

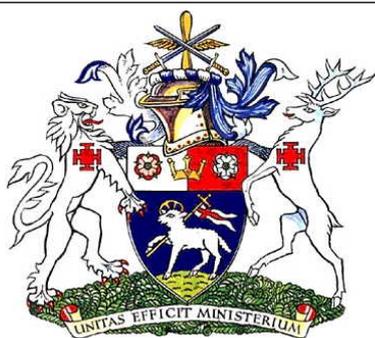
<u>MEETING</u> LOCAL PENSION BOARD
<u>DATE AND TIME</u> THURSDAY 18TH JULY, 2019 AT 7.00 PM
<u>VENUE</u> HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BQ

Dear Councillors,

Please find enclosed the reports for the above meeting that were submitted after the publication deadline of the agenda.

Item No	Title of Report	Pages
7	DECISIONS MADE BY THE PENSION FUND COMMITTEE	3 - 8
8	REGULATORY INTERVENTION	9 - 30
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Local Pension Board

18 July 2019

Title	Decisions made by the Pension Fund Committee
Report of	Director of Finance
Wards	n/a
Status	Public
Urgent	No
Key	No
Enclosures	None
Officer Contact Details	George Bruce, Head of Treasury, george.bruce@barnet.gov.uk - 0208 359 7126

Summary

Part of the role of the Local Pension Board is to ensure the effective and efficient governance of the Pension Fund. This role is not clearly defined but is deemed to include considering whether the decision-making processes of the Pension Fund Committee are reasonable or appropriate i.e. soundly based, consider relevant information, are consistent with the objectives and policies of the Fund and are taken after considering appropriate advice. The paper considers recent decisions by the Pension Fund Committee and summarises the rationale, the processes followed and the link with policy documents and regulations.

Officers Recommendations

That the Local Pension Board notes the procedures applied by the Pension Fund Committee when reaching decisions at recent meetings and considers any issues associated with those procedures and decisions. The outcome of these discussions to be reported back to the Pension Fund Committee.

1. WHY THIS REPORT IS NEEDED

- 1.1 The Local Pension Board's role is to assist the administering authority in securing compliance with scheme regulations and other legislation relating to the governance and administration of the scheme and in ensuring the effective and efficient governance and administration of the LGPS for the LBB Pension Fund.
- 1.2 Part of the Local Pension Board's role is to review the decision-making processes and ensure that these are soundly based, meet regulatory requirements and consider advice received as appropriate. While it is not appropriate for the Board to seek to replace its own judgments for those of the Pension Fund Committee, it is appropriate to review whether decisions have followed an appropriate process.
- 1.3 Since the last Local Pension Board meeting there has been one meeting of the Pension Fund Committee. The paper will highlight decisions made at these meetings.

Meeting 30 May 2019

- 1.4 The meeting was attended by Mr Jellema and My Deal of Hymans Robertson (investment Advisor), The Director of Finance, Ms Anisa Darr (and officers from Governance and Finance. The meeting was followed by 40 minutes of training covering the measurement of performance of unlisted investments.
- 1.5 Each of the agenda items for which a paper was presented is discussed below.

Investment Strategy Update

- 1.6 The meeting discussed the ongoing changes in the investment strategy aimed at replacing the current exposures to diversified growth funds with investments in property, private equity and emerging market listed equities. Hyman's presented a paper recommending an investment of £30 million in the Partners 2019 private debt fund (Barnet is currently invested in Partners 2015 and 2017 funds) to address an underweighting in that asset class and a delay in the launch of the London CIV's private debt fund. The Committee agreed:

To acquire holdings valued at £27 million in the Aberdeen Standard Long Lease Property Fund (this had been discussed and delegated at the previous meeting).

To defer the planned investment in the London CIV's emerging market fund following the resignation of the team who would have managed this investment.

To invest £30 million with Partners Group MAC 2019 Fund

To meet with potential private equity managers on 25 June.

Pension Fund Expenses

- 1.7 A report was tabled detailing the expenses incurred by the pension fund in the year to March 2019 including Barnet's share of expenses incurred within pooled fund. It had been agreed that such reports will be produced twice a year. Members queried individual costs. Going forward, in line with an internal audit recommendation, comparisons will be made with budget as well as prior year costs. The Committee noted the report.

Admitted Bodies and Bond Status Update

- 1.8 Officers reported on the outstanding admission agreements and bonds. Progress from the last report was less than had been intended but subsequently had improved following discussions with the administrator and legal advisors to speed up the process.

Data Quality

- 1.9 The Pension Fund Committee was presented with a report similar to that seen at the April Local Pension Board. The number of critical errors had further reduced from 953 as at 1st April to 775 as at 11th April, the latter being a 90% reduction compared with the position as at December 2018. The emphasis had now shifted to loading the March 2019 payroll data on to the administration system and it was expected that this would fix some of the remaining March 2018 critical errors. An update report on this issue is included on the agenda.

Update from the Regulator

- 1.10 The Director of Finance discussed the warning notice issued by the Pension Regulator that they were considering issuing an improvement notice setting out the areas for which the Regulator required improvement in processes and controls by 31 August 2019. This correspondence with the Regulator is included on the Board's agenda. The Committee asked for an update at their July meeting.

Investment Performance

- 1.11 Mr Jellema and My Deal of Hymans Robertson reviewed the fund's performance for the quarter to 31st March 2019. There were no changes in their rating of fund managers. The fund has returned 5.8% in the quarter, 5.1% in the year and 7.9% p.a. in the three years. Hymans were content with the strategy and the performance of the appointed managers and the timetable to sell the remaining holdings in diversified growth funds. The Committee noted the report.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Local Pension Board may wish to review Pension Fund Committee decision making procedures as part of its role in assisting the administering authority on ensuring good governance.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 N/A. The paper does not propose particular options.

4. POST DECISION IMPLEMENTATION

- 4.1 Recommendations from the Board will be communicated to the next Pension Fund Committee meeting.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Local Pension Board supports delivery of Council's strategic objectives and priorities as expressed through the Corporate Plan by assisting in maintaining the integrity of the Pension Fund through monitoring the administration and compliance of the Fund.

5.2 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 None in the context of this report.

5.3 Social Value

- 5.3.1 There are no specific social value issues arising out of this report, however membership of the Pension Fund ensures the long term financial health of contributing employees on retirement.

5.4 Legal and Constitutional References

- 5.4.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is LB Barnet. The LGPS Regulations 2013 require the Council to establish a Pension Board, whose role is to assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice.

5.5 Risk Management

- 5.5.1 Risk management is central to the LGPS. LGPS pension funds are in

themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met.

5.5.2 Good governance is essential to ensuring that risks are identified and managed.

5.6 **Equalities and Diversity**

5.6.1 There are no Equalities and Diversity issues arising from this report.

5.6.2 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation.

5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public-sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements and monitoring of the Pension Fund's managers will benefit everyone who contributes to the fund.

