and skills.

London Borough of Enfield will ensure that it has formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective acquisition and retention of the relevant public sector pension scheme finance knowledge and skills for those in the organisation responsible for financial administration, scheme governance and decision-making. These policies and practices will be guided by reference to a comprehensive framework of knowledge and skills requirements such as that set down in the CIPFA Pensions Finance Knowledge and Skills Frameworks.

London Borough of Enfield will report on an annual basis how these policies have been put into practice throughout the financial year.

London Borough of Enfield has delegated responsibility for the implementation of the requirements of the CIPFA Code of Practice to the Executive Director of Resources, who will act in accordance with the organisation's policy statement, and where they are a CIPFA member with CIPFA Standards of Professional Practice.

London Borough of Enfield recognises the importance of ensuring that it has the necessary resources to discharge its pension administration responsibilities and that all staff and members charged with the financial administration, governance and decision-making with regard to the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

London Borough of Enfield therefore seeks to utilise individuals who are both capable and experienced and it will provide and/or arrange training for staff and members of the pensions decision making and governance bodies, to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

During 2025 both the PPIC and Pension Board agreed to undertake a formal training programme. This will ensure that all member trained up to the required standard and any gaps in knowledge can be identified. The results of this training will be reported in the next annual report.

Pensions Knowledge and Skills Framework For Pensions Committee Members

Core technical areas and areas of knowledge:

Legislative and governance framework

- General pensions framework
- Scheme-specific legislation for LGPS
- Pensions regulators and advisors
- Constitutional framework for pension fund committees within administering authorities
- Pension scheme governance

Accounting and auditing standards

- Accounts and Audit regulations
- Role of internal and external audit

Procurement of financial services and relationship management

- Procurement requirements of UK and EU legislation
- Supplier risk management

Investment performance and risk management

- Monitoring of investment performance
- Performance of advisors
- Performance of the Pensions Committee
- Performance of support services

Financial markets and investment products

- Investment strategy
- Financial markets
- Regulatory requirements regarding investment products

Actuarial methods, standards and practices

- Valuations, funding strategy and inter-valuation monitoring
- Ill-health and early retirement
- Admitted bodies
- Outsourcing and bulk transfers

Pension Training on Skills & Knowledge

The Committee has an agreed Training policy by which committee members are bound. During 2024/25 all new members attended a training workshop on an introduction to the Local Government Scheme. Committee members also attended several pension fund related conferences during the year. Training was also provided during committee meetings, and as additional training sessions to ensure that Committee members maintained their ongoing pension knowledge development.

Prior to any significant investment decisions taking place, comprehensive information is provided to committee members, including if necessary, training from investment consultants, to enable informed decisions to take place.

Section 3- Financial Performance

The table below shows how the Fund's value has changed over the last five years:

Change in Fund Value	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s
Contributions	(54,485)	(54,888)	(68,805)	(65,682)	(67,619)
Benefits	49,013	51,638	53,244	67,467	71,403
Net (additions)/withdrawals	**(5,472)**	**(3,250)**	**(15,561)**	**1,785**	**3,784**
Management expenses	12,063	12,605	11,034	9,383	13,255
Net income	(13,214)	(16,664)	(22,223)	(33,868)	(33,033)
Change in Market value	(249,979)	(109,437)	93,302	(98,299)	(11,406)
Net (increase)/decrease in the Fund	**(256,602)**	**(116,746)**	**66,552**	**(120,999)**	**(27,400)**

Over the five-year period total fund value has increased in value by £455m. The most significant contributing factor's being increases in investment income and appreciation of investment assets. The Fund's investment policy and performance are explored further in the Investment section of this report. As the Fund matures it is moving from a positive to negative cash flow position in relation to its dealings with members. These cash flow areas are analysed further below.

Dealings with members

Net Dealings with members	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s
Contributions					
Employees	(12,055)	(12,847)	(14,057)	(14,728)	(14,971)
Employers	(36,976)	(39,057)	(42,157)	(42,886)	(44,473)
Transfers in	(5,454)	(2,984)	(12,591)	(8,068)	(8,175)
Total Income	**(54,485)**	**(54,888)**	**(68,805)**	**(65,682)**	**(67,619)**
Benefits/expenses					
Pensions	37,222	38,392	40,608	45,776	50,139
Lump sum and death benefits	7,152	8,496	8,870	8,878	11,444
Transfers out	4,554	4,584	3,625	12,637	9,350
Refunds	85	166	141	176	470
Total Expenditure	**49,013**	**51,638**	**53,244**	**67,467**	**71,403**
Net (increase)/decrease	**(5,472)**	**(3,250)**	**(15,561)**	**1,785**	**3,784**

Total income rose in 2024/25 compared to 2023/24, but remains below its 2022/23 peak. Transfers into the scheme were notably higher in 2022/23. Excluding transfers, contribution income grew by 3.2% from last year, slightly under the 4.1% annualised rate over the past four years. New employer contribution rates introduced in April 2023 lowered the average from 20.0% to 18.9%. While this was expected to slow contribution growth, the rate has held up better than anticipated due to active membership trends and higher local government pay awards.

Total expenditure rose by £4m in 2024/25 despite a £3m drop in transfers out. Since 2020/21, retirement benefit spending has grown 39%, reflecting the fund's maturity and UK inflation, while contribution income increased by only 21%. Pension benefits rise each April based on the consumer price index, with base benefits up 10% in April 2023 and 7% in April 2024. As pensioner numbers grow, benefit increases are likely to continue outpacing contributions in coming years.

Transfers in totalled £37m for the period, whilst payments on account of leavers equalled £36m resulting in a small net increase in fund assets. The timing, number, and value of transfers is dependent on individual choices, meaning it is difficult to forecast with accuracy but Fund officers monitor payments and receipts throughout the year to ensure proper cashflow management.

Fund expenses

Expenses	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s
Administration expenses	1,658	1,337	1,178	1,307	1,560
Oversight and governance expenses	90	97	537	685	697
Investment management expenses:					
Management fees	6,858	8,023	7,954	6,412	8,990
Performance related fees	1,032	1,355	61	50	697
Transaction costs	2,226	1,580	1,233	861	1,257
Custody and other expense	199	213	71	68	54
Total Investment management	10,315	11,171	9,319	7,391	10,998
Total management expenses	**12,063**	**12,605**	**11,034**	**9,383**	**13,255**

Total management expenses increased in the most recent financial year, primarily driven by higher investment management costs. There was a significant reduction in investment expenses during 2023/24 following the divestment from two hedge funds in the final quarter of 2022/23. While a portion of the sales proceeds was reinvested across the portfolio, the majority was allocated to infrastructure investment commitments, with capital calls commencing in 2024/25. During the period when these proceeds were held in cash, investment management expenses remained comparatively low. Now that capital is actively being deployed, expenses have risen to levels more consistent with those observed prior to 2023/24.

Impact on cash flows

As set out in the Fund's Funding Strategy Statement, one of the main objectives is to ensure that sufficient resources are available to meet benefit payments as they become due. Understanding the projected cashflow position is essential to achieving this goal. Historically, the Fund's cash inflows from pension contributions have exceeded outflows for benefit payments. As the scheme matures, however, the cashflow position has shifted toward a deficit, similar to trends observed in other LGPS funds. While cashflow negativity is not considered problematic since Fund assets exist to cover benefits, it does necessitate increased oversight.

There are two primary approaches to addressing a cashflow shortfall: utilising investment income or selling investment assets. Using income helps avoid transaction costs but offers limited flexibility and may require portfolio rebalancing because distributions typically come from certain funds only. Selling investments provides more control over both timing and amount of cash receipts and helps maintain target asset allocation; however, this option incurs additional costs. The Fund aims to avoid being compelled to sell assets during adverse market conditions and this may not be possible if the Fund is using the selling of assets to address cash shortfalls.

Last year the Fund commissioned a report from the appointed Actuary which projects the expected cashflow position over the medium term. This analysis incorporates sensitivity to several plausible scenarios, such as elevated inflation and recessionary periods. The modelling suggests the Fund will need to generate approximately 0.2%-1.0% income on assets per year over the next decade to address negative cashflow.

Currently, the Fund earns returns through capital appreciation and income distributed from its assets. The current income yield is about 2% of total assets under management, with roughly half automatically reinvested. This reinvested portion could be redirected to cash distributions if necessary. The Fund plans to evaluate cashflow implications during the 2025 triennial valuation and in its investment strategy review scheduled for early 2026.

Section 4- Fund account, net assets statement and notes

The 2024/25 Draft Pension Fund Accounts are reproduced in this section of the report. The Accounts form part of the London Borough of Enfield Statement of Accounts, and the original version can be viewed here.

Pension Fund Accounts

31 March 2024 £000s	London Borough of Enfield Pension Fund Account	Notes	31 March 2025 £000s
	Dealings with members, employers and others directly involved in the Fund		
(57,614)	Contributions	7	(59,444)
(8,068)	Transfers in from other pension funds	8	(8,175)
(65,682)			**(67,619)**
54,654	Benefits payable	9	61,583
12,813	Payments to and on account of leavers	10	9,820
67,467			**71,403**
1,785	**Net (additions)/withdrawals from dealings with members**		**3,784**
9,383	Management expenses	11	13,255
11,168	**Net (additions)/withdrawals from dealings with members**		**17,039**
	Returns on investments		
(34,280)	Investment income	12	(33,296)
412	Taxes on income	13A	263
(98,299)	(Profit)/Loss on disposal of investments and changes in the market value of investments	14A	(11,406)
(132,167)	**Net returns on investments**		**(44,439)**
(120,999)	**Net change in assets available for benefits during the year**		**(27,400)**
(1,456,227)	**Opening net assets of the scheme**		(1,577,226)
(1,577,226)	**Closing net assets of the scheme**		**(1,604,626)**

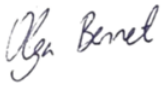
Pension Fund Accounts continued:

31 March 2024 £000s	Net Assets Statement for Year Ended 31 March 2025	Notes	31 March 2025 £000s
1,482,821	Investment assets	14	1,537,324
(19)	Investment liabilities		0
1,482,802	**Total net investments**		**1,537,324**
93,706	Cash deposits	14	65,543
2,467	Other investment balances -assets	14	617
(2,358)	Other investment balances - liabilities		0
1,576,617	**Other investment balances**	14	**1,603,484**
234	Long Term Debtor	20a	258
807	Current assets	20	1,272
(432)	Current liabilities	21	(388)
1,577,226	**Net assets of the fund available to fund benefits at the end of the reporting period**		**1,604,626**

Note: The fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 19.

Confirmation by the Section 151 Officer

I confirm that this Statement of Accounts Pension Fund Accounts gives a true and fair view of the financial position of the Pension Fund Accounts as at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

Signed	Signed
	
Olga Bennet Chief Finance Officer Section 151 Officer 28 January 2026	Councillor Ian Barnes Chair of the Audit Committee 28 January 2026

Notes Supporting Pension Fund Accounts

Note 1 Description of the Fund

The Enfield Pension Fund ('the fund') is part of the LGPS and is administered by London Borough of Enfield. The council is the reporting entity for this pension fund.

The following description of the fund is a summary only. For more detail, reference should be made to the **Pension Fund Annual Report 2024/25** and the underlying statutory powers underpinning the scheme

A. **General**

The scheme is governed by the Public Service Pensions Act 2013. The fund is administered in accordance with the following secondary legislation:

- the Local Government Pension Scheme Regulations 2013 (as amended).
- the Local Government Pension Scheme (Transitional Provisions, Savings and (Amendment) Regulations 2014 (as amended).
- the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

It is a contributory defined benefit pension scheme administered by London Borough of Enfield to provide pensions and other benefits for pensionable employees of London Borough of Enfield and a range of other scheduled and admitted bodies within the borough. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The fund is overseen by the Enfield Pension Policy & Investment Committee, which is a committee of London Borough of Enfield.

B. Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the fund include the following:

- Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the fund.

- Admitted bodies, which are other organisations that participate in the fund under an admission agreement between the fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

Notes Supporting Pension Fund Accounts

Note 1 Description of the Fund continued:

There are 41 employer organisations with active membership in the fund (including the Council itself), and 26,147 individual members, as detailed below. A full analysis is included below:

Enfield Pension Fund	31 March 2024	31 March 2025
Number of active members	7,343	7,447
Number of pensioners	6,813	7,195
Deferred pensioners	8,230	8,529
Frozen/undecided	3,530	2,976
Total number of members in pension scheme	**25,916**	**26,147**

A. Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund in accordance with the Local Government Pension Scheme Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The results of the recent formal valuation as at 31 March 2022 has employer contribution rates ranging from 8.5% to 21.7% of pensionable pay.

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Notes Supporting Pension Fund Accounts

B. Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, summarised below.

	Service pre 1 April 2008	Service post 31 March 2008
Annual Pension	Each year worked is worth 1/80 x final pensionable pay	Each year worked is worth 1/60 x final pensionable pay
Lump Sum	Automatic lump sum of 3 x annual pension. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of annual pension given up.	No automatic lump sum. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of annual pension given up.

From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is updated annually in line with the Consumer Price Index.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits, as explained on the LGPS website – see www.lgpsmember.org

Note 2 Basis of Preparation

The statement of accounts summarises the fund's transactions for the 2024/25 financial year and its position at year-end as at 31 March 2025. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year, nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 19.

The accounts have been prepared on a going concern basis.

Notes Supporting Pension Fund Accounts

Note 3 Summary of Significant Accounting Policies

Fund Account – Revenue Recognition

A. **Contribution income**

Normal contributions are accounted for on an accruals basis as follows:

- Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes that rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommended by the fund actuary for the period to which they relate.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary or on receipt if earlier than the due date.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

B. **Transfers to and from other schemes**

Transfer values represent the amounts received and paid during the year for members who have either joined or left the fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations 2013 (see Notes 8 and 10).

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in transfers in (see Note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

C. **Investment income**

a) **Interest income** Interest income is recognised in the fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs (where material) or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

b) **Dividend income** Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

c) **Distributions from pooled funds** Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

d) **Movement in the value of investments** Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Notes Supporting Pension Fund Accounts

Note 3 Summary of Significant Accounting Policies continued:

Fund Account – Expense Items

D. **Benefits Payable**

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities, providing that payment has been approved.

E. **Taxation**

The fund is a registered public service scheme under Section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

F. **Management expenses**

The Code does not require any breakdown of pension fund administrative expenses; however, it requires the disclosure of investment management transaction costs. For greater transparency, the fund discloses its pension fund management expenses in accordance with the CIPFA's Accounting for Local Government Pension Scheme Management Expenses (2016), which shows the breakdown of administrative expenses, including transaction costs.

a) **Administrative expenses** All administrative expenses are accounted for on an accruals basis. All staff costs of the pension's administration team are charged direct to the fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the fund.
b) **Oversight and governance costs.** All oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with governance and oversight are charged direct to the fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the fund.
c) **Investment management expenses** All investment management expenses are accounted for on an accruals basis.

Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

In addition, the fund has negotiated with some fund managers that an element of their fee be performance related. Where an investment manager's fee note has not been received by the year-end date, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the fund account.

Notes Supporting Pension Fund Accounts

Note 3 Summary of Significant Accounting Policies continued:

Net assets statement

G. **Financial assets**

Financial assets are included in the net assets statement on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of the asset are recognised in the fund account.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Note 15). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

H. **Foreign currency transactions**

Interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

I. **Cash and cash equivalents**

Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

J. **Financial liabilities**

The fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the net assets statement on the date the fund becomes party to the liability. From this date any gains or losses arising from changes in the fair value of the liability are recognised by the fund.

K. **Actuarial present value of promised retirement benefits**

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under the Code, the fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (Note 19).