5.7 **Corporate Parenting**

5.7.1 Not applicable in the context of this report.

5.8 **Consultation and Engagement**

5.8.1 The paper is part of the process of co-ordinating the activities of the Pension Fund Committee and Local Pension Board.

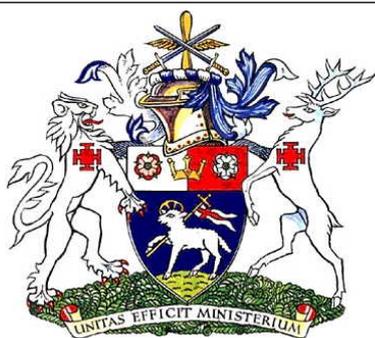
5.9 **Insight**

5.9.1 N/A.

6. BACKGROUND PAPERS

- 6.1 Papers and minutes of the Pension Fund Committee Meeting held on 30 May 2019.

<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=191&MId=9917&Ver=4>



Local Pension Board

18 July 2019

Title	Regulatory Intervention
Report of	Director of Finance
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix 1 – Draft Improvement Notice Appendix 2 – March 2019 Internal Audit Report Appendix 3 – Plan for annual benefit statements
Officer Contact Details	George Bruce, Head of Treasury george.bruce@barnet.gov.uk 0208 359 7126

Summary

The Pension Regulator (TPR) has issued a draft improvement notice to London Borough of Barnet to address weaknesses in the processes and controls within the administration of the Barnet Pension Fund. TPR has given a deadline of 31st August 2019 to have implemented improvements in three areas. This paper discusses the areas of improvement and actions underway to address them.

Officers Recommendations

The Local Pension Board are asked to note the content of the draft Improvement Notice and the actions being taken to comply.

1. WHY THIS REPORT IS NEEDED

- 1.1 TPR has issued LBB on 19th June 2019 with a draft improvement notice and has stipulated improvements in three main areas by the 31 August 2019.
- 1.2 The Council has 28 days from 19 June to appeal the draft notice. It does not intend to appeal.

Required Improvements

- 1.3 The steps required by TPR to comply with the draft Improvement Notice are set out in appendix 1. These are:

- (1) The Scheme Manager must by **31 August 2019** have implemented monthly monitoring of contributions and be able to demonstrate that an analytical review is being undertaken in line with the actions agreed in the March 2019 Internal Audit Report carried out by the Fund (the Report). **By this date** the Scheme Manager must have demonstrated to TPR that it has implemented a series of checks on the data received in End of Year Certificates, in line with the agreed action in the March 2019 Internal Audit Report, and that the checks have been carried out. These actions relate to parts 1 b and 1 d of the Report (appendix 2).
- (2) The Scheme Manager must by **31 August 2019** take all steps necessary to ensure it has completed the first two phases of the Conditional Data Cleanse Plan it provided to TPR on 4 January 2019.
- (3) The Scheme Manager must by **31 August 2019** have taken all steps necessary to implement and operate adequate internal controls to provide accurate annual benefit statements for financial year 2018/19. This will be evidenced by the Scheme Manager demonstrating that a process is in place to test the quality of calculations used to populate annual benefit statements; that the process was utilised; and that corrections were made where calculation errors were identified. This also relates to action 6b of the March 2019 Report.

Action Plan

- 1.4 The required actions set out by TPR have been the subject of discussions and planning between the Council and Capita for some time. Council officers have been meeting with the Capita administration on site (at Darlington) to work through the various action plans with additional regular meetings at senior management level. Specific comments on the areas highlighted by TPR are given below.

Contribution Monitoring

- 1.5 The required improvement is that there are checks in place to validate that the correct employers' contribution rate has been applied, that variations in contributions are identified and justified and that late / inaccurate contributions are recorded on the breaches register and considered for reporting to TPR.
- 1.6 Capita have redesigned the forms that employers send each month reporting contributions to include pensionable earnings to enable the above checks to be performed. They have also implemented analytical review of contributions received compared to previous month. A review of the process indicates that 37 of the 88 employers used the new forms for April contributions and that the checking process needs to be expanded in some areas.
- 1.7 The second part of TPR's requirement relates to year end data from employers (mainly earnings), which is required for both the triennial valuation and annual benefit statement. Data has been received from all, apart from three employers, and has been verified by Capita. It will be further checked by validation through the actuary's (Hymans) data portal. Early indications are that the number of critical warning notices has been substantially reduced.

Data Quality

- 1.8 The second test from TPR concerns the quality of the data, in particular the resolution of the number of warnings when the data quality was tested. The Board will be aware that there has been intensive work on the March 2018 data and the number of critical errors is more than 90% reduced. Phase 1 (March 2018 data) has been concluded and the emphasis has switched to phase 2, which is March 2019 data. This is currently being evaluated through the Actuary's portal and in addition it is planned to validate through Capita's independent checking system. An update on progress will be given at the meeting.

Annual Benefit Statements

- 1.9 Attached is Capita's plan for the production and issue of annual benefit statements by 31st August. The plan incorporates additional checking of data quality compared with previous years and has been robustly scrutinised. Capita remain confident that the timetable will be achieved.
- 1.10 As TPR has noted, the issues identified are part of a wider concern on the adequacy of processes and internal controls. The Council is discussing with Capita the undertaking of an independent review of the administration processes later in 2019 to provide assurance that all appropriate controls are in place and working effectively.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Local Pension Board require assurance that the pension fund is meeting its statutory obligations.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 Not applicable in the context of this report.

4. POST DECISION IMPLEMENTATION

4.1 Not applicable in the context of this report.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The Local Pension Board supports the delivery of the Council's strategic objectives and priorities as expressed through the Corporate Plan, by assisting in maintaining the integrity of the pension Fund by monitoring the administration and compliance of the Fund.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 Not applicable in the context of this report.

5.3 Social Value

5.3.1 Not applicable in the context of this report.

5.4 Legal and Constitutional References

5.4.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is the London Borough of Barnet. The Local Government (Amendment) (Governance) Pension Scheme Regulations 2015 inserts regulation 106 into the Local Government Pension Scheme Regulations 2013 which requires the Council to establish a Pension Board, whose role is to assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

5.5 Risk Management

5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met. Good governance is essential to managing the risks of the pension fund.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have

due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation.

5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements will benefit everyone who contributes to the fund.

5.7 **Corporate Parenting**

5.7.1 Not applicable in the context of this report.

5.8 **Consultation and Engagement**

5.8.1 Where relevant, consultation and engagement is discussed in the paper.

5.9 **Insight**

5.9.1 Not applicable in the context of this report.

6. **BACKGROUND PAPERS**

6.1 None

Draft Improvement Notice

LGPS – London Borough of Barnet Superannuation Fund
c/o Ms Anisa Darr
Director of Finance
London Borough of Barnet
North London Business Park
Oakleigh Road South
London
N11 1NP

Issue date: tbc

Notice number: C98061965/1

Pension Scheme: LGPS London Borough of Barnet Superannuation Fund (**the Fund**)

PSR: 10123044

Scheme Manager: London Borough of Barnet (**the Scheme Manager**)

Improvement Notice

Issued under section 13 of the Pensions Act 2004 (PA04)

In relation to the duty imposed by section 249B PA04 in relation to internal controls

The Pensions Regulator (TPR) is of the opinion that the Scheme Manager has failed to comply with duties imposed on it under section 249B PA04.

The Scheme Manager is required to establish and operate adequate internal controls to ensure the Fund is administered in accordance within the requirements of the law. It does not appear to TPR that the Scheme Manager has complied with this requirement.

Direction: steps required to comply with this Improvement Notice

- (1) The Scheme Manager must by **31 August 2019** have implemented monthly monitoring of contributions and be able to demonstrate that an analytical review is being undertaken in line with the actions agreed in the March 2019 Internal Audit Report carried out by the Fund (the Report). **By this date** the Scheme Manager must have demonstrated to TPR that it has implemented a series of checks on the data received in End of Year Certificates, in line with the agreed action in the March 2019 Internal Audit Report, and that the checks have been carried out. These actions relate to parts 1b and 1d of the Report.
- (2) The Scheme Manager must by **31 August 2019** take all steps necessary to ensure it has completed the first two phases of the Conditional Data Cleanse Plan it provided to TPR on 4 January 2019.
- (3) The Scheme Manager must by **31 August 2019** have taken all steps necessary to implement and operate adequate internal controls to provide accurate annual benefit statements for financial year 2018/19. This will be evidenced by the Scheme Manager demonstrating that a process is in place to test the quality of calculations used to populate annual benefit statements; that the process was utilised; and that corrections were made where calculation errors were identified. This also relates to action 6b of the March 2019 Report.

TPR's expectations

If the Scheme Manager completes the above steps before **31 August 2019** it is expected to notify TPR. The Scheme Manager's notification should demonstrate how it has complied with the steps listed above to comply with their legal obligations in respect of the provision of benefit information statements.

If the Scheme Manager does not complete the steps outlined above by 31 August 2019, it is also expected to notify TPR of that fact by the deadline of **6 September 2019**. The Scheme Manager must also provide an explanation to TPR of the reasons for the failure to comply, together with the actions it intends to take to issue outstanding benefit information statements. This should include timeframes.

TPR also expects that the Scheme Manager will continue to review its internal controls and put in place an appropriate action plan to safeguard against the risk of a future breach of the obligations contained in section 249B PA04.

Failure to comply with this Improvement Notice

If the Scheme Manager fails to comply with this Improvement Notice without reasonable excuse, the Pensions Regulator may issue a penalty under s.10 of the Pensions Act 1995 and/or take other action. The maximum penalty where for failing to comply with an Improvement Notice is **£5,000 for individuals and £50,000 in any other case**.

If you need help to comply with your obligations, contact us by:

- phone on 0345 600 0707, Monday to Friday 9am to 5:30pm
- email at exchange@thepensionsregulator.gov.uk

Further information

Our guidance in relation to the requirements of the Public Service Pensions Act 2013, contained in Code of practice 14: Governance and administration of public service pension schemes, and our Compliance and Enforcement Policy can be found at:

<https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/compliance-policy-public-service-pension.ashx>

<https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/code-14-public-service.ashx?la=en&hash=1E2B3D6A11A93E4C6C1334DF9D6A82186E0F07A6>

Yours sincerely

[Name]

[Job Title]

Internal Audit Report

Pensions Administration follow-up review

March 2019

To: Cath Shaw, Deputy Chief Executive
Gareth Hopkings, Pensions Consultant
Chris Dixon, Head of Business Assurance, CSG Employee Benefits
Paul James, Head of Public Sector Pensions, Capita

Copied to: Kevin Bartle, Director of Finance
Paul Clarke, Head of Finance
Gareth Hopkings, HR Officer
Katharine Angus, Director, Client Relationships, Capita
Tracey Moore, Operations Director, CSG

From: Caroline Glitre, Head of Internal Audit

We would like to thank management and staff of CSG for their time and co-operation during the course of the internal audit.

1. Executive Summary

Overall implementation level	Action status				
Partially implemented	Superseded	Not implemented	Partially implemented	On track	Fully implemented
	2/17	2/17	2/17	1/17	10/17
Scope					
<p>This follow-up review was undertaken as part of the 2018/19 Internal Audit and Anti-Fraud Strategy, which has been approved by the Council's Audit Committee. An internal audit review was undertaken in October 2017 examining the Council's arrangements for administering the Barnet Local Government Pension Fund. This identified a number of improvements to address data quality issues, improve the process for producing annual benefit statements and improve the scheme's governance. As at March 2019, the Council continues to be investigated by The Pensions Regulator over scheme data quality.</p> <p>The audit identified two high risk, six medium risk and one low risk findings which required a total of 31 agreed actions to be taken forward. A follow up review was completed in April 2018 that examined the implementation of 24 agreed actions due as at 31 March 2018. This identified that 10 of the actions were either partially implemented, on track or superseded by new actions. This follow-up review considers the current status of these 10 actions and the 7 remaining agreed actions that were not reviewed in the previous review as their due dates had not yet passed.</p>					
Summary of findings					
<p>We identified that two of the 17 agreed actions reviewed had not been implemented and four of the 17 actions were either partially implemented or superseded. Of the actions relating to high risk findings, as reported to the 22 November 2018 Audit Committee, three were fully implemented, two were partially implemented, one was superseded and one was on track.</p> <p>10/17 (59%) of agreed actions have been fully implemented:</p> <ul style="list-style-type: none"> • The service improvement plan has been completed and a scheme calendar is used to monitor CSG's delivery of the service. See action 1a. • As part of the end of year returns process, CSG have introduced a data quality log. This is used to monitor data quality issues and the results of this have been reported to the Local Pensions Board and used to develop training offered to scheme employers at the October 2018 employers' forum. See action 1f. • A process was implemented to review annual benefit statements and evidence provided that this review had taken place. See action 2b. • The scheme has provided specific training to scheme employers on retirements, published a flowchart illustrating the process for members to claim their pensions and letters sent to retirees reminding of the need to instruct the scheme about their retirement intentions. The flowchart now appears on the Council's website. See actions 3a and 5b. • The Scheme Communication Strategy and Engagement Plan has been agreed with the Council and CSG and presented to the Local Pensions Board. See action 3c. 					