Notes Supporting Pension Fund Accounts

Note 3 Summary of Significant Accounting Policies continued:

L. **Additional voluntary contributions**

The Enfield Pension Fund provides an additional voluntary contribution (AVC) scheme for Its employers and are specifically for providing additional benefits for individual contributors. The fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed as a note only (Note 22).

Note 4 Critical judgements in applying Accounting Policies

In applying the accounting policies set out in Note 3 above, the Fund may have to make certain critical judgements about complex transactions or those involving uncertainty about future events.

There were no such critical judgements made during 2024/25

Notes Supporting Pension Fund Accounts

Note 5 Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year-end and the amounts reported for income and expenditure during the year. Estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that the actual results could differ from the assumptions and estimates.

The items in the Pension Fund's account at 31 March 2025 (for which there is a significant risk of material adjustment in the forthcoming financial year are set out in the table below:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 19)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the fund with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance: a. 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of approximately £23m. b. 0.1% increase in assumed earnings inflation would increase the value of liabilities by approximately £1m. c. 0.1% increase in the assumed Rate of CPI Inflation would increase the value of liabilities by approximately £23m. d. if life expectancy increases by 1 years, it would increase the liability by approximately £59m. It should be noted that any changes in the above would not have an effect on either the Fund Account or the Net Asset Statement.
Inflation Opportunities Fund (Note 15)	In November 2023 the Government released consultation on legislative reform of the residential leasehold sector, this included additional proposals to cap ground rents. The inflation opportunities fund has an allocation to ground rent debt, meaning the consultation, has impeded the ability to provide certainty for the valuation of these holdings.	The financial statements reflect a total value of £61.0 million. Due to uncertainties associated with the valuation of ground rent debt, it is possible that the underlying estimates, and consequently, their reported values may change in the next reporting period. A change of 10% to the valuations would results in a change in asset value of +/- £6.1 million.
Private equity – venture capital investments (Note 15)	The figure for "Investments at fair value" is based on the latest information received from asset managers prior to the Fund's accounting records closing for the quarter. The valuation methodologies are considered to be consistent with the International Private Equity and Venture Capital Valuation Guidelines.	The total value of relevant investments in the financial statements is £176.7m. If the underlying valuation assumptions were to change there, it is possible the stated value could change over the coming 12 months. A 10% change in the value of these investments would equate to a change in asset value of +/-£17.6m.
Pooled property investments (Note 15)	Valuation techniques are used to determine the carrying amount of pooled property funds and directly held freehold and leasehold property. Where possible these valuation techniques are based on observable data but where this is not possible management uses the best available data.	Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could affect the fair value of property-based investments. A change of 10% would result in an increase or decrease of £4.8m, on carrying values of £48.2m.

Notes Supporting Pension Fund Accounts

Note 6 Events After the Reporting Date

Management have reviewed and can confirm that there are no significant events occurring after the reporting period.

Notes Supporting Pension Fund Accounts

Note 7 Contributions

By Category:

31 March 2024 £000s		31 March 2025 £000s
(14,728)	**Employees' contributions**	**(14,971)**
	Employers' contributions:	
(41,062)	Normal	(42,305)
(159)	Deficit recovery contributions	(168)
(1,665)	Augmentation contributions	(2,000)
(42,886)	**Total employers' contributions**	**(44,473)**
(57,614)		**(59,444)**

By Authority:

31 March 2024 £000s		31 March 2025 £000s
(44,769)	Administering authority	(45,157)
(12,483)	Scheduled bodies	(13,922)
(362)	Admitted bodies	(365)
(57,614)		**(59,444)**

Note 8 Transfers in from other Pension Funds

31 March 2024 £000s		31 March 2025 £000s
(8,068)	Individual transfers	(8,175)
(8,068)		**(8,175)**

Notes Supporting Pension Fund Accounts

Note 9 Benefits Paid/Payable

By category

31 March 2024 £000s		31 March 2025 £000s
45,776	Pensions	50,139
7,990	Commutation and lump sum retirement benefits	10,413
888	Lump sum death benefits	1,031
54,654		**61,583**

By authority

31 March 2024 £000s		31 March 2025 £000s
51,403	Administration authority	56,707
2,722	Scheduled bodies	4,109
529	Admitted bodies	767
54,654		**61,583**

Note 10 Payments to and on Account of Leavers

31 March 2024 £000s		31 March 2025 £000s
176	Refunds to members leaving service	470
12,637	Individual transfers	9,350
12,813		**9,820**

Notes Supporting Pension Fund Accounts

Note 11 Management Expenses

31 March 2024 £000s		31 March 2025 £000s
1,307	Administrative costs	1,560
685	Oversight and governance costs	697
7,391	Investment management expenses	10,998
9,383		**13,255**

Note 11a Investment Management Expenses

2024/25	Total £000s	Custody fees	Management fees £000s	Transaction fees £000s	Performance related fees £000s
Bonds	195	-	148	47	-
Pooled Investments	3,502	-	2,882	620	-
Pooled property Investments	1,025	-	1,371	(101)	(245)
Private equity/Infrastructure	6,222	-	4,589	691	942
Custody fees	54	54	-	-	-
	10,998	**54**	**8,990**	**1,257**	**697**

2023/24	Total £000s		Management fees £000s	Transaction fees £000s	Performance related fees £000s
Bonds	227	-	171	56	-
Pooled Investments	3,498	-	2,838	660	
Pooled property Investments	1,980	-	2,082	143	(245)
Private equity/Infrastructure	1,618	-	1,321	2	295
Custody fees	68	68	-	-	-
	7,391	**68**	**6,412**	**861**	**50**

Notes Supporting Pension Fund Accounts

Note 12 Investment Income

31 March 2024 £000s		31 March 2025 £000s
(4,281)	Income from bonds	(3,704)
(2,287)	Income from equities	(2,384)
(18,711)	Pooled investment funds	(20,339)
(2,466)	Pooled property investments	(3,156)
(6,535)	Interest on cash deposits	(3,713)
(34,280)	**Total income before taxes**	**(33,296)**

Note 13 Other Account Fund Disclosures

Note 13a External Audit Fees

31 March 2024 £000s		31 March 2025 £000s
78	Paid in respect of external audit (excluding VAT)	97
78		**97**

Notes Supporting Pension Fund Accounts

Note 14 Investments

31 March 2024 £000		31 March 2025 £000
	Investment assets	
99,926	Bonds	-
35,827	Equities*	32,244
	Pooled Investments	
361,671	Fixed income funds	448,932
676,950	Equity funds	679,463
64,341	Inflation opportunity fund	61,021
-	Private debt funds	19,332
114216	Pooled property investments	119,600
104,889	Private equity funds	101,443
24743	Infrastructure funds	75,289
1,482,563		**1,537,324**
	Other Investments	
	Derivative contracts:	
251	Futures	-
7	Forward currency contracts	-
258		**-**
93,706	Cash deposits	65,543
2,467	Investment Income due	617
96,173		**66,160**
1,578,994	**Total Investment assets**	**1,603,484**
	Investment liabilities	
	Derivative contracts:	
(8)	Futures	-
(11)	Forward currency contracts	-
(2,358)	Amounts payable for purchases	-
(2,377)	**Total Investment liabilities**	**-**
1,576,617	**Net Investment assets**	**1,603,484**

*Equities consist of one holding in International Public Partnerships Limited for the purposes of the Funds strategic asset allocation this would be categorised as an Infrastructure investment.

Notes Supporting Pension Fund Accounts

Note 14a: Reconciliation of Movements in Investments and Derivatives

Period 2024/25	Market Value as at 1 April 2024 £000s	Purchases during the year and derivative payments £000s	Sales during the year and derivative receipts £000s	Change in Market Value during the year £000s	Market Value as at 31 March 2025 £000s
Bonds	99,926	18,840	(116,744)	(2,022)	-
Equities	35,827	-	-	(3,583)	32,244
Pooled Investments	1,102,962	370,787	(266,948)	1,947	1,208,748
Pooled property Investments	114,216	1,559	-	3,825	119,600
Private equity/Infrastructure	129,632	56,616	(15,770)	6,254	176,732
Management fees taken off value	-		(5,263)	5,263	-
	1,482,563	**447,802**	**(404,725)**	**11,684**	**1,537,324**
Derivative contracts:					
Futures	243	805	(581)	(467)	-
Forward currency contracts	(4)	232	(225)	(3)	-
	1,482,802	**448,839**	**(405,531)**	**11,214**	**1,537,324**
Other Investment balances:					
Cash deposits	93,706			211	65,543
Investment income due	2,467			-	617
Spot FX contracts	-			(19)	-
Amounts payable for purchases of Investments	(2,358)			-	-
	1,576,617			**11,406**	**1,603,484**

Notes Supporting Pension Fund Accounts

Note 14a Reconciliation of Movements in Investments and Derivatives continued:

Period 2023/24	Market Value as at 1 April 2023 £000s	Purchases during the year and derivative payments £000s	Sales during the year and derivative receipts £000s	Change in Market Value during the year £000s	Market Value as at 31 March 2024 £000s
Bonds	74,997	34,746	(12,010)	2,193	99,926
Equities	41,779	-	(2)	(5,950)	35,827
Pooled Investments	963,137	70,969	(35,690)	104,546	1,102,962
Pooled property Investments	115,975	4,444	(1,481)	(4,722)	114,216
Private equity/Infrastructure	129,649	11,076	(9,194)	(1,899)	129,632
Management fees taken off value	-	-	(6,088)	6,088	-
	1,325,537	**121,235**	**(64,465)**	**100,256**	**1,482,563**
Derivative contracts:					
Futures	166	812	(491)	(244)	243
Forward currency contracts	95	153	(380)	128	(4)
	1,325,798	**122,200**	**(65,336)**	**100,140**	**1,482,802**
Other Investment balances:					
Cash deposits	128,959			(1,840)	93,706
Investment income due	1,992			-	2,467
Spot FX contracts	-			(1)	-
Amounts payable for purchases of Investments	(872)			-	(2,358)
	1,455,877			**98,299**	**1,576,617**

Purchases and sales of derivatives are recognised in Note 14a above as follows:

- Futures – on close out or expiry of the futures contract the variation margin balances held in respect of unrealised gains or losses are recognised as cash receipts or payments, depending on whether there is a gain or loss.
- Forward currency contracts – forward foreign exchange contracts settled during the period are reported on a gross basis as gross receipts and payments.

Notes Supporting Pension Fund Accounts

Note 14b Analysis of Investments by Manager

The Fund employs external investment managers to manage all of its investments apart from an amount of cash, which is managed internally in line with the Fund's treasury management strategy. This structure ensures that the total Fund performance is not overly influenced by the performance of any one manager. The Market value of investments in the hands of each manager is shown in the table below:

31-Mar-24 £000s	%		31-Mar-25 £000s	%
Investments managed by London CIV regional pool:				
-	-	LCIV Alternative Credit Fund - CQS	185,422	11.6
130,761	8.3	LCIV Global Equity Focus Fund - Longview Partners	128,846	8.0
119,300	7.6	LCIV Global Alpha Growth Paris Aligned Fund - Baillie Gifford & Co	118,079	7.4
82,306	5.2	LCIV Global Bond Fund - PIMCO	89,104	5.6
31,431	2.0	LCIV Emerging Market Equity Fund - J.P. Morgan Asset Management	31,932	2.0
-	-	LCIV Private Debt fund II - London CIV	19,332	1.1
4,078	0.2	LCIV Renewable Infrastructure Fund - London CIV	16,609	1.0
59,727	3.8	LCIV MAC Fund - London CIV	-	-
Investments under pool management:				
305,466	19.4	ACS World Low Carbon Equity Tracker Fund - Blackrock	400,566	25.0
46,218	2.9	Aquila Life All Stock UK Index-Linked Gilt Index Fund - BlackRock	104,391	6.5
70,958	4.5	Aquila Life Up To 5 Years UK Gilt Index Fund - BlackRock	-	-
850,245	**53.9**		**1,094,281**	**68.2**
Investments managed outside London CIV pool:				
104,889	6.7	Adams Street Partners L.P.	101,443	6.3
69,495	4.4	Aon Investments Limited	70,021	4.4
89,901	5.7	Cash and other investment balances (internally managed)	66,057	4.1
64,341	4.0	M&G Investments	61,021	3.8
30,065	2.0	BlackRock Inc	58,668	3.7
36,646	2.3	Legal & General Investment Management Limited	39,342	2.5
36,245	2.3	CBRE Investment Management	36,094	2.2
35,827	2.3	International Public Partnerships Limited – Amber Infrastructure	32,244	2.0
20,665	1.3	Antin Infrastructure Partners	21,867	1.4
11,406	0.7	Brockton Everlast Inc.	12,173	0.8
-	-	Copenhagen Infrastructure Partners	10,195	0.6
1,987	0.1	York Capital Management	78	0.0
103,889	6.6	Western Asset Management Company Ltd	-	-
88,043	5.6	MFS International (UK) Limited	-	-
32,973	2.1	Insight Investment	-	-
726,372	**46.1**		**509,203**	**31.8**
1,576,617	**100.0**		**1,603,484**	**100.0**

Notes Supporting Pension Fund Accounts

Note 14b Analysis of Investments continued:

The following investments represent more than 5% of the net assets of the scheme.

Security	Market value 31-Mar-2024 £000s	% of total Fund	Market value 31-Mar-2025 £000s	% of total Fund
ACS World Low Carbon Equity Tracker Fund - Blackrock	305,429	19.4	400,566	25
LCIV Alternative Credit Fund - CQS	-	-	185,422	11.6
LCIV Global Equity Focus Fund - Longview Partners	130,761	8.3	128,846	8
LCIV Global Alpha Growth Paris Aligned Fund - Baillie Gifford & Co	119,300	7.6	118,079	7.4
Aquila Life All Stock UK Index-Linked Gilt Index Fund - BlackRock	46,218	2.9	104,391	6.5
LCIV Global Bond Fund - PIMCO	82,306	5.2	89,104	5.6
Global Equity Fund - MFS	88,043	5.6	-	-
Total Value of Investments	**772,057**		**1,026,408**	

Notes Supporting Pension Fund Accounts

Note 15 Fair Value – Basis of Valuation

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Assets and liabilities have been classified into three levels, according to the quality and reliability of information used to determine fair values.
Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur. Criteria utilised in the instrument classifications are detailed below:

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, exchange traded quoted index linked securities and unit trusts.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at level 2 are those where quoted market prices are not available; for example, where an investment is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include unquoted equity investments (private equity), which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The valuation basis for each category of investment asset is set out below:

Notes Supporting Pension Fund Accounts

Note 15 Fair Value – Basis of Valuation continued:

Description of asset	Valuation hierarchy	Basis of valuation	Observable & Unobservable Inputs	Key sensitivities affecting the valuations provided
Market quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted bonds	Level 1	Fixed interest securities are valued at a market value based on current yields	Not required	Not required
Futures and options in UK bonds	Level 1	Published exchange prices at the year-end	Not required	Not required
Forward foreign exchange derivatives	Level 2	Market forward exchange rates at the year-end	Exchange rate risk	Not required
Overseas bond options	Level 2	Option pricing model	Annualised volatility of counterparty credit risk	Not required
Pooled investment funds	Level 2	Published bid market price at the end of accounting period (where published). Closing Single price where single price published	NAV per share	Not required
Pooled investments – hedge funds	Level 2	Most recent valuation	NAV published, Cashflow transactions, i.e., distributions or capital calls	Not Required
Inflation opportunity fund	Level 3	Indicative NAV	NAV based pricing set on a forward pricing basis with unobservable inputs feeding into calculations	Valuations could be affected by changes to the values of the underlying assets or the outcome of ongoing Government consultation on ground rent debt.
Property held in a limited partnership	Level 3	Most recent published NAV updated for cashflow transactions to the end of the accounting period.	NAV published, Cashflow transactions, i.e., distributions or capital calls	Valuations could be affected by material events between the date of the pool fund financial statements and the funds own reporting date, audited accounts received and the pension funds' year end.
Private equity/Infrastructure	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation guidelines 2018 and IPEV's Board Special Valuation Guidance (March 2020)	- EBITDA multiple - Revenue multiple - Control Premium	Valuations could be affected by changes to expected cashflows or by differences between audited and unaudited accounts

Notes Supporting Pension Fund Accounts

Note 15 Fair Value – Basis of Valuation continued:

Sensitivity of assets valued at level 3

Having analysed historical data and current market trends, the fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the consequent potential impact on the closing value of investments held at 31 March 2025.

Description of asset	Assessed valuation range (+/-) %	Value at 31 March 2025 £000s	Value on increase £000s	Value on decrease £000s
Private debt funds	10.5%	19,332	21,362	17,302
Inflation opportunity fund	11.0%	61,021	67,733	54,309
Pooled property investments	12.5%	48,266	54,299	42,233
Private equity funds	20.0%	101,443	121,732	81,154
Infrastructure funds	20.0%	75,289	90,347	60,231
Total		**305,351**	**355,473**	**255,229**

Notes Supporting Pension Fund Accounts

Note 15a Fair Value Hierarchy

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

31 March 2025	Quoted market price Level 1 £000	Using observable inputs Level 2 £000	With significant observable inputs Level 3 £000	Total £000
Financial assets at fair value through profit and loss				
Bonds	-	-	-	-
Equities	32,244	-	-	32,244
Pooled investments	677,731	450,664	80,353	1,208,748
Pooled Property Investments	-	71,334	48,266	119,600
Private Equity/Infrastructure	-	-	176,732	176,732
Derivative Assets	-	-	-	-
Cash deposits	65,543	-	-	65,543
Investment income due	617	-	-	617
Financial liabilities at fair value through profit and loss				
Payable for investment purchases	-	-	-	-
Derivative liabilities	-	-	-	-
Net financial assets	**776,135**	**521,998**	**305,351**	**1,603,484**

Notes Supporting Pension Fund Accounts

Note 15a Fair Value Hierarchy continued:

31 March 2024	Quoted market price Level 1 £000	Using observable inputs Level 2 £000	With significant observable inputs Level 3 £000	Total £000
Financial assets at fair value through profit and loss				
Bonds	-	99,926	-	99,926
Equities	35,827	-	-	35,827
Pooled investments	697,545	341,076	64,341	1,102,962
Pooled Property Investments	-	66,565	47,651	114,216
Private Equity	-	-	129,632	129,632
Derivative Assets	251	7	-	258
Cash deposits	93,671	35	-	93,706
Investment income due	469	1,998	-	2,467
Financial liabilities at fair value through profit and loss				
Payable for investment purchases	-	(2,358)	-	(2,358)
Derivative liabilities	(8)	(11)	-	(19)
Net financial assets	**827,755**	**507,238**	**241,624**	**1,576,617**

Notes Supporting Pension Fund Accounts

Note 15b: Transfers Between Levels 1 and 2

There has been no movement during 2024/25.

Note 15c Reconciliation of Fair Value Measurements Within Level 3

	Market Value as at 1 April 2024 £000	Transfers in/out of level 3 £000	Purchases £000	Sales £000	Unrealised gains/ (losses) £000	Realised gains/ (losses) £000	Market Value as at 31 March 2025 £000
Private debt funds	-	-	19,332	-	-	-	19,332
Inflation opportunity fund	64,341	-	9,487	(9,487)	(2,809)	(511)	61,021
Pooled property investments	47,651	-	1,558	-	(943)	-	48,266
Private equity funds	104,889	-	8,691	(13,245)	(6,329)	7,437	101,443
Infrastructure funds	24,743	-	47,925	(2,524)	5,142	3	75,289
	241,624	**-**	**86,993**	**(25,256)**	**(4,939)**	**6,929**	**305,351**

Notes Supporting Pension Fund Accounts

Note 16 Financial Instruments

Note 16a Classification of Financial Instruments

The following table analyses the carrying amounts of financial instruments by category and net assets statement heading. No financial instruments were reclassified during the accounting period.

31 March 2024				31 March 2025		
Fair value through profit and loss £000	Assets at amortised cost £000	Liabilities at amortised cost £000		Fair value through profit and loss £000	Assets at amortised cost £000	Liabilities at amortised cost £000
			Financial assets			
99,926	-	-	Bonds	-	-	-
35,827	-	-	Equities	32,244	-	-
1,102,962	-	-	Pooled investments	1,208,748	-	-
114,216	-	-	Pooled property Investments	119,600	-	-
129,632	-	-	Private Equity	176,732	-	-
258	-	-	Derivative Assets	-	-	-
84,043	9,663	-	Cash deposits	65,306	239	-
-	2,467	-	Other investment balances	-	617	-
-	-	-	Sundry Debtors	-	88	-
1,566,864	**12,130**	**-**		**1,602,630**	**944**	**-**
			Financial liabilities			
(19)	-	-	Other Investment balances	-	-	-
		(2,358)	Amount Payable for Purchases	-	-	-
-	-	-	Sundry Creditors	-	-	(321)
(19)	**-**	**(2,358)**		**-**	**-**	**(321)**
1,566,845	**12,130**	**(2,358)**	**Total**	**1,602,630**	**944**	**(321)**
		1,576,617	**Grand Total**			**1,603,253**

Notes Supporting Pension Fund Accounts

Note 16b Net Gains and Losses on Financial Instruments

31 March 2024 £000		31 March 2025 £000
	Financial assets	
100,254	Fair value through profit and loss	11,585
-	Assets at amortised cost	311
	Financial liabilities	
(116)	Fair value through profit and loss	(471)
(1,839)	Loans and receivables	(19)
98,299		**11,406**

The authority has not entered into any financial guarantees that are required to be accounted for as financial instruments.

Notes Supporting Pension Fund Accounts

Note 17 Nature and Extent of Risks Arising from Financial Instruments

The Pension Fund's investment objective is to achieve a return on Fund assets, which is sufficient, over the long term, to fully meet the cost of benefits and to ensure stability of employer's contribution rates. Achieving the investment objectives requires a high allocation to growth assets in order to improve the funding level, although this leads to a potential higher volatility of future funding levels and therefore contribution rates.

Management of risk

The Pension Fund is invested in a range of different types of assets – equities, bonds, property, private equity and cash. This is done in line with the Local Government Pension Scheme Management and Investment of Funds Regulations 2016, which require pension funds to invest any monies not immediately required to pay benefits. These regulations require the formulation of an Investment Strategy Statement which sets out the Fund's approach to investment including the management of risk.

Responsibility for the fund's risk management strategy rests with the pension fund committee. Risk management policies are established to identify and analyse the risks faced by the council's pensions operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

The fund manages these risks in two ways:

I. the exposure of the fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels
II. specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments by individual fund managers. It is possible for over-the-counter equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

Notes Supporting Pension Fund Accounts

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The fund is exposed to share and derivative price risk. This arises from investments held by the fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

The fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the council to ensure it is within limits specified in the fund investment strategy.

Other price risk – sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the fund's investment advisors, the Fund has determined that the following movements in market price risk are reasonably possible for the 2024/25 reporting period (based on assumption made in March 2025 on data provided by the Fund's investment consultant). The sensitivities are consistent with the assumptions contained in the investment advisor's most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same. To demonstrate the impact of this volatility, the table below shows the impact of potential price changes based on the observed historical volatility of asset class returns.

Had the market price of the fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (the prior year comparator is shown below).

Notes Supporting Pension Fund Accounts

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

Asset type	Market Value as at 31 March 2025 £000	Percentage change %	Value on increase £000	Value on decrease £000
Cash and cash equivalents	65,543	0.0	65,543	65,543
Investment portfolio assets:				
Bonds	-	9.5	-	-
Equities	32,244	15.5	37,242	27,246
Fixed Income funds	448,932	11.0	498,315	399,549
Equity funds	679,463	18.5	805,162	553,762
Inflation opportunity fund	61,021	11.0	67,733	54,309
Private Debt	19,332	10.5	21,363	17,303
Pooled property Investments	119,600	12.5	134,550	104,650
Private equity funds	101,443	20.0	121,732	81,154
Infrastructure funds	75,289	20.0	90,347	60,231
Net derivatives	-	0.0	-	-
Investment income due	617	0.0	617	617
Amounts payable for purchases	-	0.0	-	-
Total assets available to pay benefits	**1,603,484**		**1,842,604**	**1,364,364**

Asset type	Market Value as at 31 March 2024 £000	Percentage change %	Value on increase £000	Value on decrease £000
Cash and cash equivalents	93,706	-	93,706	93,706
Investment portfolio assets:				
Bonds	99,926	9.0	108,919	90,933
Equities	35,827	16.0	41,559	30,095
Fixed Income funds	361,671	9.0	394,221	329,121
Equity unit trusts	676,950	18.0	798,801	555,099
Inflation opportunity fund	64,341	9.0	70,132	58,550
Private Debt	-	-	-	-
Pooled property Investments	114,216	12.5	128,493	99,939
Private equity/Infrastructure funds	104,889	20.0	125,867	83,911
Infrastructure funds	24,743	15.0	28,454	21,032
Net derivatives	239	0.0	239	239
Investment income due	2,467	0.0	2,467	2,467
Amounts payable for purchases	(2,358)	0.0	(2,358)	(2,358)
Total assets available to pay benefits	**1,576,617**		**1,790,500**	**1,362,734**

Notes Supporting Pension Fund Accounts

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

Interest rate risk

The fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The fund's interest rate risk is routinely monitored by the council and its investment advisors in accordance with the fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The fund's direct exposure to interest rate movements as at 31 March 2025 and 31 March 2024 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

Interest rate risk sensitivity analysis

The council recognises that interest rates can vary and can affect both income to the fund and the carrying value of fund assets, both of which affect the value of the net assets available to pay benefits. A 100 basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the fund's risk management strategy. The fund's investment advisor has advised that long-term average rates are expected to move less than 100 basis points from one year to the next and experience suggests that such movements are likely.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS change in interest rates.

Asset type	Average Duration Years	Market Value as at 31 March 2025 £000	Change in year in the net assets available to pay benefits £000	£000
Cash and cash equivalents				
Cash	-	65,543	-	-
Bonds				
UK public sector quoted	-	-	-	-
UK quoted	-	-	-	-
Overseas public sector quoted	-	-	-	-
Overseas quoted	-	-	-	-
Total change in assets available	-	-	-	-

Notes Supporting Pension Fund Accounts

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

Asset type	Average Duration Years	Market Value as at 31 March 2024 £000	Change in year in the net assets available to pay benefits £000	
Cash and cash equivalents				
Cash	-	93,706	-	-
Bonds				
UK public sector quoted	14.2	8,148	(1,155)	1,155
UK quoted	10.8	51,478	(5,547)	5,547
Overseas public sector quoted	17.4	659	(114)	114
Overseas quoted	9.4	39,641	(3,739)	3,739
Total change in assets available			**(10,555)**	**10,555**

Income exposed to interest rate risks	Amount receivable as at 31 March 2025 £000	Potential movement on 1% change in interest rates £000	Value on increase £000	Value on decrease £000
Interest on cash deposits	3,713	655	4,368	3,058
Bonds	3,704	0	3,704	3,704
Total	**7,417**	**655**	**8,072**	**6,762**

Income exposed to interest rate risks	Amount receivable as at 31 March 2024 £000	Potential movement on 1% change in interest rates £000	Value on increase £000	Value on decrease £000
Interest on cash deposits	6,535	937	7,472	5598
Bonds	4,281	0	4,281	4,281
Total	**10,816**	**937**	**11,753**	**9,879**

Notes Supporting Pension Fund Accounts

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (UK sterling). The fund holds both monetary and non-monetary assets denominated in currencies other than UK sterling.

The fund's currency rate risk is routinely monitored by the council and its investment advisors in accordance with the fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

Currency risk – sensitivity analysis

There is a risk that due to exchange rate movements the sterling equivalent value of the investments falls. The Fund acknowledges that adverse foreign currency movements relative to Sterling can reduce the value of the fund's investment portfolio. The table below demonstrates the potential value of the fund's investments based on positive or adverse currency movements by 10%.

Currency exposure - asset type	Market Value as at 31 March 2025	Change in year in the net assets available to pay benefits	
		+10%	-10%
	£000	£000	£000
Bonds	-	-	-
Pooled Investments	78	86	70
Private equity/Infrastructure	160,124	176,136	144,112
Derivatives	-	-	-
Cash Balances	12,716	13,989	11,444
Investment income due	-	-	-
Total change in assets available	**172,918**	**190,210**	**155,626**

Notes Supporting Pension Fund Accounts

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

Currency exposure - asset type	Market Value as at 31 March 2024	Change in year in the net assets available to pay benefits	
		+10%	-10%
	£000	£000	£000
Bonds	3,304	3,634	2,974
Pooled Investments	1,987	2,186	1,788
Private equity/Infrastructure	125,554	138,109	112,999
Derivatives	(4,161)	(4,577)	(3,745)
Cash Balances	85,655	94,221	77,090
Investment income due	247	272	222
Total change in assets available	**212,586**	**233,845**	**191,328**

b) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the fund's financial assets and liabilities.

In essence the fund's entire investment portfolio is exposed to some form of credit risk, with the exception of the derivatives' positions, where the risk equates to the net market value of a positive derivative position. However, the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Contractual credit risk is represented by the net payment or receipt that remains outstanding, and the cost of replacing the derivative position in the event of a counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

Credit risk on over-the-counter derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

Deposits are not made with banks and financial institutions unless they are rated independently and meet the council's credit criteria. The council has also set limits as to the maximum percentage of the deposits placed with any one class of financial institution. In addition, the council invests an agreed percentage of its funds in the money markets to provide diversification. Money market funds chosen all have AAA rating from a leading ratings agency.

Notes Supporting Pension Fund Accounts

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

The Council believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits over the past five financial years. Detailed below are the specifics of the Fund's cash, held under internal treasury management arrangements, and the respective institutions where these holdings are kept:

	Rating	Balances as at 31 March 2024 £000	Balances as at 31 March 2025 £000
Money market funds			
Goldman Sachs money market fund	AAAm	22,747	16,737
Northern Trust market fund	AAAm	61,261	48,535
Bank current accounts			
HSBC	AA-	1	2
Northern Trust Custodian	AA-	5,488	226
		89,497	**65,500**

c) Liquidity risk

This represents the risk that the fund will not be able to meet its financial obligations as they fall due. The council therefore takes steps to ensure that the pension fund has adequate cash resources to meet its commitments. This will particularly be the case for cash from the cash flow matching mandates from the main investment strategy to meet the pensioner payroll costs; and cash to meet investment commitments. The Fund has immediate access to its pension fund cash holdings.

Management prepares periodic cash flow forecasts to understand and manage the timing of the fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the fund investment strategy.

All financial liabilities at 31 March 2025 are due within one year.

a) Refinancing risk

The key risk is that the council will be bound to replenish a significant proportion of its pension fund financial instruments at a time of unfavourable interest rates. The council does not have any financial instruments that have a refinancing risk as part of its investment strategy.

Notes Supporting Pension Fund Accounts

Note 18 Funding Arrangements

Description of Funding Policy

In line with the Local Government Pension Scheme Regulations, the Fund's actuary undertakes a funding valuation every three years for the purpose of ensuring the Enfield Pension Fund can meet its liabilities to past and present contributors, and to review employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022 and was carried out by the Fund's actuary at the time - Aon.