- Compliance with the scheme administration strategy by scheme employers and payroll providers is now reported to the Local Pensions Board by exception. **See action 4c**
- The annual benefit statements for the year ended 31 March 2018 now contain the contact details of the CSG Pensions Administration team and changes have been made to make the statements easier to read. In addition, a document is issued with statements to assist members in reading their statements. **See actions 5e and 5f.**

2/17 (12%) of agreed actions were partially implemented. **These are both high priority actions:**

- We found that reconciliations are now performed between contributions reported by scheme employers and the general ledger but analytical review procedures are not performed over contributions received to ensure amounts paid are reasonable. CSG and the Council are looking to revise the reporting received from employers to allow the scheme to do meaningful analytical procedures. **See action 1d.**
- We found that a checklist is now used to evidence the review of end of year returns, however, this checklist does not currently include a check to ensure that all members of the scheme recorded as active members for each employer are included on that employer's return. This will be implemented once the data cleanse undertaken as part of the conditional data review (see below) has been completed. **See action 1e.**

2/17 (6%) of agreed actions were not implemented. These both relate to medium priority actions:

- We found that, whilst the content on the website has been updated, the presentation of the pension scheme on the Council's website has not been agreed as this is dependent on the progress of the Customer Transformation Programme. **See action 5c.**
- We could not be provided with evidence to demonstrate that the new process for ensuring that duplicate active members are not created when interface file provided by CSG payroll is loaded to the pensions administration system, Hartlink, has been implemented. **See action 6b.**

2/17 (12%) of agreed actions were superseded:

- We found that the CSG exercise to review the membership status of members with no data returned on the 2016/17 end of year returns will be undertaken as part of the exercise to cleanse the scheme's conditional data. **See action 2c**, which has been absorbed into action 1b.
- We found that there remained a number of transfers which were outstanding for a long period. CSG are currently reviewing cases and closing these as required. **See action 7b.**

1/17 (6%) of agreed actions were on track when work was completed in October 2018:

- In October 2018, we found that CSG have scoped the work required to be undertaken on the scheme's conditional data and have a plan to correct key data prior to triennial review. It was noted, in March 2019, that the conditional data review would not be complete by the implementation date of 31 March 2019. **See action 1b.**

See the table below for the detailed findings.

2. Findings and Action Plan

No.	Action agreed	Audit procedure	Outcome	Status	Further action required
Finding 1 – Scheme data quality (High Risk)					
1a	We will deliver the improvement plan, as agreed with the scheme manager, to improve data quality so as to meet TPR's target standards. We will also consider recovering the cost of this from employers, where the reason for the data quality issues is their failure to fulfil their obligations to the scheme and if employers are unable to assist with the update of members' records we will consider if this is a breach of law reportable to TPR.	Inspect correspondence between CSG and the Council regarding the service improvement plan to ensure that the actions included in the plan in place in December 2017 have been implemented.	We inspected the reports presented to the Local Pensions Board. This shows that the service improvement plan has concluded and the Council now manages CSG's delivery of the service through the scheme calendar. Progress against this is reported to each meeting of the Local Pensions Board. Therefore, this finding has been fully implemented.	Fully implemented	N/A – action fully implemented.
1b	CSG will update the scheme data as agreed with the scheme manager prior to the triennial review of the	Inspect the report on the outcome of the review of the quality of conditional data, inspect plan prepared to	In October 2018, we were provided with the final report on conditional data quality. CSG have prioritised the findings into those which need correcting before the valuation (high priority) and after (medium/low priority and have developed a project plan to implement the agreed plan. We enquired with the Strategic HR lead who confirmed that this approach had been discussed and agreed with the Council, who are the scheme manager.	On track	CSG will need to update data fields highlighted as high priority before the deadline for submission of data to the actuary for the pending triennial valuation.

No.	Action agreed	Audit procedure	Outcome	Status	Further action required
	fund due as at 31 March 2019.	correct this data to ensure it adequately addresses the issues identified and inspect plan progress reports to ensure that the plan is on track to ensure data issues have been resolved by the cut-off date for the triennial valuation.	Therefore, this finding is considered to be on track. We note that in finalising this report in March 2019, that the data quality issues are unlikely to be resolved by 31 March 2019.		<p>Original implementation date: 31 March 2019 (unchanged from initial report)</p> <p>Responsible officer: Paul James (Head of Public Sector Pensions, Capita) / Chris Dixon (Head of Business Assurance, CSG Employee Benefits)</p>
1d	We will ensure analytical reviews are undertaken over contributions received and reported to ensure movements reported are reasonable and reconciliations will be performed between amounts reported and the general ledger. We will consider if any further assurance is required over the accuracy of contributions received, considering whether sufficient assurance is	Inspect analytical reviews performed over contributions received and reconciliations between the amounts reported by employers and the general ledger to ensure that these have been implemented. Inspect decision made regarding further assurances required over pension contributions received.	<p>We inspected the reconciliations performed by the CSG Pensions Finance team between amounts reported by scheme employers and the amounts recorded in the scheme general ledger. We found that reconciliations are being performed.</p> <p>We found that analytical reviews were not being carried out by the CSG Pensions Finance team. The reason for this is that robust analytical review is not possible based on the level of reporting received from employers at present. CSG and the Council are working to implement monthly monitoring of contributions by member which will permit meaningful analytical review of contributions as well as identify starters and leavers promptly.</p> <p>Therefore, this finding has been partially implemented.</p>	Partially implemented	<p>CSG will undertake analytical reviews over contributions received and reported to ensure movements reported are reasonable.</p> <p>Once implemented, CSG and the Council will then consider if any further assurance is required over the accuracy of contributions received, considering whether sufficient assurance is provided by reviews undertaken by internal audit and external audit both at the Council and employers.</p> <p>Original implementation date: 30 June 2018</p> <p>Revised implementation date: 31 May 2019</p> <p>Responsible officer: Paul James (Head of Public Sector Pensions, Capita) / Chris Dixon (Head of</p>

No.	Action agreed	Audit procedure	Outcome	Status	Further action required
	provided by reviews undertaken by internal audit and external audit both at the Council and employers.				Business Assurance, CSG Employee Benefits)
1e	We will create a checklist which will be used to evidence the review of end of year returns. These checks will include reviewing whether data is provided for all active member records.	Inspect the checklist used to validate annual returns and ensure that this includes a check to ensure that data has been provided for all active members employed by the employer. We will also confirm the checklist has been implemented by reviewing the checklist completed for one employer's data end of year return for the year-ended 31 March 2018.	<p>We inspected the checklist implemented to validate annual returns. We found that this included all checks completed in previous periods but did not include a check to ensure that the data has been provided for all members recorded as active members for that employer on Hartlink. This is to validate that scheme employers have provided a complete set of employee data.</p> <p>It was identified that this check has not been undertaken as a result of legacy data issues, whereby there are a number of members who are no longer employed by a scheme employer but have not been marked as such on Hartlink, the system administration system. CSG believe that they are legacy leavers but have not received the leaver forms to subsequently update Hartlink and hence why status is recorded as 'Active' on Hartlink.</p> <p>CSG have indicated that this data issue will be rectified through the conditional data cleanse work, which is ongoing, and the new checks over monthly contributions received (see 1d above).</p> <p>Therefore, this finding has been partially implemented.</p>	Partially implemented	<p>CSG to update the checklist used to validate returns from employers to incorporate a check that data has been provided for all members recorded on Hartlink as active members for that employer.</p> <p>Original implementation date: 30 April 2018</p> <p>Revised Implementation date: 30 April 2019</p> <p>Responsible officer: Paul James (Head of Public Sector Pensions, Capita) / Chris Dixon (Head of Business Assurance, CSG Employee Benefits)</p>
1f	We will log data quality issues identified by type of issue and both record and monitor the number of records not loaded to Hartlink. A summary of issues	Inspect the log of data quality issues held for the year-ended 31 March 2018 end of year certificate process to ensure that this has been maintained and inspect the reporting of this to	<p>We inspected the log of data quality issues which is contained with the tracker used to track employer returns to the scheme. The issues were summarised by type (e.g. starters/leavers/salary issues) and reported in the May 2018 to July 2018 performance report. This performance report was provided to members of the Local Pension Board for information and was used to help develop training delivered at the October 2018 employers' forum.</p> <p>As such, this finding is considered to have been fully implemented.</p>	Fully implemented	N/A – action fully implemented.