The funding policy is set out in the Funding Strategy Statement (FSS), dated September 2022. In summary The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund, i.e. that sufficient funds are available to meet all pension liabilities as they fall due for payment;
- to ensure that employer contribution rates are reasonably stable where appropriate;
- to minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return (this will also minimise the costs to be borne by Council Tax payers);
- to reflect the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and
- to use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. Employer contributions have been set to have a sufficiently high likelihood of achieving the funding target over 25 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least an 80% likelihood that the Fund will achieve the funding target over 25 years.

Funding Position at last formal valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £1,523 million, were sufficient to meet 104% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £53 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure, as per the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

Notes Supporting Pension Fund Accounts

Note 18 Funding Arrangements continued:

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Financial assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial assumptions	31 March 2022
Discount rate	4.4% p.a.
Salary increase assumption	3.8% p.a.
Benefit increase assumption (CPI)	2.3% p.a.

Demographic assumptions

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on S3PA (heavy) tables with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

Life expectancy from age 65 as valuation date	Males	Females
Current pensioners aged 65 at the valuation date	21.7	24.1
Future pensioners aged 45 at the valuation date	23.0	25.5

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS. Copies of the 2022 valuation report and FSS are available on the Fund's website. The next actuarial valuation will be carried out as at 31 March 2025, The FSS will also be reviewed at that time.

Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. Asset performance improved in 2024 and early 2025; however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

Notes Supporting Pension Fund Accounts

Note 18 Funding Arrangements continued:

High levels of inflation in the UK (compared to recent experience) have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025, and will be finalised by 31 March 2026. The FSS will also be reviewed at that time, and a revised version will come into effect from 1 April 2026

Note 19 Actuarial Present Value of Promised Retirement Benefits

CIPFA's Code of Practice on Local Authority Accounting 2024/25 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits.

The table below shows the present value of promised retirement benefits as at 31 March 2025. The figures have been prepared by Hymans Robertson, the Fund's actuary, only for the purposes of providing the information required by IAS26. In particular, they are not relevant for calculations undertaken for funding purposes or for other statutory purposes under UK pension's legislation. In calculating the required numbers, the actuary adopted methods and assumptions that are consistent with IAS19.

	31 March 2024 (£m)	31 March 2025 (£m)
Active Members	603	547
Deferred members	292	242
Pensioners	769	679
Total	**1,664**	**1,468**

Notes Supporting Pension Fund Accounts

Note 19 Actuarial Present Value of Promised Retirement Benefits continued:

The promised retirement benefits at 31 March 2025 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, Hymans Robertson are satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

Assumptions

Financial assumptions	31 March 2024	31 March 2025
Discount rate	4.8% p.a.	5.8% p.a.
Salary increase assumption	4.3% p.a.	4.3% p.a.
Benefit increase assumption (CPI)	2.8% p.a.	2.8% p.a.

Demographic assumptions

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

Life expectancy	Males	Females
Current pensioners	20.8	23.3
Future pensioners aged 45 at the valuation date	21.9	24.7

All other demographic assumptions are unchanged from last year and are as per the latest funding valuation of the Fund.

Notes Supporting Pension Fund Accounts

Note 20 Current Assets

31 March 2024 £000s		31 March 2025 £000s
	Debtors	
162	Contributions due - employees	286
492	Contributions due - employers	896
152	London Borough of Enfield	88
806		**1,270**
	Cash balances	
1	Current account	2
807		**1,272**

Note 20a Long Term Debtors

31 March 2024 £000s		31 March 2025 £000s
	Debtors	
234	Pensioner Tax liability	258
234		**258**

Note 21 Current Liabilities

31 March 2024 £000s		31 March 2025 £000s
(349)	Sundry creditors	(321)
(83)	Benefits payable	(67)
(432)		**(388)**

Notes Supporting Pension Fund Accounts

Note 22 Additional Voluntary Contributions

Members of the Fund are able to make AVCs in addition to their normal contributions. The related assets are invested separately from the main Fund and in accordance with the Local Government Pension Scheme (Management and Investment of Funds) regulations 2016, are not accounted for within the financial statements. If on retirement members opt to enhance their Scheme benefits using their AVC funds, the amounts returned to the Fund by the AVC provider are disclosed within transfers-in.

The current provider is Prudential. Funds held are summarised below. Funds held are summarised in the table below (at the time of publishing Prudential have not finalised their 2024/25 accounts so the data below is based on draft accounts):

	Opening Balance at 1 April 2024 £000s	Contributions & Transfers £000s	Sums Paid Out £000s	Investment Return £000s	Closing Balance at 31 March 2025 £000s
Plan Value	**5,673**	1,441	(1,358)	291	**6,047**
	5,673	**1,441**	**(1,358)**	**291**	**6,047**

Note 23 Agency Services

The Enfield Pension Fund does not use any agency services to administer the pension service.

Note 24 Related Party Transactions

London Borough of Enfield

The Enfield Pension Fund is administered by the London Borough of Enfield. Consequently, there is a strong relationship between the Council and the Pension fund.

During the reporting period, the Council incurred costs of £1.674m (2023/24: £1.621m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Pension Fund, the total contribution paid by the Council are disclosed in note 7 above. At year end the Council owed the Pension Fund £88k (in 2023/24 the Council owed the Pension Fund £152k).

Notes Supporting Pension Fund Accounts

Note 24 Related Party Transactions continued:

Governance

The Enfield Council has decided that Councillors should not be allowed to join the LGPS scheme and receive pension benefits from the Fund.

No allowances are paid to Members directly in respect of the Pension Policy & Investment Committee. The Chair of the Pension Policy & Investment Committee, however, is paid a special responsibility allowance.

During the year, no member or Council Officer with direct responsibility for pension fund issues had undertaken any declarable material transactions with the Pension Fund. Each member of the Pension Committee is required to declare their interests at meetings.

Note 24a Key Management Personnel

The fund has identified the Director of Capital and Commercial, the Head of Pension Investments, and the Head of Exchequer Services as key management personnel with the authority and responsibility to control or exercise significant influence over the financial and reporting decisions of the fund. The combined compensation for these officers attributable to Enfield Pension Fund is shown below:

31 March 2024 £000s		31 March 2025 £000s
123	Short-term benefits	119
24	Post-employment benefits	23
147		**142**

Note 25 Contingent Liabilities And Contractual Commitments

The total outstanding capital commitments (investments) at 31 March 2025 are £194.2m (31 March 2024 were £198.7m).

These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

Section 5- Investments and Funding

Investment Strategy Statement

Enfield Council (the Council) in its capacity as Administering Authority of the Local Government Pension Scheme. In this capacity the Council has responsibility to ensure the proper management of the Fund. Regulation 7(1) of the Regulations requires an administering authority to formulate an investment strategy statement (ISS) which must be in accordance with guidance issued by the Secretary of State. The Council has delegated to its Pension Policy & Investment Committee (PPIC) "all the powers and duties of the Council in relation to its functions as Administering Authority except for those matters delegated to other committees of the Council or to an officer."

The ISS has been prepared by the PPIC having taken appropriate advice. It meets the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the Regulations). The ISS is subject to periodic review at least every three years and without delay after any significant change in investment policy. The Committee has consulted on the contents of the Strategy with each of its employers and the Pension Board. The ISS should be read in conjunction with the Fund's Funding Strategy Statement.

Through the year actions resulting from regular reviews of the strategic asset allocation (and investment strategy) and market conditions were implemented. This included commitment to Private debt and overweight allocation to equities and fixed income and commitment to private debt.

Funding Strategy Statement

The Fund's Funding Strategy Statement (FSS) is reviewed periodically as part of the Fund's annual review of policies and approved by PPIC. The FSS is written in conjunction with the Fund Actuary and employers are consulted on significant changes.

The FSS was last reviewed in 2023 and is next scheduled for review in 2025 as part of the next Fund valuation.

Officers are comfortable that the ISS and FSS are compliant with statutory guidance.

Strategic Asset Allocation

The Pension Policy & Investment Committee's overarching objective is to invest the assets of the Fund prudently to ensure that the benefits promised to members are provided. In setting the investment strategy, the Committee first considered the lowest risk asset allocation that it could adopt in relation to the Fund's liabilities. The Strategic Asset Allocation (SAA) it has selected is designed to achieve a higher return than the lowest risk strategy while maintaining a prudent approach to meeting the Fund's liabilities.

The current target asset allocation strategy was agreed by PPIC on 17th January 2023 and is set out in the table below – along with that actual position as at 31 March 2025. The suitability of the target asset allocation is monitored as the liabilities and market conditions develop, and the actual asset allocation will

not exactly reflect the target weights at any particular point in time. The Committee monitors the actual asset allocation versus the target weighting.

Asset Class	Target Weighting %	Actual Position 31 Mar 2025 %	Variance to target
Equities	40	43	+3
Bonds	24	29	+5
Private Equity	8	6	-2
Inflation protection illiquids	7	6	-1
UK Property	5	5	-
Infrastructure	16	7	-9
Cash	0	4	+4
Total	**100**	**100**	

At the reporting date, the Fund is significantly underweighted in Infrastructure and overweight in Cash and Bonds. During 2023/24 the PPIC committed £162m to new infrastructure investments, due to the nature of these investments it can take several years for the underlying capital to be called up – whilst this drawdown period is occurring the underweight position is likely to persist but incremental progress towards target allocation should be observable. The capital required to meet these commitments is currently held as Cash and within the Bond allocation. PPIC completed a review of Fixed Income assets (Bonds) during 2024/25, and this part of the portfolio was restructured to ensure it matches the fund's investment objectives and complied with the Government requirements to have all listed assets pooled by 31 March 2025.

Investment Managers

To implement the chosen SAA, the PPIC has delegated the management of the Fund's investments to professional investment managers, appointed in accordance with the Local Government Pension Scheme Regulations. The investment approach involves appointing fund managers with clear performance benchmarks and holding them fully accountable for their performance against these benchmarks. Multiple fund managers are selected to ensure diversification of investment styles and risk distribution. These fund managers are primarily compensated through fees based on the value of assets under management. They are expected to maintain a mix of investments that reflect their views relative to their respective benchmarks. Within each major market and asset class, the managers maintain diversified portfolios through direct investments or pooled vehicles.

The managers, their mandates, and relevant benchmarks in place at 31 March 2025 are outlined in the table below. For context the table has been split by asset class.

Manager	Mandate / Fund	Benchmark / Investment Objective
Equities		
BlackRock	Passively managed global equities	MSCI WORLD Low Carbon Target Reduced FOSSIL FUEL SELECT
London CIV	Global Alpha Growth Paris Aligned Fund	MSCI All Country World Gross Index (in GBP)+2%
London CIV	Global Equity Focus Fund	MSCI World (GBP)(TRNet)+2.5%
London CIV	Emerging Market Equity Fund	MSCI Emerging Market Index (TR) Net+2.5%
Bonds		
AON	Diversified liquid credit	SONIA + 1.5% per annum over a market cycle (Net of fees)
BlackRock	Passively managed UK Gilts	FTSE Actuaries UK Index-Linked Gilts All Stocks Index
London CIV	Global Bond Fund	Bloomberg Global Aggregate Credit Index – GBP Hedged
London CIV	Alternative Credit Fund	SONIA (30 day compounded) +4.5%
London CIV	Private Debt Fund II	IRR of 6-8% (net of fees) over fund life
Private Equity		
Adams Street	Fund of funds global private equity	To outperform the MSCI World Index.
Inflation protection illiquids		
CBRE	Inflation protecting illiquid	UK LPI +2.5% p.a. over rolling 10yr period
M&G	Inflation Opportunities Fund	To outperform the Retail Price Index by 2.5% per annum on a rolling five year basis.
UK Property		
BlackRock	UK Property Fund	IPD All Balanced Funds Weighted Average Index
Brockton	Opportunistic property	15% net IRR and 1.5xnet multiple
LGIM	Active UK Property Fund	MSCI/AREF UK Quarterly All Balanced PFI
Infrastructure		
Antin	European Infrastructure Fund	15% gross IRR with a gross yield target of 5% p.a.
INPP Ltd	Private Finance Initiative	To achieve a return of at least 4.5% per annum.
London CIV	Renewable Infrastructure Fund	IRR (net of fees) of 7 - 10%, with a target yield 3 - 5% per annum
BlackRock	BlackRock Global Infra Fund IV	IRR (net of fees) of >8.5%
Copenhagen	Copenhagen Infrastructure V	IRR (net of fees) of >8.5%
Cash		
Goldman Sachs	LVNAV Money Market Fund	SONIA
Nothern Trust	LVNAV Money Market Fund	SONIA

Investment performance

The overall investment performance for the Fund in 2024/25 was 2.0%. This compares to 8.8% in 2023/24. The 3 and 5-year annualised performance was 1.6% and 6.8% respectively. The Fund is a long-term investor and therefore it is important to analyse performance over long periods of time rather than taking individual years performance in isolation. Individual asset class annualised performance over a 1, 3 and 5 year period is presented in the table below:

Asset class	One year %	3 year %	5 year %
Equities	**1.0**	**5.6**	**12.6**
Benchmark	4.8	7.3	14.0
Excess return	*(3.7)*	*(1.7)*	*(1.4)*
Bonds	**3.2**	**(0.6)**	**1.2**
Benchmark	3.3	0.0	0.6
Excess return	*(0.1)*	*(0.6)*	*0.6*
Private Equity	**0.6**	**(3.4)**	**13.7**
Benchmark	4.9	7.6	14.3
Excess return	*(4.3)*	*(11.0)*	*(0.6)*
Inflation protection illiquid	**1.0**	**(7.4)**	**(1.9)**
Benchmark	4.2	3.5	5.0
Excess return	*(3.2)*	*(10.8)*	*(6.9)*
Infrastructure	**0.1**	**(3.8)**	**1.9**
Benchmark	4.9	(5.5)	0.4
Excess return	*(4.8)*	*1.7*	*1.6*
Property	**4.3**	**(4.1)**	**1.8**
Benchmark	6.4	(3.3)	2.7
Excess return	*(2.1)*	*(0.8)*	*(0.8)*
Cash	6.7	6.2	3.0
Overall Fund Performance	**2.0**	**1.6**	**6.8**
Benchmark	**4.8**	**3.2**	**6.8**
Excess return	**(2.8)**	**(1.6)**	**(0.0)**

Overall Fund performance is below benchmark in the 1 and 3 year periods, but in line with benchmark over 5 years.

Equity returns were adversely affected in March 2025 due to the announcement of US tariffs, which led to a decline in equity prices. However, by October 2025, equity markets had recovered significantly and are currently demonstrating strong performance for the 2025/26 period.

Infrastructure and private equity assets had a modest return in the year due to valuations decreasing in the light of a higher for longer interest rate environment. Similarly, the higher than anticipated interest rate environment during the year meant that the Fund earned a strong return on the cash it was holding.

Benchmarking

The Fund's performance in different asset classes is compared to an average of other LGPS Funds in the table overleaf:

Asset class	One year %	3 year %	5 year %
Equities	**1.0**	**5.6**	**12.6**
Universe Average	3.8	6.5	12.6
Var	*(2.8)*	*(0.9)*	*0.0*
Bonds	**3.2**	**(0.6)**	**1.2**
Universe Average	1.4	(1.7)	0.3
Var	*1.8*	*1.1*	*0.9*
Private Equity	**0.6**	**(3.4)**	**13.7**
Universe Average	2.8	2.5	11.5
Var	*(2.2)*	*(5.9)*	*2.2*
Infrastructure	**0.1**	**(3.8)**	**1.9**
Universe Average	3.7	6.4	6.2
Var	*(3.6)*	*(10.2)*	*(4.3)*
Property	**4.3**	**(4.1)**	**1.8**
Universe Average	3.4	(2.9)	1.7
Var	*0.9*	*(1.2)*	*0.1*
Overall Fund Performance	**2.0**	**1.6**	**6.8**
Universe Average	**3.4**	**3.6**	**8.3**
Var	**(1.4)**	**(2.0)**	**(1.5)**

This is the average return from the PIRC local authority universe, the Inflation protection liquids category from the Fund's SAA is not included in the table as there is no direct comparison in the universe. The Fund has underperformed the universe average over the time periods shown, this underperformance has mainly been driven by the Fund's relatively risk-averse structure, with a higher-than-average exposure to bonds and a lower-than-average exposure to equities. The Fund's exposure to different assets classes compared to the universe average is shown in the table below:

Asset Class	Enfield 31 Mar 2025 %	LA Average 31 Mar 2025 %	Variance
Equities	43	49	-6
Bonds	29	21	+8
Private Equity	6	6	-
Inflation protection illiquids	6	N/A	N/A
Property	5	8	-3
Infrastructure	7	8	-1
Cash	4	3	+1

Longer term returns are analysed in the table below:

	3 Year	5 Year	10 Year	20 Year	30 Year
Enfield	1.6	6.8	5.9	6.7	7.2
Universe Average	3.6	8.3	6.7	7.3	7.5
Var	(2.0)	(1.5)	(0.8)	(0.6)	(0.3)
Ranking (percentile)	**95**	**88**	**81**	**77**	**72**

The Fund is broadly in line with the average over the 30-year time horizon. But over shorter periods it has trailed the Universe average due it is different assets allocation compared to the average.

Responsible Investment

The Fund is committed to being a long-term steward of the assets in which it invests and expects this approach to protect and enhance the value of the Fund in the long term. In making investment decisions, the Fund seeks and receives proper advice from internal and external advisers with the requisite knowledge and skills. The Fund requires its investment managers to integrate all material financial factors, including corporate governance, environmental, social, and ethical considerations, into the decision-making process for all fund investments. It expects its managers to follow good practice and use their influence as major institutional investors and long-term stewards of capital to promote good practice in the investee companies and markets to which the Fund is exposed.

The Fund expects its external investment managers (and specifically the London Collective Investment Vehicle, London CIV – Enfield's Pooling partners, through which the Fund will increasingly invest) to undertake appropriate monitoring of current investments with regard to their policies and practices on all issues which could present a material financial risk to the long-term performance of the fund such as corporate governance and environmental factors. The Fund expects its fund managers to integrate material Economic Social Governance (ESG) factors within its investment analysis and decision making. The Fund will invest on the basis of financial risk and return having considered a full range of factors contributing to the financial risk including social, environment and governance factors to the extent these directly or indirectly impact on financial risk and return.

The Fund's Responsible Investment Policy can be viewed here and will be updated in the next 24 months.

Asset Pooling

In 2015, the Ministry of Housing, Communities and Local Government (MHCLG) released guidance outlining the government's expectations for the establishment of asset pooling arrangements within the Local Government Pension Scheme (LGPS). To align with this initiative, pension funds across England and Wales collaborated to create eight asset pools.

The Fund became a member of the London Collective Investment Vehicle (LCIV) in 2015. LCIV is collectively owned by the 32 boroughs and the City of London Corporation. LCIV functions as the asset pooling entity with the primary goal of supplying funds that align with the distinct investment strategies specified by the

various LGPS funds in London. In addition to providing in-house funds, LCIV also provides access to lower cost index tracking funds provided by BlackRock.

For more information, visit the London CIV website

Assets Pooled to date

Manager	Year ending 31 March: Mandate	2021 £000's	2022 £000's	2023 £000's	2024 £000's	2025 £000's
Blackrock – Low Carbon GE	Passive Equity	220,602	255,962	245,477	305,467	400,566
Blackrock - Bonds	Passive ILB	91,750	92,405	80,888	117,176	104,391
LCIV - Baillie Gifford	Global Equity	116,232	108,523	102,865	119,300	118,079
LCIV - JP Morgan	Emerging Equity	35,927	32,252	31,855	31,431	31,932
LCIV - Longview	Global Equity	91,344	104,834	110,802	130,761	128,846
LCIV – CQS	Multi Asset Credit	54,707	55,874	53,558	59,727	-
LCIV - PIMCO	Global Bond			77,325	82,306	89,104
LCIV – CQS	Alternative Credit Fund					185,422
LCIV	Renewable Infrastructure				4,078	16,609
LCIV	Private Debt Fund II					19,332
	Total	**610,562**	**650,377**	**702,770**	**850,246**	**1,094,281**
		44%	**43%**	**48%**	**54%**	**68%**

The percentage of the Fund's assets held with LCIV increased from 54% to 68% during the year, continuing the trend of the last five years. The increase in 2024/25 was the result of the Fund increasing its investment in the BlackRock passive equity fund, the consolidation of the Fund's fixed income assets into pooled products, and the drawdown of capital to renewable infrastructure and private debt funds. The Fund is committed to complying with the Government mandate to pool all assets by 31 March 2026.

Costs and Net savings

The initial and ongoing cost of pool membership are set out in the table below:

Expenses	15/16 £000s	16/17 £000s	17/18 £000s	18/19 £000s	19/20 £000s	20/21 £000s	21/22 £000s	22/23 £000s	23/24 £000s	24/25 £000s
Set up costs:										
Share purchase	150									
Annual subscription		25	25	25	25	25	25	25	25	25
Dev. funding charge			75	65	65	85	85	85	76	73
Net (savings)/costs	**150**	**25**	**100**	**90**	**90**	**110**	**110**	**110**	**101**	**98**

The net savings from pooling for 2024/25 are outlined below:

	2024/25	
	AUM	Cost / (Saving)
	£000s	£000s
LCIV ACS Funds	553,383	(883)
LCIV Private Markets	35,941	(81)
BlackRock Passive Funds	504,957	(263)
LCIV ACS Management fee		121
LCIV Passive Management fee		23
LCIV Private Market fee		25
Service and development charges		98
Net Savings		**(960)**

Fit for the Future Consultation

In July 2024, the Chancellor of the Exchequer launched a review on the future of the Local Government Pension Scheme (LGPS). The review aims to reduce fragmentation as well as improve sustainability, governance, and fund performance through enhanced pooling. Other objectives cited are tackling inefficiency and unlocking infrastructure investment and strengthening local investment. As one of the largest pension schemes globally, the proposed changes are targeted to grow pooled investments to £1 trillion by 2040.

As part of the review the Chancellor launched a consulation with LGPS Funds. The outcome of that consultation is as follows:

- All Administering Authorities (AAs) delegate the implementation of their investment strategy to, and take their principal investment advice from, their pool, and transfer all assets to the management of their pool (by 31 March 2026); and
- the pools are established as investment management companies that are authorised and regulated by the FCA. Further, each will be required to develop the capability to carry out due diligence on local and regional investments and to manage such investments.
- The March 2026 deadline for meeting requirements still applies, but may be flexed for those AAs needing to find a new investment pool (and those pools taking on new funds)
- The LGPS Good Governance recommendations will be implemented, with a minor amendment as mentioned below
- The consultation response provides additional detail where clarity has been requested, in particular, on the delineation of decision making between AAs responsible for setting the investment strategy, and the pool responsible for all implementation decisions, including the choice of active or passive managed investments.
- The consultation proposed that AAs be required to set out their approach to local investment, including by setting a target range for investment in their Investment Strategy Statement, and that AAs report annually on the impact of their local investments. In addition, the government proposed that AAs work with strategic authorities, or in Wales, corporate joint committees, to identify local and regional investment opportunities and that the due diligence is to be conducted by the pools

- On Governance, the only changes to the proposals from the consultation are that there will not be a requirement for a professional independent member to sit on Pension Committees as a voting member, but they will act as an independent advisor.
- In addition, the requirement for a biennial independent governance review has been changed to be triennial in line with valuation cycles.

Officers for the Enfield Fund will work with London CIV to ensure a smooth transition process and that the objectives of Enfield are achieved.

Asset table

In line with the new guidance the Fund's assets can be viewed in the table below, this provides an alternative assets classification than the Fund's SAA but is intended to aid comparison across other LGPS Fund's.

£m Asset values as at 31 March 2025	Pooled	Under pool management	Not pooled	Total
Equities	278.9	400.5	0.1	679.5
Bonds	274.5	104.4	70.0	448.9
Property	-	-	119.6	119.6
Hedge funds	-	-	-	-
Diversified Growth Funds	-	-	-	-
Private equity	-	-	101.4	101.4
Private debt	19.3	-	-	19.3
Infrastructure	16.6	-	90.9	107.5
Derivatives	-	-	-	-
Cash and net current assets	-	-	66.1	66.1
Other	-	-	61.1	61.1
Total	**589.3**	**504.9**	**509.2**	**1,603.4**

Further to this, as requested by the guidance, a supplementary table is shown below. This shows allocations across UK investments across four different assets classes.

£m Asset values as at 31 March 2025	Pooled	Under pool management	Not pooled	Total
UK Listed Equities	9.5	12.9	-	22.4
UK Government Bonds	-	104.4	-	104.4
UK Infrastructure	5.8	-	42.5	48.3
UK Private Equity	-	-	7.6	7.6
	15.3	**117.3**	**50.1**	**182.7**

The assets covered by this table account for c.11% of the Funds total assets under management (AUM). This list is not exhaustive and excludes several other asset classes where the Fund invests in the UK, including property and corporate bonds. The Fund estimates that c.29% of total AUM is invested in UK assets.

Section 6- Administration

Summary of activity

Throughout 2024/25, the Pension Section managed a wide range of administrative tasks. These included handling deaths, processing retirements, managing transfers, issuing refunds, calculating divorce settlements, enrolling new joiners, aggregating pension benefits, and processing opt-outs.

The Fund's Administration Strategy can be found here. The aim of the Strategy is to set out roles and responsibilities and performance targets to ensure that an efficient, effective, and compliant pension service is delivered, not only to Employers but also members of the Fund and associated stakeholders.

Next review date 1st January 2026.

The Administration team provide regular updates on specific activities undertaken in quarterly reports to the Local Pension Board. The agendas, minutes and reports from Local Pension Board meetings can be viewed here.

A number of Key Performance Indicators (KPIs) are presented in Annex A and regular monitoring of these by Fund officers and Local Pension Board ensure that service to members of the pension fund is effective. The KPIs have been produced in line with the guidance issued for 2024/25.

Implementation of Comms policy

The Funds Communication Policy can be found here. During the year a number of activities have been undertaken to put this policy into action and enhance the service provided to members, including, but not exclusively, the below:

- **Presentations:** An ongoing program of face-to-face presentations for employers and members continues to be delivered. These presentations cover various topics such as opting in and out, annual benefit statements, 50/50 pensions, additional voluntary contributions, retirement, ill health retirement, redundancy, spouse/partner benefits, and member self-service. Positive feedback has been received, and more sessions are scheduled for June.
- **Videos:** Short informative videos have been created and will be made available to members. Current videos cover topics like 50/50 pensions and the expression of wish for payment of a death grant. Further videos are planned to address frequently asked questions.
  Videos for members | Pensions
- **Gov.uk Notify**: An account with Gov.uk Notify has been set up to improve communication channels. This will help ensure members receive timely updates about the Member Self-Service portal, McCloud, and annual benefit statements.
- **Website:** The pensions website has been updated to include pension payment dates and the pension increase in line with the Consumer Price Index (CPI). Content from this year's AGM has also been uploaded. Google Analytics data showing the number of visits to the website will be included in future communication updates.

Value for Money

The Fund provides value for money for its members and employers. It is in the interest of both employees and the public that the Fund is well managed and continues to provide high returns and excellent value for money. Detailed analysis Fund's income and expenditure for the year is provided in Financial Performance section of this report. Cost per member of the admin function is analysed below.

Cost of Fund Administration per member:

	2023/24		2024/25	
	£000s	£ per member	£000s	£ per member
Pensions Administration	1,087	41.94	1,332	50.94
Payroll Costs	220	8.49	228	8.72
Total Costs	**1,307**	**50.43**	**1,560**	**59.66**

The administration of the Fund comprises of 12.5 full-time equivalent (fte) staff, and costs just under £60 per member as shown in the table above. The cost per member has increased during the year, reflecting the increased capacity required in the Admin team to tackle the McCloud remedy. This cost per member is slightly higher than the average across all London Boroughs of £58.61 (based on 2024/25 SF3 data). (One off costs associated with systems implementation resulted in higher costs when compare to other London Boroughs).

Complaints and dispute Resolution

The pension administration team occasionally deal with members of the fund who dispute an aspect of their pension benefits. These cases are dealt with by the Internal Dispute Resolution Procedure (IDRP). There were no IDRP case during the year.

Membership Report

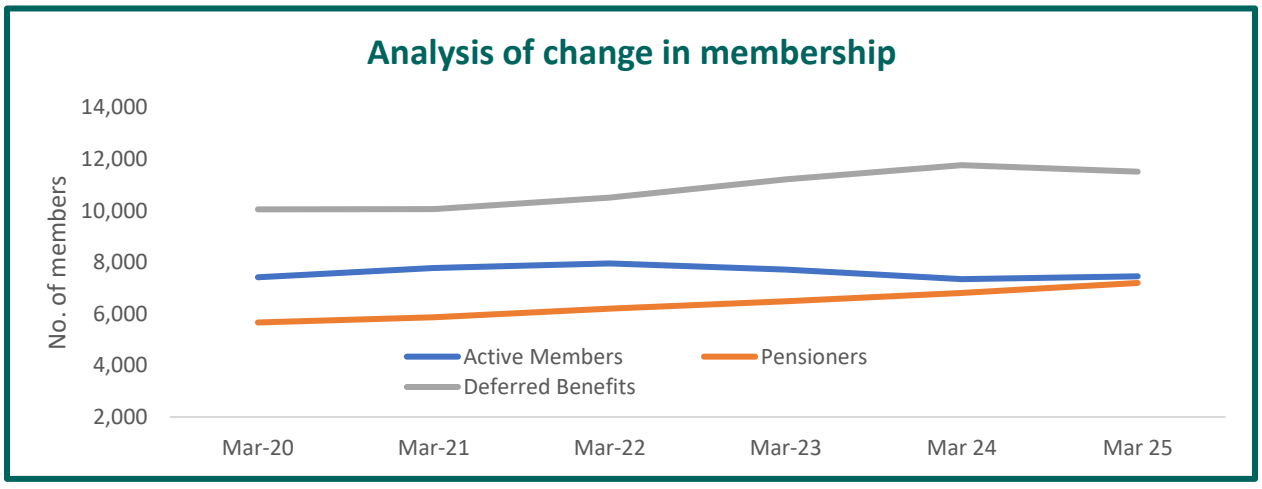
Membership of the fund is categorised into three types; Actives, Pensioners and Deferred.