No.	Action agreed	Audit procedure	Outcome	Status	Further action required
	encountered will be presented annually to the Local Pension Board and employers.	scheme employers and the Local Pensions Board.			
Finding 2 - Preparation of annual benefit statements (High Risk)					
2b	We will introduce a process for reviewing calculations used to populate annual benefit statements. This will include sampling of calculations and also how this is evidenced	Perform a walkthrough of the process followed to review annual benefit statement calculations to ensure that this includes the review of a sample of calculations and that the review of evidenced.	We inspected the spreadsheet used for checking for the 2017/18 statements. We confirmed that this included a check of all calculations included on a sample of benefits statements and evidence is retained to confirm that the review took place. Therefore, this finding has been fully implemented.	Fully implemented	N/A – action fully implemented.
2c	We will work with scheme employers to close active records where no employment data has been reported in 2016/17.	Request that the pensions administration team provide a report of all scheme members which have no employment data for 2016/17 together with their employer and scheme membership status during 2016/17. Where members who are considered to have been active in 2016/17 are identified, we will discuss with CSG	This finding has been superseded – CSG note that this exercise will be undertaken during the conditional data cleanse (see action 1b above). Therefore, this action has been superseded.	Superseded	N/A – action superseded by action 1b above.

No.	Action agreed	Audit procedure	Outcome	Status	Further action required
		to understand the reasons for this.			
Finding 3 - Timeliness of the notification of planned retirements (Medium Risk)					
3a	CSG will include in the scheme newsletter, issued to active and deferred members with annual benefit statements, information on retirement timescales.	Inspect the scheme newsletter issued to active and deferred members with the 2017/18 annual benefit status to ensure it includes information on retirement timescales	<p>The scheme has not, as proposed, issued a scheme newsletter which includes details on retirement timescales. However, alternative activities have been undertaken which mitigate the risk as follows:</p> <ul style="list-style-type: none"> • training provided to scheme employers through employers' forum around retirement timescales so that retirements are notified on a timely basis; • a retirement flowchart is included on the scheme webpage to allow members and employers to understand the process followed when members wish to claim their pensions on retirement; and • letters are sent to scheme members ahead of their retirement date to remind them of the need to instruct the scheme about their retirement intentions. <p>Therefore, this action is considered to be implemented.</p>	Fully implemented	N/A – action fully implemented.
3c	The draft Scheme Communication Strategy and Engagement Plan will be agreed by CSG and the Council prior to approval by the Local Pension Board	Inspect the minutes of Local Pension Board meetings to ensure that Scheme Communication Strategy and Engagement Plan have been approved.	<p>The Scheme Communication Strategy and Engagement Plan has been agreed with the Council and CSG and was then presented to the Local Pensions Board on 19 June 2018.</p> <p>Therefore, this finding has been fully implemented.</p>	Fully implemented	N/A – action fully implemented.
Finding 4 - Governance of Scheme Administration (Medium Risk)					
4c	CSG will report employer and payroll provider compliance with the fund administration strategy at Local Pension Board meetings.	Inspect the reports provided to the Local Pension Board to ensure that these include a report on the compliance by employers and payroll providers with the fund administration strategy.	<p>We discussed this with CSG and the Strategic HR lead – it has been agreed that CSG will report by exception on compliance by employers and payroll providers with the fund administration strategy rather than reporting on an ongoing basis.</p> <p>We inspected the reporting to the Local Pension Board and noted that employers' compliance with the fund administration strategy in respect of end of year returns was clearly discussed in the administration report for May to July 2018 and in a separate paper presented to the 21 November meeting of the Local Pension Board.</p> <p>As such, this finding is considered to have been fully implemented.</p>	Fully implemented	N/A – action fully implemented.

No.	Action agreed	Audit procedure	Outcome	Status	Further action required
Finding 5 - Communication Strategy (Medium Risk)					
5a	The draft Scheme Communication Strategy and Engagement Plan will be agreed by CSG and the Council prior to approval by the Local Pension Board	Inspect the minutes of Local Pension Board meetings to ensure that Scheme Communication Strategy and Engagement Plan have been approved.	The Scheme Communication Strategy and Engagement Plan has been agreed with the Council and CSG and was then presented by the Local Pensions Board on 19 June 2018. Therefore, this finding has been fully implemented.	Fully implemented	N/A – action fully implemented.
5b	The retirement flowchart will be reviewed and updated as required by CSG before being finalised. It will then be issued and added to the scheme's website.	Inspect correspondence between the Council and CSG to ensure that the retirement flowchart has been approved and confirm it has been uploaded on the scheme's website.	We confirmed with the Strategic HR Lead at the Council that the flowchart had been received and validated and that this appeared on the scheme webpage on the Council's website at the time of the review. Therefore, this finding has been fully implemented.	Fully implemented	N/A – action fully implemented.
5c	The Council will determine how information regarding the Council's pension scheme is presented on its website and the content subsequently updated.	Inspect documents showing that the Council has agreed how information regarding the pension scheme is presented on the Council's website and that the content has been subsequently updated.	We discussed this with the Strategic HR lead at the Council. It was identified that updates to the Council's website would be made as part of the Customer Transformation Programme which was still in progress. Therefore, this action has not been implemented.	Not implemented	The Council will determine how information regarding the Council's pension scheme is presented on its website and the content subsequently updated. Original implementation date: 31 July 2018 Revised implementation date: Ongoing Responsible officer: Gareth Hopkins (Pensions Consultant)
5e	The proposed annual benefits statements,	Inspect the annual benefit statements	We reviewed the template used and noted this contained a section for the contact details of the pensions administration team. We inspected the return for one active member of the scheme and noted that this was correctly populated	Fully implemented	N/A – action fully implemented.