- **Active** members are those that are currently contributing to the fund, all else being equal, a change in the number of active members will result in a change in contribution income received by the fund.
- **Pensioner** members are those that are currently drawing a benefit from the fund, all else being equal, a change in the number of pensioners will result in a change in the benefit expenditure of the fund.
- **Deferred** members in the analysis below includes individuals with a benefit entitlement who are no longer contributing to the scheme, and also individuals who have contributed to the scheme but are not eligible for any benefits (i.e. they did not contribute for a minimum of two years)

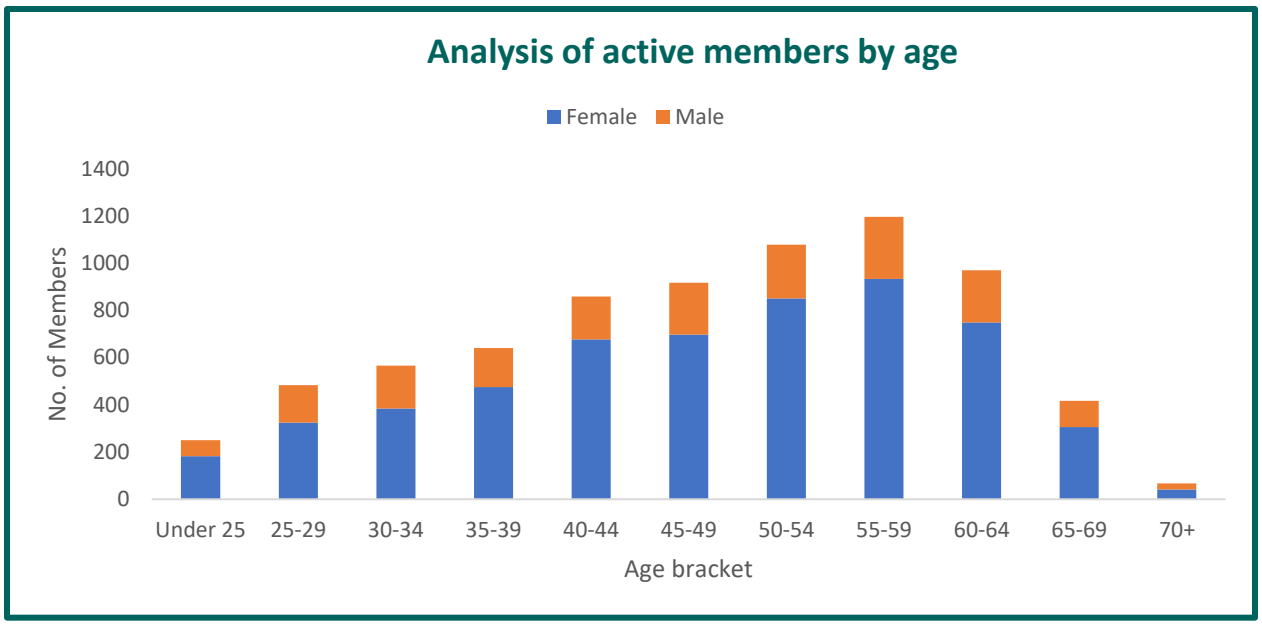
Total membership as at 31 March 2025 is shown below:

	March 25
Active Members	7,447
Pensioners	7,195
Deferred Benefits	11,505
Total	**26,147**

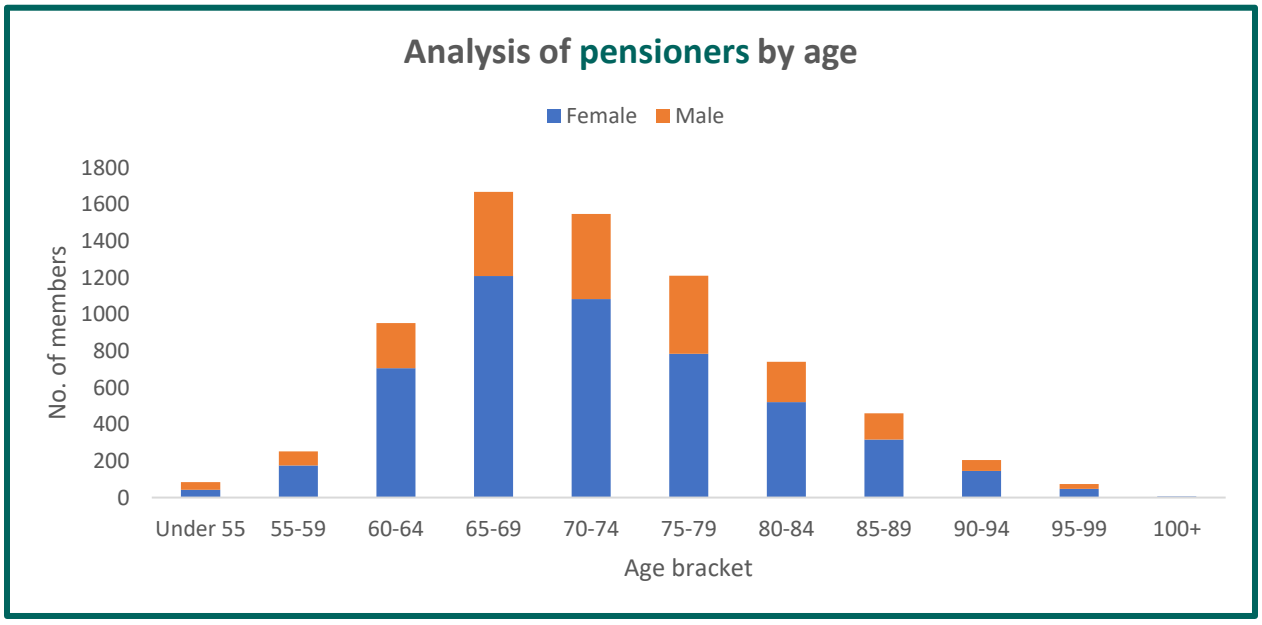
The change in membership numbers and the make-up of active and pensioner members are analysed further below.



Active membership has increased slightly by 1.42% during the year, this follows a fall in the previous 2 years. The number of pensioners within the fund increased by 5.61%, a similar growth rate compared to last year. Over the last 5 years the number of pensioners has increased at an annualised rate of 4.91%, this is notably higher that the growth in active membership of 0.1% over the same period. This reflects the increasing maturity of the Fund.



The age profile of active members is shown in the chart above. 36% of all active members are over the age of 55. Members can currently take benefits at any time from age 55, provided they have met the two-year vesting period. If a member decides to draw their benefit before they reach normal pension age, they will usually be subject to a reduction on their benefit entitlement.



The chart above shows the age profile of pensioners within the Fund. Most pensioners, 58%, currently fall within the age bracket of 60-74. At the last triennial valuation date, the demographic assumptions, which inform the calculation of liabilities, assumed average life expectancy aged 65 was 21.7 years for Males and 24.1 years for Females.

Fund Employers

The London Borough of Enfield Fund Pension Fund consists of the employees of Enfield Council and the organisations shown in the table below. These bodies are split into two categories; scheduled bodies and admitted bodies. Scheduled bodies have a statutory right to be part of the scheme. Admitted bodies can join the scheme following application and agreement, there are two types of admitted bodies; those who join because they are providing services following transfer of service from a scheduled body, and not for profit bodies providing a public service.

The table below shows the breakdown of members by employing body:

	Number of contributors	Pensioners	Deferred Members	Frozen /Undecided
London Borough of Enfield	**5,038**	**6,495**	**6,901**	**1,877**
Scheduled Bodies				
Capel Manor College	221	84	279	168
Oasis Hadley Academy	175	30	95	80
Oasis Enfield Academy	269	32	173	84
Aylward Academy	29	18	37	43
AIM Academy north	11	24	35	20
Kingsmead Academy	50	24	37	18
Enfield Grammar Academy	54	19	35	15
Southgate School Academy	43	13	31	43
Lea Valley High Academy	32	9	8	25
Connect Education Trust	235	39	125	120
One Degree Academy (Adnan Jaffrey Trust)	23	0	0	14
Attigo Academy Trust	181	19	76	47
ARK John Keats Academy	105	1	28	45
Meridian Angel Primary School	10	1	10	8
Ivy Learning Trust	228	29	103	34
North Star Community	166	42	103	136
Edmonton County Academy	130	20	32	52
Children First Academy	293	42	119	50
Jewish Community Academy	33	3	5	19
Enfield Height Academy	0	0	2	0
Wren Academy	41	0	1	7
Southgate College	0	110	100	15
Enfield College	0	39	36	8
Subtotal – Scheduled Bodies	**2,329**	**598**	**1,470**	**1,051**
Admitted Bodies				
Enfield Voluntary Groups	3	7	2	0
Fitzpatrick	0	10	9	2
NORSE commercial services	0	29	55	1
Churchill	0	1	0	0
Metropolitan Support Trust	0	1	0	1
Leisure Trust	0	7	19	1
Fusion Lifestyle	0	6	9	4
Sodexo	2	3	2	0
Hughes Gardner	0	1	0	0
Equion Facilities Management	0	1	0	0
Outward Housing	0	7	7	0
Olive Dining - Edmonton Bury	0	1	1	0
Olive Dining - Aylward	0	3	2	0

Olive Dining - Winchmore	0	5	1	0
Olive Dining - Nightingale	0	0	0	0
Elior UK	0	2	2	0
REED Momenta	0	1	3	3
Birkin -Bishop Stopford	0	0	0	2
Birkin – Winchmore	0	0	1	0
Birkin – Nightingale	1	0	0	0
Birkin – Aylward	0	0	1	0
BDI Securities UK Ltd	0	1	0	0
European Cleaning Services	10	0	1	0
North London Homecare & Support Ltd	0	1	0	0
Purgo Supply Services	0	2	0	0
Sanctuary Housing	0	0	1	0
Lewis & Graves Partnership	0	1	1	0
The Pantry (UK) Ltd	3	0	3	5
Hertfordshire Catering Ltd	11	4	11	15
WGC Ltd - De Bohun	0	0	1	0
WGC Ltd - Children First Academy	0	0	1	2
Impact Food - Winchmore	2	0	0	0
Impact Food - St Ignatius	0	0	1	0
Lunchtime Co	0	2	18	2
Aspens - Aylward	0	2	4	6
Crystal Facilities Mgt Svcs	15	1	0	0
Taylor Shaw Ltd	26	2	0	1
Radish Catering - Latymer	3	0	0	1
Stir Food	0	1	2	1
Cleantec - Honilands	2	0	0	1
Greenwich Leisure Ltd	2	0	0	0
Subtotal – Admitted Bodies	**80**	**102**	**158**	**48**
Total Membership	**7,447**	**7,195**	**8,529**	**2,976**

Payments Made by Employers into the Fund During 2024/25

£000's	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Enfield	2,582	2,577	2,572	2,563	2,616	2,582	2,560	3,170	2,647	2,634	2,635	2,639
Latymer school	24	21	21	22	21	18	17	23	19	19	19	19
Capel Manor	73	76	74	76	74	80	80	79	82	94	90	91
Oasis Enfield	114	117	108	120	119	116	116	141	120	116	117	125
Oasis Hadley	29	31	31	31	29	30	27	37	30	28	30	30
Aylward Academy	11	12	12	11	11	12	12	15	13	13	14	14
AIM Academy North	3	3	3	3	2	3	2	3	3	3	3	3
Kingsmead academy	21	21	21	22	21	21	21	22	21	31	23	23
Enfield Grammar	22	22	22	22	22	22	23	29	22	22	22	23
Edmonton Academy Trust	58	56	56	56	57	57	57	58	80	60	59	61
Southgate School	16	15	15	17	17	17	17	22	17	17	17	16
Lea Valley High	15	14	15	15	14	16	16	16	21	17	17	16
Connect Eductn Trust	92	91	91	91	89	90	92	91	123	94	91	91
One Degree Academy	7	7	7	7	7	7	7	9	8	7	7	6
Attigo Academy Trust	53	52	52	52	53	54	50	69	56	55	56	55
Ark John Keats Academy	24	24	25	24	24	23	24	28	25	25	24	25
Meridian Angel Primary School	3	3	3	3	3	4	4	3	3	3	3	3
Ivy Learning Trust	82	84	81	81	80	81	79	109	85	96	97	95
Jewish Community Academy	11	13	13	13	15	12	13	17	15	14	15	15
Children First Academy	103	98	101	100	100	99	104	136	105	103	104	103
Wren Academy	11	10	12	12	12	11	12	14	13	15	14	15
North Star commty Trust	60	60	59	61	59	58	59	71	66	63	63	64
European Cleaning Services	2	1	1	1	1	1	1	1	1	13	2	2
Enfield Racial Equality Centre (EREC)	0	0	0	1	0	0	1	0	0	0	1	0
The Pantry (UK) Ltd	2	2	2	1	2	1	1	2	1	1	1	1
Hertfordshire Catering Ltd	3	3	3	3	3	3	3	4	3	3	3	3
Impact Food	2	2	1	2	1	1	0	1	0	1	0	1
Reed Wellbeing (momenta)	1	0	1	0	1	0	0	1	1	0	1	0
Sodexo	1	1	1	1	1	2	1	1	1	-1	1	0
Crystal Facilities-(Latymer all Saints)	0	1	1	1	0	0	0	0	0	1	0	0
WGC Ltd	1	1	1	1	0	0	0	1	0	0	0	0
Crystal Facilities - (Latymer Secondary)	3	4	4	4	4	4	3	4	4	4	3	4
Radish - Latymer	1	1	1	0	1	1	1	0	1	1	0	1
Enfield Voluntary Action	1	1	1	2	1	1	1	2	1	2	3	2
Lewis & Graves	0	1	0	1	0	1	0	1	0	2	0	1
Greenwich Leisure Ltd	1	0	1	0	1	0	1	0	1	1	1	0
Birkin Cleaning (Nightingale)	1	0	0	0	0	1	0	0	0	0	0	0
Birkin Cleaning (Houndsfield)	0	0	0	0	0	0	0	0	0	0	0	7
Olive Dining (Nightingale)	2	0	0	0	0	0	0	0	0	0	0	0
Taylor Shaw Ltd	7	5	6	6	6	5	5	6	6	6	6	5
KGB Cleaning (Southgate)	0	0	0	0	0	0	0	0	0	0	0	2

The table above outlines the contributions paid by each employing body during 2024/25. Statue specifies that contributions must be paid into the fund by the 19th day of the following month to that which they relate. The Pension Regulations allows for interest to be levied on contributions that are not paid on time,

there were 14 late payments during 2024/25, but were considered as minor breaches & payments were received within a short time period, so this power was not exercised.

Section 7- Actuarial reports on funds

London Borough of Enfield Pension Fund ("the Fund") Actuarial Statement for 2024/25

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated September 2022 In summary, the key funding principles are as follows:

- to ensure the long-term solvency of the Fund using a prudent long term view. This will ensure that sufficient funds are available to meet all members'/dependants' benefits as they fall due for payment;
- to ensure that employer contribution rates are reasonably stable where appropriate;
- to minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return (this will also minimise the costs to be borne by Council Tax payers);
- to reflect the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and
- to use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. Employer contributions have been set to have a sufficiently high likelihood of achieving the funding target over 25 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least an 80% likelihood that the Fund will achieve the funding target over 25 years.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £1,523 million, were sufficient to meet 104% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £53 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure, as per the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial assumptions	31 March 2022
Discount rate	4.4%
Salary increase assumption	3.8%
Benefit increase assumption (CPI)	2.3%

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on S3PA (heavy) tables with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.7 years	24.1 years
Future Pensioners*	23.0 years	25.5 years

*Aged 45 at the 2019 Valuation.

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.

Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. Asset performance improved in 2024 and early 2025; however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

High levels of inflation in the UK (compared to recent experience) have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025, and will be finalised by 31 March 2026. The FSS will also be reviewed at that time, and a revised version will come into effect from 1 April 2026.