No.	Action agreed	Audit procedure	Outcome	Status	Further action required
	containing the contact details of the pensions administration team, will be agreed with the Council.	templates used for the year-ended 31 March 2018 to ensure that these include the contact details of the CSG pensions administration team.	with the contact details of the CSG team responsible for pensions administration. Therefore, this action has been implemented.		
5f	The proposed annual benefits statements, presented in a different format, will be agreed with the Council.	Inspect the annual benefit statements template used for the year-ended 31 March 2018 to confirm these have been updated to make them easier to understand.	We inspected the templates and noted changes have been made to the presentation of the document and the Council now issues a small document called "Your pension statement explained" which helps explain the templates to members of the scheme. We verified that the Strategic HR lead approved the templates and document issued with statements. Therefore, this action has been implemented.	Fully implemented	N/A – action fully implemented.
Finding 6 - New members and impact on data quality (Medium Risk)					
6b	We will review records created by the interface between the payroll system and Hartlink to ensure that duplicate entries are resolved before Annual Benefit Statements are issued.	Inspect the exercise undertaken to identify duplicate records generated by the interface between the payroll system and Hartlink. Where duplicates have been identified, we will ensure these have been followed up and appropriate actions taken.	Due to issues with the interface operation, we could not be provided with evidence that the new process to review the upload of data into Hartlink has been implemented. Therefore, this action is considered to have not been implemented and will be reviewed when the issues with the interface operation have been resolved.	Not implemented	We will review records created by the interface between the payroll system and Hartlink to ensure that duplicate entries are resolved before Annual Benefit Statements are issued. Original implementation date: 30 June 2018 Revised implementation date: 31 May 2019 Responsible officer: Paul James (Head of Public Sector Pensions, Capita) / Chris Dixon (Head of Business Assurance, CSG Employee Benefits)

No.	Action agreed	Audit procedure	Outcome	Status	Further action required
Finding 7 - Transfers (Medium Risk)					
7b	CSG and the Council will agree steps to be taken where actions have been outstanding with third parties for a long period.	Obtain the most recent performance report and compare the number of transfer cases where the task has been outstanding with a third party for more than three months and compare to this to the February 2018 performance report, to identify if the number of cases has declined. We will also review correspondence between CSG and the Council regarding transfer cases which have been outstanding for more than three months to ensure that these have been discussed and actions agreed.	<p>We reviewed the number of aged transfer cases (those where the case is over three months old).</p> <p>The February 2018 performance report shows four awaiting Capita action and 42 awaiting action by third parties. We reviewed the performance report for August to October 2018 which showed there were eight transfers awaiting Capita action and 49 awaiting action by third parties.</p> <p>This demonstrates that the number of cases remains relatively high. We note that CSG and the Council have agreed that CSG will review cases individually and close these as required. This is an ongoing process.</p> <p>Therefore, this action has been superseded.</p>	Superseded	<p>CSG and the Council will agree steps to be taken where transfers have been outstanding with third parties for a long period and implement these.</p> <p>Original implementation date: 30 June 2018</p> <p>Revised implementation date: 30 June 2019</p> <p>Responsible officer:</p> <p>Paul James (Head of Public Sector Pensions, Capita) / Chris Dixon (Head of Business Assurance, CSG Employee Benefits)</p>

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Annual Benefit Statement Production Plan

London Borough of Barnet Pension Fund														
Annual Benefit Statement plan 2019		BRAG rating	Jun-19			Jul-19			Aug-19			Sep-19		
End of Year Data & Annual Benefit Statements for Deferred members	Deferred Annual Benefit Statement													
	Update and sign off ABS template with Technical - Reviewed N Keogh 02-07	Green												
	Apply 2019 PI to records	Blue												
	ABS extracts & sample checks conducted & signed off	Red												
	Issue template to Sparks / CDIS	Blue												
	CEB sign off proofs	Blue												
	ABS Sign-Off, Printing & Dispatch	Red	Yellow	Yellow										
End of Year Data & Annual Benefit Statements for Active members	Active Annual Benefit Statement													
	Circulate LBB Fund Administration Strategy to Employers / Payroll Providers	Blue												
	Prepare and sign off End of Year data template and accompanying guidance to Employers	Blue												
	Issue End of Year data template and accompanying guidance to Employers	Blue												
	Update and sign off ABS template with Technical - Reviewed N Keogh 02-07	Green												
	All Annual Data Returns to be completed by Employers / Payroll Providers and returned to dedicated email address by 30 April	Red												
	Analyse and validate all data files returned from Employers and return queries to Employers / Payroll Providers	Green	Yellow											
	Employer compliance and escalations reported to LBB (where required) - late EOY submissions	Green												
	Update meetings with LBB	Green	Yellow											
	Load all clean validated EOY data to member records in HartLink	Green	Yellow											
	Data quality check minimum 3% - Technical	Green												
	Send ABS data to Sparks / CDIS	Green												
	Employers / Payroll Providers to respond to queries and provide revised data with 10 days of notification	Green	Yellow											
	Validate and load revised data to HartLink for query cases	Green												
	Undertake full analysis of Employer data returns and query responses to identify any employer compliance issues	Green												
	Provide LBB with results of Employer compliance analysis and agree next steps	Green												
	ABS Sign-Off, Printing & Dispatch	Green												
Valuation 2019	Upload TEST data to Hymans portal	Green	Yellow											
	Upload LIVE data to Hymans portal	Green												

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Local Pension Board

18 July 2019

Title	Performance Report
Report of	Director of Finance
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – Capita Performance Report for the period March to May 2019
Officer Contact Details	George Bruce, Head of Treasury george.bruce@barnet.gov.uk – 02083597126

Summary

This paper provides the Local Pension Board with the pensions administration performance report for the period March to May 2019.

Officers Recommendations

The Local Pension Board are asked to note the current performance levels.

1. WHY THIS REPORT IS NEEDED

- 1.1 The efficient delivery of benefits is reliant upon effective administrative procedures being in place. It is important that this information is reviewed by the Board.
- 1.2 The report in Appendix A provides an overview of performance of operational pensions administration delivered by Capita.
- 1.3 The content of the performance report will be enhanced to provide a better understanding of performance in key area.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Not applicable in the context of this report.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not applicable in the context of this report.

4. POST DECISION IMPLEMENTATION

- 4.1 Not applicable in the context of this report.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Local Pension Board supports the delivery of the Council's strategic objectives and priorities as expressed through the Corporate Plan, by assisting in maintaining the integrity of the pension Fund by monitoring the administration and compliance of the Fund.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 Not applicable in the context of this report.

5.3 Social Value

- 5.3.1 Not applicable in the context of this report.

5.4 Legal and Constitutional References

- 5.4.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is the London Borough of Barnet. The Local Government (Amendment) (Governance) Pension Scheme Regulations 2015 inserts regulation 106 into the Local Government Pension Scheme Regulations 2013 which requires the Council to establish a Pension Board, whose role is to

assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

5.5 Risk Management

5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met. Good governance is essential to managing the risks of the pension fund.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation, marriage and civil partnership.

5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public-sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements will benefit everyone who contributes to the fund.

5.7 Corporate Parenting

5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

5.8.1 Where relevant, consultation and engagement is discussed in the paper.

5.9 Insight

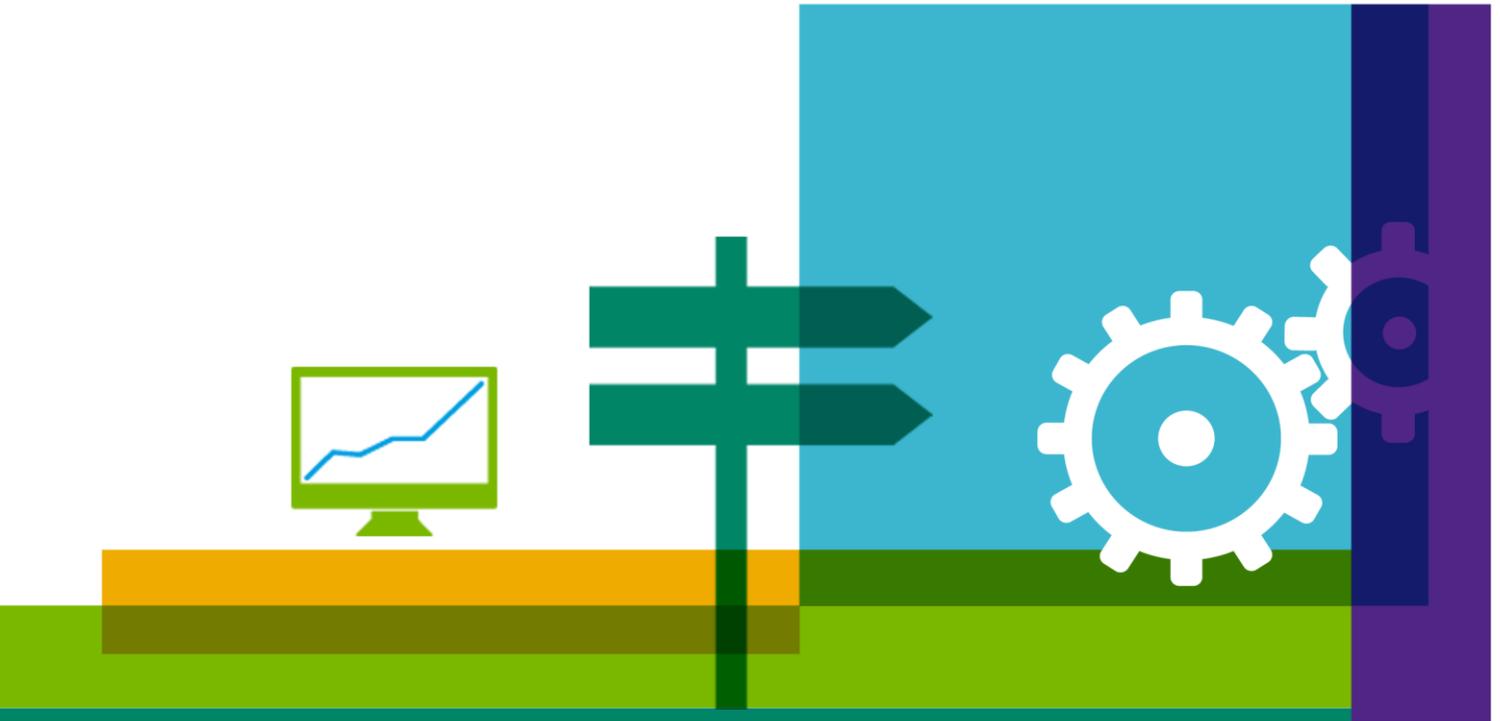
5.9.1 Not applicable in the context of this report.

6. BACKGROUND PAPERS

6.1 None

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CAPITA



Report to the London Borough of Barnet May 2019

London Borough of Barnet Pension Fund

14th June 2019

Prepared by:

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Performance Summary

Performance Statistics for period May 2019

This report has been designed to provide a summary of the performance of the administration of the London Borough of Barnet Pension Fund for the period specified above.

The table below outlines a summary of the transactions in the period:

Table 1

Table 1: Overall Summary	
Case Group / Category	Volumes
<i>All work outstanding at the beginning of the period</i>	2919
<i>Cases received in the period</i>	1979
<i>Cases completed in the period</i>	1045
<i>Cases re-categorised during the period</i>	493
<i>All work outstanding at the end of the period</i>	3360
<i>Number of outstanding cases awaiting 3rd party information</i>	2005
<i>Number of workable items</i>	1355
Total	3360
<i>Cases completed within standard LGPS targets</i>	933

- Please note that “re-categorisation” of cases relates to the scenario where the categorisation of casework on our workflow system is not exactly correct. In order to ensure that the correct calculations and documentation is issued to the member, the case can be re-categorised to reflect the correct case type. In order to avoid any double-counting, the original case is terminated and a new case created, backdated to the date of receipt. All terminated cases are subject to specific independent audit scrutiny to validate the integrity of reported performance statistics.

During the period **1,045** cases were completed, of which **933** were completed within target which represents overall SLA compliance of **89.28%**. Performance has increased in comparison to last month (**82.78%**). Volume of incoming work has by 27% in comparison to April, there were 1558 cases received in April and 1979 cases received in May.

During May, we handled 634 calls, of these calls we answered 630 (99.37%). Of the calls answered 98.9% were answered within in 5 rings. The main theme for calls at this time of year relate to increases in pension.

Performance Breakdown

In order to provide a greater understanding of the key transactions completed in the period, the following table sets out our performance against those transactions showing the starting and finishing position and the performance level achieved against each Case Type in the period:

Table 2

Table 2: Summary Breakdown by Case Group								
Case Group	Start	Received	Completed	Terminated	Carried F/Ward	Completed Within Target	SLA %	RAG
<i>Change of details</i>	42	64	74	7	25	74	100.00%	GREEN
<i>Enquiries</i>	190	286	237	45	194	210	88.61%	AMBER
<i>Request for Estimate of Benefits</i>	145	127	47	43	182	42	89.36%	AMBER
<i>Leavers</i>	964	233	53	61	1083	42	79.25%	RED
<i>New Starters</i>	113	74	72	26	89	60	83.33%	AMBER
<i>Retirements</i>	174	43	23	9	185	18	78.26%	RED
<i>Transfers In</i>	114	11	4	2	119	4	100.00%	GREEN
<i>Transfers Out</i>	49	21	12	3	55	10	83.33%	AMBER
<i>Bereavements</i>	175	26	10	3	188	7	70.00%	RED
<i>Other</i>	953	1094	513	294	1240	466	90.84%	GREEN
Total	2919	1979	1045	493	3360	933	89.28%	RED

Although the overall performance is less than aspirational target that we aim to achieve of 95%, we have seen improvements in most areas of performance, with only leavers showing an outturn less than last month. Cases received in April 1558 compared to 1979 in May. We cleared 1045 cases in May when compared to 1028 in April.

For the purposes of SLA reporting, the RAG rating is based on the following levels of compliance:

- Lower than 80% - **RED**
- Between 80% and 90% - **AMBER**
- Over 90% - **GREEN**

Ultimately, our aim is to maintain overall SLA compliance to be over 95% and to deliver a fully administration service that is fully compliant with overriding regulations. Our overall performance is rated as **AMBER**

Quality

Overall quality performance remains high, the score for the month of May is 99.9%. Quality results are shared with the team members and any areas of concern targeted and additional training / awareness provided. As we continue to roll out additional training to new team members, the quality of output will continue to remain a focus.