Jamie Baxter FFA C.Act

6 June 2024

For and on behalf of Hymans Robertson LLP

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Section 8- External audit opinion

The external audit opinion will be added upon completion of the audit of the 2024/25 accounts

Section 9- Additional information

Glossary of Terms

Actuary	A person who analyses the assets and future liabilities of a pension fund and calculates the level of employers' contributions needed to keep the Fund solvent.
Admitted bodies	These are employers who have been allowed into the Fund at the Council's discretion.
Alternative investments (Other Pooled Funds)	These are less traditional investments where risks can be greater but potential returns higher over the long term, for example investments in private equity partnerships, hedge funds, commodities, foreign currency and futures.
AVCs	Additional voluntary contributions are paid by a contributor who decides to supplement his or her pension by paying extra contributions to the Fund's AVC provider (Prudential).
Bulk transfer	A transfer of a group of members agreed by, and taking place between, two pension schemes.
Commutation	The conversion of an annual pension entitlement into a lump sum on retirement.
Contingent liability	A possible loss, subject to confirmation by an event after the balance sheet date, where the outcome is uncertain.
Custodian	A bank that looks after the Fund's investments, implements investment transactions as instructed by the Fund's managers and provides reporting, performance and administrative services to the Fund.
Cross subsidies	Amounts of money by which organisations subsidise each other.
Discretionary	Allowable but not compulsory under law.
Dividends	Income to the Fund on its holdings of UK and overseas equities.
Emerging markets	The financial markets of developing economies.
Equities	Shares in UK and overseas companies.
FTSE	Financial Times – publishers of the FTSE-100, and other indices.

Gilt-edged securities (or Gilts)	Fixed-interest stocks issued by the UK Government.
Hedge fund	A specialist fund that seeks to generate consistent returns in all market conditions by exploiting opportunities resulting from inefficient markets.
Index	A measure of the value of a stock market based on a representative sample of stocks.
LGPS	The Local Government Pension Scheme is a nationwide scheme for employees working in local government or working for other employers participating in the scheme and for some councillors.
Mandatory	Compulsory by force of law.
Myners	Paul Myners, author of the Myners Report into institutional investment in the UK, published in March 2001.
Private equity	Mainly specialist pooled partnerships that invest in private companies not normally traded on public stock markets – these are often illiquid (ie, not easily turned into cash) and higher-risk investments that should provide high returns over the long term.
Projected unit actuarial method	One of the common methods used by actuaries to calculate a contribution rate to the Scheme, which is usually expressed as a percentage of the members' pensionable pay.
Recovery period	Timescale allowed (up to a maximum of 40 years) over which surpluses or deficiencies to the Fund can be eliminated.
Rolling three-year periods	Successive periods of three years, such as years one to three, followed by years two to four. Performance is often measured over longer periods than a single year to eliminate the short-term effects of volatile changes in stock markets.
Scheduled bodies	These are organisations that have a right to be in the Fund.
Transfer value	A cash sum representing the value of a member's pension rights.
With profits	With-profits funds are investments that give a return in the form of annual bonuses and usually a final or terminal bonus.
Yield	Annual income on an investment divided by its price and expressed as a percentage.

Annex A - Administration Key Performance Indicators

Table A – Total Number of Casework

REF	Casework KPI	Total number of cases open as at 31st March 24 (starting position)	Total number of new cases created in the year (1st April 24 to 31st March 25)	Total number of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
A1	Deaths recorded of active, deferred, pensioner and survivor members	280	210*	171	147	69%
A2	New survivor benefits	80	71	67	62	88%
A3	Deferred member retirements	168	232	204	192	86%
A4	Active member retirements	252	178	305	277	89%
A5	Deferred benefits	380	476	792	579	87%
A6	Transfers in (including interfunds in , club transfers	85	268	279	158	79%
A7	Transfers out (including interfunds out, club transfers	37	290	322	240	80%
A8	Refunds	23	447	470	119	84%
A9	Divorce quotations issued	6	32	38	24	37%
A10	Actual divorce cases	0	1	1	1	100%
A11	Member estimates requested either by scheme member and employer	37	437	453	258	84%
A12	New joiner notifications	0	1139	1139	1822	100%
A13	Aggregation cases	463	42	0**	70	n/a
A14	Optant out received after 3 months membership	4	183	188	265	97%

*includes new mortality screening project **McCloud focus

Table B – Time taken to process casework

REF	Casework KPI	Suggested fund target	% completed within fund target in year	% Completed in previous year	
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	81%	45%	
B2	Communication issued confirming the amount of dependents pension	10 days	88%	48%	
B3	Communication issued to deferred member with pension and lump sum options (quotation)	15 days	84%	89%	* combined reporting for ret estimates
B4	Communication issued to active member with pension and lump sum options (quotation)	15 days	84%	89%	* combined reporting for ret estimates
B5	Communication issued to deferred members with confirmation of pension and lump sum options (actual)	15 days	79%	45%	
B6	Confirmation issued to active member with confirmation of pension and lump sum options (actual)	15 days	79%	62%	
B7	Payment of lum sum (both actives and deferreds)	15 days	76%	57%	
B8	Communications issued with deferred benefit options	30 days	87%	92%	

Table C – Communications and engagement

REF	Engagement with online portals	% as at 31st March 2025
C1	% of Active members registered	22%
C2	% of Deferred members registered	25%
C3	% of Pensioner and survivor members registered	36%
C4	% Total of all scheme members registered for self service	27%
C5	Number of registered users by age	see chart below
C6	% of all registered users that have logged onto the service in the last 12 months	57%
	Communication	
C7	Total number of Telephone calls received in year	4,500
C8	Total number of email and online channel queries received	38,150
C9	Number of scheme member events held in year (total of in person and online)	26
C10	Number of employer engagement events held in year (in person and online)	6
C11	Number of Active members who received a one to one (in person or online)	unable to quantify this at present time
C12	Number of times a communication (i.e. newsletter) issued to;	
	a) Active members	3
	b) Deferred members	2
	c) Pensioners	2

C5 Age Chart

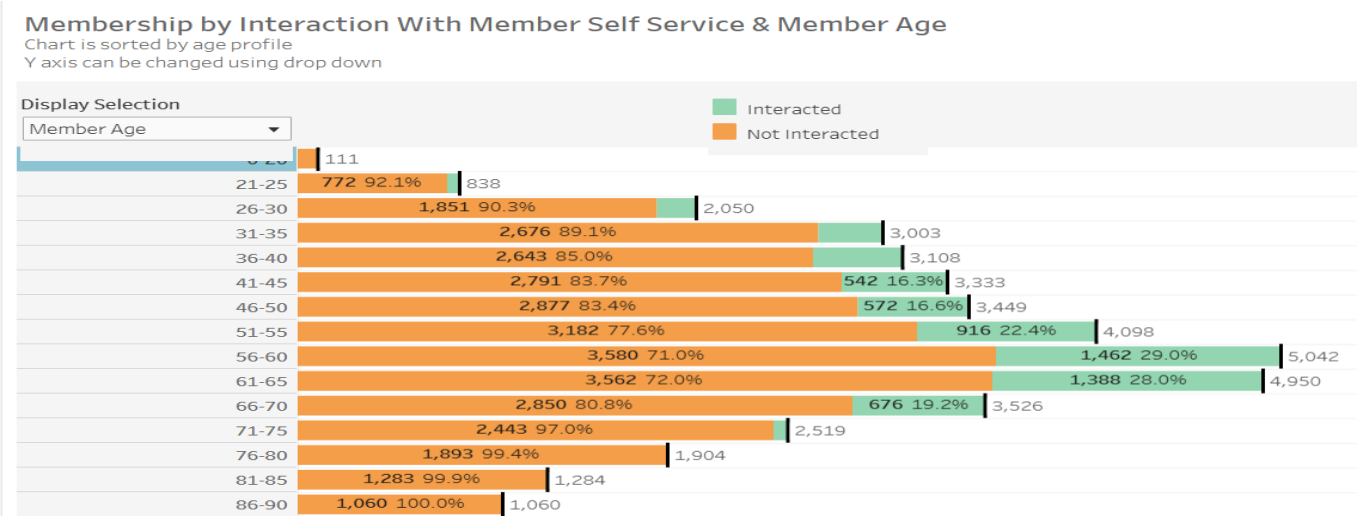


Table D – Resources

REF	Resources	
D1	Total number of all administration staff	12.5
D2	Average service length of all administration staff	8.7 years
D3	Staff vacancy rate as %	5.56%
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	2,195
D5	Ratio of all administration staff (excluding management) to total number of scheme members	3,658

Table E – Data Quality

REF		
	Annual Benefit statements	
E1	Percentage of Annual Benefit statements issued as at 31st August	97%
	Short commentary if less than 100%	3% missing or unknown address
	Data Category	**as at 31st March 2025**
E3	Common Data score	95%
E4	Scheme specific data score	94%
E5	Percentage of Active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	3%
E6	Percentage of Active, deferred and pensioner members with an email address held on file	54%
Employer Performance		**as at 31st March 2025**
E7	Percentage of employers set to make monthly data submissions	90%
E8	Percentage of employers who submitted monthly data on time during the reporting year	74%

Annex B - Governance compliance statement

Governance & Compliance Statement

Introduction

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

Regulation 55 of the Local Government Pension Scheme Regulations 2013 requires Local Government Pension Scheme (LGPS) Administering Authorities to publish Governance Policy and Compliance Statements setting out information relating to how the Administering Authority delegates its functions under those regulations and whether it complies with guidance given by the Secretary of State for Communities and Local Government. It also requires the Authority to keep the statement under to review and to make revisions as appropriate and where such revisions are made to publish a revised statement. A list of delegations is provided in Appendix A.

Aims and Objectives

Enfield Council recognises the significance of its role as Administering Authority to the London

Borough of Enfield Pension Fund on behalf of its stakeholders which include:

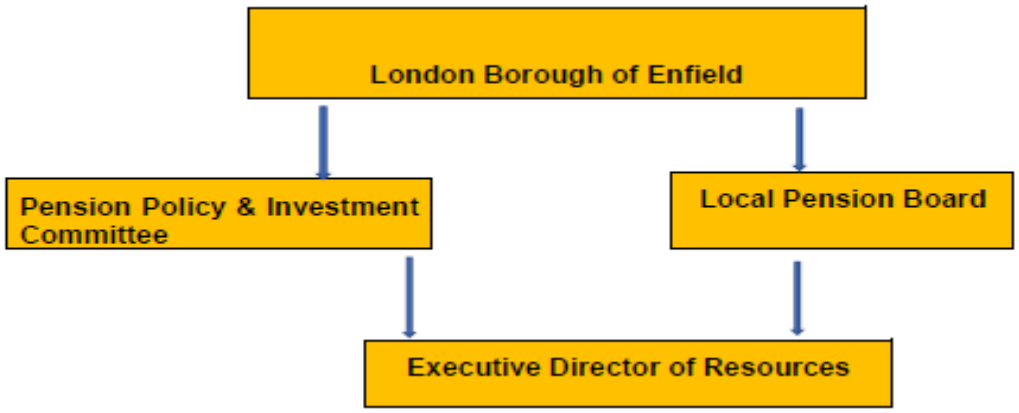
- Over 25,500 current and former members of the Fund, and their dependants
- around 53 employers within the Enfield Council area or with close links to Enfield Council
- the local taxpayers within the London Borough of Enfield.
- In relation to the governance of the Fund, our objectives are to ensure that:
- all staff and Pension Policy & Investment Committee Members charged with the financial administration and decision-making with regard to the Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them
- the Fund is aware that good governance means an organisation is open in its dealings and readily provides information to interested parties
- all relevant legislation is understood and complied with
- the Fund aims to be at the forefront of best practice for LGPS funds
- the Fund manages Conflicts of Interest appropriately

Structure

The Constitution of the Council sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and that those who made the decisions are accountable to local people.

The Council delegates its responsibility for administering the Fund to the Pension Policy & Investment Committee. The terms of this delegation are as set out in the Council Constitution and provide that the Committee is responsible for consideration of all pension matters and discharging the obligations and duties of the Council under the Superannuation Act 1972 and various statutory matters relating to investment issues.

The Constitution sets out the framework under which the Pension Fund is to be administered as depicted in the diagram below.



Terms of Reference for the Pension Policy & Investment Committee

The Constitution allows for the appointment of a Pension Policy & Investment Committee which has responsibility for the discharge of all non-executive functions assigned to it.

The following are the terms of reference for the Pension Policy & Investment Committee:

a) To act as Trustees of the Council's Pension Fund, consider pension matters and meet the obligations and duties of the Council under the Superannuation Act 1972, the Public Service Pensions Act 2013, and the various pensions' legislation.
b) To make arrangements for the appointment of and to appoint suitably qualified pension fund administrators, actuaries, advisers, investment managers and custodians and periodically to review those arrangements.
c) To formulate and publish an Investment Strategy Statement.
d) To formulate and publish an Funding Strategy Statement
e) To set the overall strategic objectives for the Pension Fund, having taken appropriate expert advice, and to develop a medium-term plan to deliver the objectives.
f) To consider Environmental, Social & Governance factors when making investment decisions
g) To determine the strategic asset allocation policy, the mandates to be given to the investment managers and the performance measures to be set for them.
h) To make arrangements for the triennial actuarial valuation, to monitor liabilities and to undertake any asset/liability and other relevant studies as required.
i) To monitor the performance and effectiveness of the investment managers and their compliance with the Statement of Investment Principles.
j) To set an annual budget for the operation of the Pension Fund and to monitor income and expenditure against budget.
k) To receive and approve an Annual Report on the activities of the Fund prior to publication.
l) To make arrangements to keep members of the Pension Fund informed of performance and developments relating to the Pension Fund on an annual basis.

m) To keep the terms of reference under review.
n) To determine all matters relating to admission body issues.
o) To focus on strategic and investment related matters at two Pension Policy & Investment Committee meetings.
p) To review the Pension Fund's policy and strategy documents on a regular basis and review performance against the Fund's objectives within the business plan
q) To maintain an overview of pensions training for Members.

Membership of the Pension Policy & Investment Committee

The Council decides the composition and makes appointments to the Pension Policy & Investment Committee. Currently the membership of the Committee is a minimum of 5 elected Members from Enfield Council on a politically proportionate basis and the Pension Policy & Investment Committee will elect a Chair and Vice Chair. All Enfield Council elected Members have voting rights on the Committee and three voting members of the Committee are required to be able to deem the meeting quorate.

The committee is supported by Investment advisors. They are present to provide their expertise in investment matters and no significant investment decisions shall be taken without consultation with these members.

Voting rights are restricted to elected Members as they are deemed to be fulfilling the role of Trustees as the Pension Fund with all the legal responsibilities that this entails.

Members of the Pension Policy & Investment Committee~~,~~, are required to declare any interests that they have in relation to the Pension Fund or items on the agenda at the commencement of the meeting.

The Fund is aware that good governance means an organisation is open in its dealings and readily provides information to interested parties; meetings are open to members of the public who are welcome to attend. However, there may be occasions when members of the public are excluded from meetings when it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

Expectations of the Chair

As a matter of good practice, the chair need to be able to demonstrate the skills and behaviours below:

a) Act as the leader of the governing body and demonstrate the standards of behaviour expected from other members of the board.
b) Represent the interests of the scheme to all relevant parties, including employers, advisers, service providers, and members.
c) Have an independent viewpoint when necessary and be able to manage potential conflicts (see Conflicts of interest).
d) Be able to recognise each individual trustee's potential, and ensure their knowledge and skills are used effectively (see Knowledge and understanding).

e) Encourage members of the governing body to think strategically and take the broad, long-term view.
f) Help achieve compromise and consensus between differing parties to achieve good member outcomes.
g) Encourage participation from all members of the governing body, including new members.
h) Be able to demonstrate elements of the following skills:
– Communication with the governing body and its stakeholders.
– Organising teaching, and training (sourcing if not delivering).

Meetings

The Pension Policy & Investment Committee shall meet at least four times a year in the ordinary course of business and additional meetings may be arranged as required to facilitate its work. Work for the year will be agreed with the Committee to include dedicated training sessions for Committee members.

Agendas for meetings will be agreed with the Chair and will be circulated with supporting papers to all members of the Committee, Officers of the Council as appropriate and the Fund's Investment Advisor.

The Council will give at least five clear working days' notice of any meeting by posting details of the meeting at the Enfield Civic Centre and on the Council's website. The Council will make copies of the agenda and reports open to the public available for inspection at least five clear working days before the meeting. If an item is added to the agenda later, the revised agenda will be open to inspection from the time the item was added to the agenda. The reason for lateness will be specified in the report.