Work in Progress Position

The following table provides a breakdown of the age profile of the cases that can be progressed by Capita and those cases that require third party information before further action can be taken as summarised in **Table 1**.

Table 3

Table 3: Case Age Summary

<3 Months		3 - 6 Months		6 - 12 Months		12 - 18 Months		18 - 24 Months		>24 Months	
Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party
1171	542	90	335	60	523	17	303	9	152	8	150

A complete breakdown of all outstanding casework split between workable items and non-workable items is shown as **Appendix 1**

Actions:

- Of a total of 80 employers, 96.25% have returned annual information to us, for review and update to our systems.
- On going data checks ahead of Active member ABS issue
- Work continues on the deferred ABS to be completed with enhanced checking being carried out by the technical team.
- Final checking of the universal data extract (UDE) continues ahead of the 2019 Valuation exercise with Hymans.
- External audit commences 24 June 2019

Complaints

Details of complaints complete in the period, together with any outstanding complaints are provided below.

Member Ref.	Date Rec'd	Details	Justified	Resolution	Status
Member BE	18/10/18	Delay in retirement process		In progress	
Member BV	07/03/19	Member unhappy with the delay in settling AVC benefits		In progress	
Member BW	28/11/18	Missing information in relation to closure of CCV scheme		In progress	
Member BY	19/03/19	Member unhappy with the delay in providing a retirement quote		In progress	
Member BZ	25/03/19	Delay in transfer out process		In progress	
Member CB	07/03/19	Member disputing options, wants to reverse these	N	Pension already in payment, therefore cannot reverse chosen options.	
Member CD	12/03/19	Delay in providing estimate		In progress	
Member CE	15/04/19	Request to change address not completed in a timely manner	Y	Letter of apology issued	Complete
Member CF	25/04/19	The member selected Car benefit through her flex-selection and has still not been allocated to her		In progress	
Member CG	09/08/18	Member unhappy with the way her call was handled		In progress	
Member CH	10/05/19	Unhappy with the time taken to put part of your benefits into payment		In progress	
Member CI	10/05/19	Delay in retirement process		In progress	
Member CJ	10/05/19	Delay in retirement process		In progress	

Regulatory Compliance

Regulation Breaches

The Pensions Act 2004 requires us to report breaches of the regulations to the Pensions Regulator (tPR). Breaches will be reported to the Scheme Manager in the first instance via the formal route. Where breaches occur, they will be classified under the following levels:

Level	Description
Red	Where the cause, effect, reaction and wider implications of a breach, when considered together, are likely to be of material significance
Amber	Where the cause, effect, reaction and wider implications of a breach, when considered together, may be of material significance
Green	Where the cause, effect, reaction and wider implications of a breach, when considered together, are not likely to be of material significance

Disclosure Breaches

In the event of a breach in disclosure requirements, we will report the reason and the corrective actions we have taken to the Scheme Manager. Subject to agreement with the Scheme Manager, details of the breach will be captured on the formal breaches log.

There have been no disclosure breaches in the reporting period.

Unauthorised Payments

The Registered Pension Schemes (Provision of Information) Regulations 2006 legislates for unauthorised payments. If we become aware of an unauthorised payment, we will notify the Scheme Manager.

There have been no unauthorised payments in the reporting period.

Accounting for Tax (AfT)

No payments have been made where a tax charge has arisen, which must be reported to HMRC.

Data Protection Act

The Data Protection Act sets out the principles that must be adhered to when dealing with "personal data". Personal data is classed as any information about a living person that can be used to identify them, such as their name, address or date of birth.

There have been no Data Protection breaches in the reporting period.

CAPITA

Appendix 1

Table 3 – Breakdown

Table 3: Case Age Breakdown

Case Group	<3 Months		3 - 6 Months		6 - 12 Months		12 - 18 Months		18 - 24 Months		>24 Months	
	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party
<i>Change of details</i>	20	0	0	3	0	1	0	0	0	0	0	1
<i>Enquiries</i>	103	14	4	14	3	28	1	14	0	12	0	1
<i>Request for Estimate of Benefits</i>	72	40	7	12	5	35	1	8	0	2	0	0
<i>Leavers</i>	245	193	44	165	42	233	5	105	1	7	5	38
<i>New Starters</i>	2	9	0	1	0	0	0	33	0	34	0	10
<i>Retirements</i>	20	84	6	15	1	25	1	16	0	7	0	10
<i>Transfers In</i>	12	32	4	19	0	31	4	12	0	2	0	3
<i>Transfers Out</i>	20	10	2	10	1	10	0	1	0	0	0	1
<i>Bereavements</i>	22	24	1	14	0	30	2	34	3	27	0	31
<i>Other</i>	655	136	22	82	8	130	3	80	5	61	3	55
Total	1171	542	90	335	60	523	17	303	9	152	8	150



Local Pension Board

18 July 2019

Title	Operational Improvement Plan
Report of	Director of Finance
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – Capita’s Remediation Plan (to follow)
Officer Contact Details	George Bruce, Head of Treasury george.bruce@barnet.gov.uk – 02083597126

Summary

This Capita remediation plan is being developed in discussion with the Council to capture the actions required to provide confidence in the quality of administration services.

Officers Recommendations

The Local Pensions Board are asked to review the Capita remediation plan and comment on its completeness.

1. WHY THIS REPORT IS NEEDED

- 1.1 The efficient delivery of benefits is reliant upon effective administrative procedures being in place. The attached (appendix A) report is Capita's assessment of the actions and timescales to restore confidence in the quality of the administration service. This document is currently being discussed with the Council and the comment of the Board on the plan's completeness will be incorporated into these discussions.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Not applicable in the context of this report.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not applicable in the context of this report.

4. POST DECISION IMPLEMENTATION

- 4.1 Not applicable in the context of this report.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Local Pension Board supports the delivery of the Council's strategic objectives and priorities as expressed through the Corporate Plan, by assisting in maintaining the integrity of the pension Fund by monitoring the administration and compliance of the Fund.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 Not applicable in the context of this report.

5.3 Social Value

- 5.3.1 Not applicable in the context of this report.

5.4 Legal and Constitutional References

- 5.4.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is the London Borough of Barnet. The Local Government (Amendment) (Governance) Pension Scheme Regulations 2015 inserts regulation 106 into the Local Government Pension Scheme Regulations 2013 which requires the Council to establish a Pension Board, whose role is to assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice to

ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

5.5 Risk Management

5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met. Good governance is essential to managing the risks of the pension fund.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation, marriage and civil partnership.

5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public-sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements will benefit everyone who contributes to the fund.

5.7 Corporate Parenting

5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

5.8.1 Where relevant, consultation and engagement is discussed in the paper.

5.9 Insight

5.9.1 Not applicable in the context of this report.

6. BACKGROUND PAPERS

6.1 None

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