There may on occasions be items which may be exempt from the agenda, reports and minutes of the meetings when it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed. Items which are most likely to be excluded are issues where to disclose information would contravene an individual's privacy or where there are financial interests which may be compromised as a result of disclosure for example discussions surrounding contracts.

The Council will make available copies of the minutes of the meeting and records of decisions taken for six years after a meeting. Minutes of meetings and records of decisions are available for inspection on the Council's website:

http://governance.enfield.gov.uk/ieListMeetings.aspx?CommitteeId=664

Other Delegations of Powers

The Pension Policy & Investment Committee act as quasi trustees and oversee the management of the Pension Fund. As quasi trustees the Committee has a clear fiduciary duty in the performance of their functions, they must ensure that the Fund is managed in accordance with the regulations and to do so prudently and impartially and to ensure the best possible outcomes for the Pension Fund, its participating employers, local taxpayers and Scheme members. Whilst trustees can delegate some of their powers, they cannot delegate their responsibilities as trustees.

Under the Council's Constitution delegated powers have been given to the Executive Director of Resources in relation to all other pension fund matters, in addition to this role as Chief Financial Officer (often called S151 Officer). As Chief Financial Officer there is the responsibility of preparing the Pension Fund Annual Report & Accounts and ensuring the proper financial administration of the Fund. As appropriate the Executive Director of Resources will delegate aspects of the role to other officers of the Council including the Head of Pension Investments and to professional advisors within the scope of the LGPS Regulations.

Pension Board

With effect from 1 April 2015, each Administering Authority is required to establish a local Pension Board to assist them with:

- securing compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme, and requirements imposed in relation to the LGPS by the Pensions Regulator
- ensuring the effective and efficient governance and administration of the Pension Fund

Such Pension Boards are not local authority committees; as such the Constitution of Enfield Council does not apply to the Pension Board unless it is expressly referred to in the Board's terms of reference. The Enfield Pension Board established by Enfield Council and the full terms of reference of the Board can be found within the Council's Constitution. The key points are summarised below.

Role of the Pension Board

The Council has charged the Pension Board with providing oversight of the matters outlined above. The Pension Board, however, is not a decision making body in relation to the management of the Pension Fund and the Pension Fund's management powers and responsibilities which have been delegated by the Council to the Pension Policy & Investment Committee or otherwise remain solely the powers and responsibilities of them, including but not limited to the setting and delivery of the Fund's strategies, the allocation of the Fund's assets and the appointment of contractors, advisors and fund managers.

Membership of the Pension Board

3 members of the Council

The Board shall consist of 8 voting members, as follows:

(a) 4 scheme members appointed by the Staff Side after a nomination and selection process with a view to representing all scheme members (including, as far as practicable, those employed or formerly employed by admitted and scheduled bodies) and after consultation with the recognised trade unions;

(b) 4 Employer Representatives, 3 of whom who shall be Councillors appointed by the Council and the remaining member shall be appointed by the Administering Authority from nominees of admitted and scheduled bodies.

(c) Up to 3 other members, who are not entitled to vote, appointed to the Board by the agreement of both the Administering Authority and the Board.

(d) Substitutes shall not be appointed.

No person who is responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Board. All representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required. Members of the Pension Board are required to declare any interests that they have in relation to the Pension Fund or items on the agenda at the commencement of the meeting.

Chair and Vice-Chair appointed by:

The chair shall be appointed by the Board and

(a) Shall ensure the Board delivers its purpose as set out in the Terms of Reference,

(b) Shall ensure that meetings are productive and effective and that opportunity is provided for the views of all members to be expressed and considered, and

(C) Shall seek to reach consensus and ensure that decisions are properly put to a vote when it cannot be reached. Instances of a failure to reach a consensus position will be recorded and published.

Meetings

The Pension Board meets at least twice a year in the ordinary course of business and additional meetings may be arranged as required to facilitate its work. The Pension Board will be treated in the same way as a Committee of Enfield Council and, as such, members of the public may attend and papers will be made public in the same way as described above for the Pension Policy & Investment Committee.

Policy Documents

In addition to the foregoing, there are a number of other documents which are relevant to the Governance and management of the Pension Fund. Brief details of these are listed below and the full copies of all documents can be found on the Pension Fund Website:

http://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=664

Funding Strategy Statement

The Funding Strategy Statement forms part of the framework for the funding and management of the Pension Fund. It sets out how the Fund will approach its liabilities and contains a schedule of the minimum contribution rates that are required of individual employers within the Fund. The Funding Strategy Statement (FSS) is drawn up by the Administering Authority in collaboration with the Fund's actuary and after consultation with the Fund's employers. The FSS forms part of a broader framework which covers the Pension Fund and applies to all employers participating in the Fund. The FSS represents a summary of the Fund's approach to funding the liabilities of the Pension Fund.

Investment Strategy Statement

The Investment Strategy Statement (ISS) replaced the Statement of Investment Principles from 1st April 2016. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 require administering authorities to formulate and to publish a statement of its investment strategy, in accordance with guidance issued from time to time by the Secretary of State.

This ISS is designed to be a living document and is an important governance tool for the Fund. This document sets out the investment strategy of the Fund, provides transparency in relation to how the Fund investments are managed, acts as a risk register, and has been designed to be informative but reader focused.

This document will be reviewed following the completion of the Fund investment strategy review and updated revised version will be tabled at the November Pension Policy & Investment Committee meeting for approval.

Governance Policy Compliance Statement

This sets out the Pension Fund's compliance with the Secretary of State's Statutory Guidance on Governance in the LGPS. This is attached as Appendix **B** and shows where the Fund is compliant or not compliant with best practice and the reasons why it may not be compliant.

Training Policy

Enfield Council has a Training Policy which has been put in place to assist the Fund in achieving its governance objectives and all Pension Policy & Investment Committee members, Pension Board members and senior officers are expected to continually demonstrate their own personal commitment to training and to ensuring that the governance objectives are met.

To assist in achieving these objectives, the London Borough of Enfield Pension Fund aims to comply with:

- the CIPFA Knowledge and Skills Frameworks and
- the knowledge and skills elements of the Public Service Pensions Act 2013 and
- the Pensions Regulator's (TPR) Code of Practice for Public Service Schemes.

As well as any other LGPS specific guidance relating to the knowledge and skills of Pension Policy & Investment Committee members, Pension Board members or pension fund officers which may be issued from time to time.

Members of the Pension Policy & Investment Committee, Pension Board and officers involved in the management of the Fund will receive training to ensure that they meet the aims of the Training Policy with training schedules drawn up and reviewed on at least on annual basis.

Annual Report and Accounts

As part of the financial standing orders it is the duty of the Chief Financial Officer to ensure that record keeping and accounts are maintained by the Pension Fund. The Pension Fund accounts are produced in accordance with the accounting recommendations of the Financial Reports of Pension Schemes - Statement of Recommended Practice. The financial statements summarise the transactions of the Scheme and deal with the net assets of the Scheme. The statement of accounts is reviewed by both the Pension Policy & Investment Committee and the Audit

Committee and incorporated in the Statement of Accounts for the Council. Full copies of the Report and Accounts are distributed to employers in the Fund and other interested parties and a copy placed on the websites:

http://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=664

Communication Policy

This document sets out the communications policy of the administering authority and sets out the strategy for ensuring that all interested parties are kept informed of developments in the Pension Fund. This helps to ensure transparency and an effective communication process for all interested parties. A copy of the policy can be found on the Pensions website:

http://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=664

Discretions Policies

Under the Local Government Pension Scheme regulations, the Administering Authority has a level of discretion in relation to a number of areas. The Administering Authority reviews these policies as appropriate and will notify interested parties of any significant changes. Employing Authorities are also required to set out their discretions policies in respect of areas under the Regulations where they have a discretionary power. Copies of both the Administering Authority and the London Borough of Enfield' Employing Authority Discretions can be found on the website: http://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=664

Pension Administration Strategy and Employer Guide

In order to assist with the management and efficient running of the Pension Fund, the Pension Administration Strategy and Employer Guide encompassing administrative procedures and responsibilities for the Pension Fund for both the Administering Authority and Employing Authorities has been distributed

to employers within the Fund following consultation and can be found on the website: http://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=664

This represents part of the process for ensuring the ongoing efficient management of the Fund and maintenance of accurate data and forms part of the overall governance procedures for the Fund.

Approval, Review and Consultation

This Governance Policy and Statement was approved by the London Borough of Enfield Pension Policy & Investment Committee following consultation with all the participating employers in the Fund and other interested parties. This document was reviewed by PPIC in November.

Contact Information Further information on the London Borough of Enfield Pension Fund can be found as shown below:

Email: pensions@enfield.gov.uk

Website: http://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=664

Appendix A – Delegation of Functions to Officers by Enfield Pension Policy & Investment Committee

Key:
PPIC – Pension Policy & Investment Committee *HPI – Head of Pension Investments*
EDR – Executive Director of Resources & Officers *DF - Director of Finance*
IC – Investment Consultant *FA – Fund Actuary* *IA – Independent Adviser*

Function delegated to PPIC	**Delegation to Officer(s)**	**Delegated Officer(s)**	**Communication and Monitoring of Use of Delegation**
Rebalancing and cash management	Implementation of strategic allocation including use of ranges. Daily cash management and investing in line with Treasury management strategy.	EDR, DF & HPI (having regard to ongoing advice of the IC, IA, FA)	High level monitoring at PPIC with more detailed monitoring by DF.
Investment strategy – approving the Fund's investment strategy, Investment Strategy Statement and Myners Compliance Statement including setting investment targets and ensuring these are aligned with the Fund's specific liability profile and risk appetite	HPI to formally review the Scheme's asset allocation at least every three year's taking account of any changes in the profile of Scheme liabilities and will assess any guidance regarding tolerance of risk. It will recommend changes in asset allocation to the Pension Policy & Investment Committee	EDR, DF & HPI (having regard to ongoing advice of the IC, IA, FA)	High level monitoring at PPIC with more detailed monitoring by DF and EDR
Monitoring the implementation of policies and strategies on an ongoing basis.	New mandates / emerging opportunities To consider the Scheme's approach to social, ethical and environmental issues of investment, corporate governance and shareholder activism and recommend revisions to the Pension Policy & Investment Committee.	EDR, DF & HPI (having regard to ongoing advice of the IC, IA, FA and OAP)	High level monitoring at PPIC with more detailed monitoring by HPI
Selection, appointment and dismissal of the Fund's advisers, including actuary, benefits consultants, investment consultants, global custodian, fund managers, lawyers, pension funds administrator, and independent professional advisers.	Ongoing monitoring of Fund Managers and Pool Operator Selection, appointment, addition, replacement and dismissal of Fund Managers To evaluate the credentials of potential managers and make recommendations to the Pension Policy & Investment Committee	DF & HPI (having regard to ongoing advice of the IA & IC) and subject to ratification by PPIC	High level monitoring at PPIC with more detailed monitoring by HPI

	To review the Scheme's AVC arrangements annually. If it considers a change is appropriate, it will make recommendations to the Pension Policy & Investment Committee.		
Agreeing the Administering Authority responses to consultations on LGPS matters and other matters where they may impact on the Fund or its stakeholders.	Agreeing the Administering Authority responses where the consultation timescale does not provide sufficient time for a draft response to be approved by PPIC.	EDR, DF and HPI, subject to agreement with Chairman and Vice Chairman (or either, if only one available in timescale)	PPIC advised of consultation via email (if not already raised previously at PPIC) to provide opportunity for other views to be fed in. Copy of consultation response provided at following PPIC for noting.
Agreeing the Fund's Knowledge and Skills Policy for all Pension Policy & Investment Committee members and for all officers of the Fund, including determining the Fund's knowledge and skills framework, identifying training requirements, developing training plans and monitoring compliance with the policy.	Implementation of the requirements of the CIPFA Code of Practice	EDR & DF & HPI	Regular reports provided to PPIC and included in Annual Report and Accounts.
The Committee may delegate a limited range of its functions to one or more officers of the Authority. The Pension Policy & Investment Committee will be responsible for outlining expectations in relation to reporting progress of delegated functions back to the Pension Policy & Investment Committee.	Other urgent matters as they arise	EDR, DF and HPI subject to agreement with Chairman and Vice Chairman (or either, if only one is available in the timescale)	PPIC advised of need for delegation via e-mail as soon as the delegation is necessary. Result of delegation to be reported for noting to following PPIC.
	Other non-urgent matters as they arise	Decided on a case by case basis	As agreed at PPIC and subject to monitoring agreed at that time.

Appendix B

PRINCIPLE	REQUIREMENT	COMPLIANCE	COMMENT
STRUCTURE	The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council	Compliant	The Council's Constitution states that the Pension Policy & Investment Committee is responsible for the management of the Pension Fund
	That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Compliant	Trade union representatives and representatives of admitted bodies sit on the Pension Board.
	That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Compliant	A report of the Pension Board and subcommittees meetings are presented at the following Pension Policy & Investment Committee. All key recommendations of the Pension Board are considered, noted and ratified by the Pension Policy & Investment Committee as deemed appropriate.
	That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	Compliant	All members of the sub committees are also members of the Pension Policy & Investment Committee.
REPRESENTATION	That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include: - ■ employing authorities (including nonscheme employers, e.g. admitted bodies), ■ scheme members (including deferred and pensioner scheme members), ■ independent professional observers,	Compliant	Trade unions and admitted bodies are represented on the Local Pension Board

	■ expert advisors (on an ad-hoc basis).		
	That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision-making process, with or without voting rights.	Compliant	Papers for Local Pension Board and the Pension Policy & Investment Committee are made available to all members of each body at the same time and are published well in advance of the meetings in line with the council's committee agenda publication framework.
SELECTION & ROLE OF LAY MEMBERS	That committee or board members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee. Selection is made following full Council.	Compliant	Members of the Local Pension Board and Pension Policy & Investment Committee have access to the terms of reference of each body and are aware of their roles and responsibilities as members of these bodies.
VOTING	The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Compliant	Members of the Pension Policy & Investment Committee does not currently confer voting rights on non-Councillors in line with common practice across the local government sector.
TRAINING/FACILITY TIME/EXPENSES	That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	Compliant	Regular training is arranged for members of the Local Pension Board and the Pension Policy & Investment Committee. In addition members are encouraged to attend external training courses. The cost of any such courses attended will be met by the Fund.
	That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Compliant	The rule on training provision is applied equally across all members of the Local Pension Board and the Pension Policy & Investment Committee.
MEETINGS (FREQUENCY/ QUORUM)	That an administering authority's main committee or committees meet at least quarterly.	Compliant	Meetings of the Local Pension Board and the Pension Policy & Investment Committee are arranged to take place quarterly.
	That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	Compliant	Meetings of the Local Pension Board and the Pension Policy & Investment Committee are arranged to take place quarterly.

	That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	Compliant	Union representatives are on the Local Pension Board. Other stakeholders of the Fund are able to make representations at the Annual General Meeting of the Pension Fund.
ACCESS	Subject to any rules in the Council's Constitution, all members of the main and secondary committees or panels have equal access to committee papers, documents and advice that fails to be considered at meetings of the main committee.	Compliant	Board/Committee meeting papers are circulated at the same time to all members of the Local Pension Board / Pension Policy & Investment Committee.
SCOPE	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Compliant	Local Pension Board and Pension Policy & Investment Committee considers a range of issues at their meetings and therefore has taken steps to bring wider scheme issues within the scope of the governance arrangements.
PUBLICITY	That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	Compliant	This Governance Compliance Statement is a public document that is attached as an appendix to the annual pension fund report.